

# Sunset Self-Evaluation Report



***Texas Department of Motor Vehicles  
September 1, 2017***

# TxDMV Self-Evaluation Report

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## Texas Department of Motor Vehicles Self-Evaluation Report

### I. Agency Contact Information

#### Texas Department of Motor Vehicles Exhibit 1: Agency Contacts

|                         | Name             | Address                                | Telephone & Fax Numbers | Email Address              |
|-------------------------|------------------|--|-------------------------|----------------------------|
| Agency Head             | Whitney Brewster | 4000 Jackson Ave.,<br>Austin, TX 78731 | (512) 465-3046          | whitney.brewster@txdmv.gov |
| Agency's Sunset Liaison | Sarah Swanson    | 4000 Jackson Ave.,<br>Austin, TX 78731 | (512) 465-1436          | sarah.swanson@txdmv.gov    |

### II. Key Functions and Performance

#### A. Provide an overview of your agency's mission, objectives, and key functions.

The mission of the Texas Department of Motor Vehicles (TxDMV or department) is to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services. The department strives to modernize processes and gain efficiencies that meet the expectations of the customers and the industries the department serves.

The department performs five key functions:

- Provides title, registration and specialty license plate services
- Regulates the sales and distribution of motor vehicles
- Issues motor carrier permits and credentials (operating authority)
- Investigates complaints against department licensees and conducts enforcement activities
- Aides in prevention of motor vehicle burglary and theft

The Texas Department of Transportation was the state agency previously responsible for many of these functions. The department was established in 2009 as a stand-alone agency with its own mission, objectives, and key functions.

#### B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

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Each of the department's key functions continue to serve a clear and ongoing objective. While vehicle registration exists to enable the state to pay for new roadways and maintain existing ones, many of the department's key functions exist to protect the motoring public. Proper titling protects vehicle owners and prospective buyers by allowing motorists to establish ownership and safely transfer ownership. It also notifies prospective buyers if a vehicle is encumbered by a lien or is a salvaged, rebuilt, or nonrepairable (junked) vehicle, as such designations impact value, the ability to title and potentially the safety of the motoring public.

Buying a vehicle can be one of the largest investments an individual will make, so ensuring that those selling them have proper credentials is critical. Likewise, it is important that there are enforcement mechanisms in place to hold licensees accountable when they fail to act in accordance with the law. This is true for motor carriers as well. Texas roadways experience a great deal of motor carrier traffic each day. Proper permitting and credentialing keeps unsafe vehicles off the roadways and makes certain that motor carriers are traveling on roads designed to handle them.

Finally, through the Automobile Burglary and Theft Prevention Authority (ABTPA), the department is able to support local law enforcement agencies across the state in their efforts to protect motorist investments by combating and working to prevent instances of motor vehicle theft and burglary.

### **C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?**

TxDMV is always looking to the future and trying to change the way business is done in Texas through the use of technology. In the spring of 2017 the department deployed eLICENSING, a new online self-service licensing system that provides a hub for customers with continuous online access to account and application information, as well as the ability to upload documentation. This system recently received the Project Excellence Award for High Value Impact/High Value Business Impact by the Texas Association of State Systems for Computing and Communications.

Internally, the TxDMV Board has put into place key performance indicator (KPI) measures that are tracked and monitored on a monthly basis and reported on a quarterly basis. These KPIs are in addition to the performance measures approved by and reported quarterly to the Legislative Budget Board (LBB) and are used to give the board a more detailed picture of the health of the department.

The department's KPIs demonstrate that it is meeting its objectives. The department developed a system known as webDEALER, which allows dealers to eliminate the need for staff to physically deliver dealer transactions and allows them to process title applications and new registrations online. The ability to process title applications and new registrations online has resulted in a quicker and more accurate submission process, and the time for receipt and approval of each application has been drastically reduced. This is not only a benefit to the dealer, but it also affords TxDMV quicker visibility of titles for

examination purposes. KPI trends since 2015 indicate that use of webDEALER is consistently exceeding its target level.

Similarly use of the department's online oversize/overweight permitting system to self-issue permits, the Texas Permitting and Routing Optimization System or TxPROS, continues to surpass expectations. TxPROS modernized the permitting process by allowing for online, 24/7 permit application and approval. From day one of its launch, customers self-issued more than half of all permits through the new streamlined system, enabling TxDMV staff and motor carriers to save time and more quickly handle complex permits.

Ultimately, TxDMV continually strives to improve the lives and business operations of those it serves. Aside from modernizing processes and delivering faster service, TxDMV prioritizes quality communication with its customers and stakeholders and the department's KPIs reflect this. Most divisions utilize customer satisfaction surveys to gather information about their effectiveness. In 2015, over 86 percent of customers and stakeholders expressed above average satisfaction with communications to and from TxDMV. Since then, that percentage has grown to over 91 percent. Graphical representations for each of the aforementioned KPI trends can be found in Attachment A.

**D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions?**

The enabling statutes correctly reflect the department's mission, objectives and approach to performing its functions. TxDMV has successfully worked with the Texas Legislature to make improvements to TxDMV statutes, and will continue to engage with the Texas Legislature as needed.

**E. Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?**

Section 1001.025 of the Texas Transportation Code grants the TxDMV Board the authority to "consider ways in which the department's operations may be improved" and "periodically report to the legislature concerning potential statutory changes that would improve the operation of the department." Prior to each session, department staff make recommendations for legislative changes to the TxDMV Board. The board reviews and adopts recommendations which are ultimately presented to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives and the presiding officers of relevant legislative committees. Attachment B contains a list of all legislative recommendations, along with outcomes, made by the TxDMV Board since the 82nd legislative session.

**F. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?**

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TxDMV was initially created as a new, independent state agency in 2009 in an effort to ensure that the state's motor vehicle functions receive the focus and attention needed to improve the administration of these functions as well as customer service. Since 2009, the motoring population of the state has continued to grow and the need for an agency solely dedicated to delivering quality motor vehicle services is more important than ever.

The department's functions do not overlap or duplicate those of any other state or federal agency. The department uses the authority granted to it by Transportation Code, §1001.025 to ensure that its functions and processes to accomplish those functions do not duplicate those of another agency. If the department identifies overlap, the TxDMV Board can make a recommendation to the Legislature about removing the redundancies.

There is a common misperception that TxDMV provides services related to driver licenses and motor vehicle inspections, both of which are services provided and regulated by the Texas Department of Public Safety. TxDMV posts information on its website, maintains information on its phone system and works closely with the media in an effort to educate the public about the services TxDMV provides and directs customers seeking those services to the appropriate agency.

### **G. In general, how do other states carry out similar functions?**

All states require the titling and registration of motor vehicles, licensing of motor vehicle dealers, and credentialing of motor carriers by a governmental entity, though the entities that provide such services vary. In general, the ways in which the department carries out its functions mirror other states, except for the following key differences:

- Texas is one of only a handful of states where title and registration duties are shared by the state and the counties. The majority of the states perform these duties through state-run offices. Per statute, applications for title and registration are required to be made through the county tax assessor-collector of the county in which the vehicle owner resides or where the vehicle was purchased or encumbered. Counties have played a role in vehicle registration since 1907 when the Texas Legislature first required vehicles to be registered with the county clerk of the motorist's county of residence. In 1917, the Legislature created the Texas State Highway Department (today TxDOT) and required that motor vehicle owners file an application for registration to the newly-created agency. The county tax assessor-collectors became the official agents for TxDOT in 1918 and remain agents for TxDMV today.
- Texas has a robust specialty license plate program due in large part to the department's involvement with MyPlates, a Texas-based company responsible for the design, marketing and sale of customized plates. This type of public-private partnership was originally mandated by the Legislature and is unique to Texas. The initial contract with MyPlates was executed under TxDOT with TxDMV assuming responsibility of it when the department was established in 2009. Since then, the contract has been renewed and amended and is effective until November 2019.



- In many other states, the entities that provide the services the department provides are also responsible for drivers' licenses.

#### **H. What key obstacles impair your agency's ability to achieve its objectives?**

In Texas, title and registration-related services are decentralized, meaning TxDMV administers the title and registration programs while county tax assessor-collectors or their deputies provide the majority of the direct services to the motoring public. Each county tax assessor-collector is elected by constituents in his or her respective county and is held accountable to those voters. As a result, there are wide variances in how county tax assessor-collector offices and their deputies perform even the most routine transactions, including where or when transactions are processed. For example, in some counties, only certain offices perform certain transactions and in other counties, there are requirements to use a deputy for some transactions. In other counties, there are limits to the number of transactions that can be submitted at one time, or county licensing requirements for individuals who perform title work while those same requirements do not exist in the neighboring counties. The decentralized model requires customers to conduct business in specific counties. This model is a particularly burdensome obstacle for the department in ensuring consistent services and quality across the state.

To further complicate the concern described above, some counties choose to deputize private companies to serve as Full Service Deputies. Full Service Deputies are contracted agents of the counties with direct access to the state's Registration and Title System (provided to the Full Service Deputies by the state via the county). They provide the same title and registration services a county tax assessor-collector office provides and must be trained and deemed competent by the counties.

Today, four of the 254 counties in Texas utilize Full Service Deputies. In 2016, Full Service Deputies handled approximately 4.17% of all transactions statewide, yet the department expends significant resources attempting to ensure Full Service Deputies comply with state law and administrative rules. County cooperation is key to ensuring applications are handled appropriately, charges are accurate, appropriate taxes are collected, and suspected fraud is addressed.

#### **I. Discuss any changes that could impact your agency's key functions in the near future (e.g., changes in federal law or outstanding court cases).**

State and federal law requires the seller of a motor vehicle to provide an odometer disclosure to the buyer at the time of sale or transfer of ownership. In most circumstances, this disclosure must be on the actual title. In March 2016, the National Highway Traffic Safety Administration (NHTSA) proposed amendments to Part 580 of Title 49 of the Code of Federal Regulations to permit states to allow electronic odometer disclosures. NHTSA proposed adding a new section containing specific additional requirements that would apply only to electronic disclosures. The department submitted extensive comments in response to the notice of proposed rules. While the department fully supports regulations and allowance for electronic odometer disclosures, the department expressed concerns regarding some of the proposed regulations and impacts to existing business processes.

The department recommended that NHTSA delay adoption of the rules and encouraged NHTSA to work directly with stakeholders on more clear and meaningful language prior to re-proposing rules. The department was particularly concerned with the lack of clarity around certain definitions and how these new definitions would impact current processes that were not intended to be impacted by the proposed rule. The department is also concerned with the system requirements for accepting electronic odometer disclosures. The proposed requirements and additional storage space that would be required to facilitate an electronic process would cause a significant financial impact to the department and create challenges for implementation.

**J. What are your agency's biggest opportunities for improvement in the future?**

**Enhanced Fraud Detection and Greater Cooperation with Law Enforcement**

The department has dedicated significant resources to the detection and prevention of fraud, waste and abuse, including establishing an internal working group to address these issues. This working group is examining ways to identify trends that would allow the department to more rapidly detect fraud. Limited resources, particularly investigators and information technology personnel, hamper the department's ability to make greater strides in combating fraud. During the 85th Legislative Session, the department requested and was granted full time equivalent (FTE) positions and funding for a "Special Investigations Unit" (SIU), which will focus particularly on identifying title, registration, odometer and sales tax fraud. The creation of the SIU is a step in the right direction, but the department believes its ability to detect and prevent fraud, waste and abuse could be enhanced by greater cooperation with law enforcement.

The department values its relationship with law enforcement and sees law enforcement as a key partner in accomplishing its objectives. Since law enforcement can file criminal cases and identify trends related to fraudulent activities, greater sharing of information could result in an increase in opportunities for the department to protect the public and focus on identification, education and prevention where it is needed most.

**Improving Complaints and Resolution Tracking**

As a customer service agency, TxDMV created its vision, mission, philosophy and values with the customer in mind. Feedback is valued and nearly all of the divisions have their own unique customer satisfaction survey tool to gauge how their customers perceive their performance. Although there is an option for customers to provide feedback via the "Contact Us" page on the department's website, the online survey evaluates contact specifically with the department call center and regional offices. There is not a centralized survey option for customers to provide feedback on their experience with the department either as a whole or regarding other divisions. Instead, feedback is received and reviewed by the division that solicits the information through independent surveys. Consequently, there is no department-wide repository for tracking and resolving complaints or reporting the information gathered by each of the divisions. This creates an increased opportunity for customer complaints to go unresolved or be treated inconsistently and limits the visibility of trends.

TxDMV did contract with the Office of Survey Research (OSR), Annette Strauss Institute, and University of Texas at Austin in December 2013 to review the department’s customer survey process. The TxDMV Board of Directors was seeking a comprehensive solution to the multiple surveys being used. The final report from OSR did not include a solution for a comprehensive customer satisfaction survey or the creation of a centralized repository for customer feedback as intended by the board.

**Modernizing Service Delivery**

As technology changes the ways in which both business transactions and personal activities are conducted, organizations must adapt and change to meet evolving consumer preferences. TxDMV can modify, adapt and re-engineer processes to embrace emerging trends and meet the needs of current and future motorists and motor vehicle industry stakeholders. Emerging trends include:

| Current state  | Emerging trend                       |
|--|--------------------------------------|
| Brick and mortar buildings with typical office hours | Online services with 24/7/365 access |
| Mail reminders                                       | Email/Text reminders                 |
| Paper forms/documents                                | Electronic forms/documents           |
| Paper permits/licenses                               | Digital permits/licenses             |

**K. In the following chart, provide information regarding your agency’s key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures. Please provide information regarding the methodology used to collect and report the data.**

**Texas Department of Motor Vehicles  
Exhibit 2: Key Performance Measures — Fiscal Year 2016**

| Key Performance Measures                     | FY 2016 Target | FY 2016 Actual Performance | FY 2016 % of Annual Target | Methodology   |
|--|----------------|----------------------------|----------------------------|---|
| Number of Vehicle Titles Issued              | 7,566,196      | 8,242,349                  | 108.94%                    | Monthly reports from Registration and Title System (RTS) are added together.  |
| Total Number of Registered Vehicles (Output) | 24,973,237     | 24,053,612                 | 96.32%                     | The number of registered vehicles for each quarter is extracted from the RTS 9526, Currently Registered Vehicles By Reg Plate Code Report. The data reported is derived from the total of the column entitled Reg Vehicles All in the report provided for the last month of each quarter. The number of 5-Year Rental Trailers is reported from the “5-Year Rental Trailers Reports” generated by Explore, Inc. |

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| Key Performance Measures                                     | FY 2016 Target | FY 2016 Actual Performance | FY 2016 % of Annual Target | Methodology   |
|--|----------------|----------------------------|----------------------------|---|
| Number of Motor Vehicle and Salvage Licenses Issued (Output) | 21,200         | 18,717                     | 88.29%                     | Total of all motor vehicle licenses issued to individuals and business entities for a motor vehicle industry activity, which includes manufacturers, distributors, converters, auctions, general distinguishing number dealers, franchise dealers, salvage dealers, in-transit operators, lessors, lease facilitators and representatives and salvage licenses to include new automobile dealers, salvage pool operators, salvage vehicle brokers and salvage vehicle rebuilders.   |
| Number of Oversize/Overweight Permits Issued (Output)        | 862,597        | 665,575                    | 77.16%                     | Total OS/OW permits is obtained from the TxPROS "Total Permits Issued" report. This report takes the number of permits issued for the requested timeframe and subtracts out test and voided permits to come up with the actual number.  |
| Number of Motor Carrier Credentials Issued (Output)          | 51,600         | 63,538                     | 123.14%                    | A report is generated by extracting and entering information from Motor Carrier Credentialing System (MCCS) into Infomaker--a report generating program--to produce the total number of new registrations, renewals and re-registrations issued for the reporting period. Additionally, a report is generated to calculate Unified Carrier Registration receipts using the Indiana Federal System. The totals of both reports are combined together to produce the final. The totals for all reports are then added together to calculate the reported total for the quarter. |
| Number of Lemon Law Complaints Completed (Output)            | 360            | 391                        | 108.61%                    | Calculations are based on actual count of complaints completed and closed during the period. This count would include both complaints received during the quarter and complaints received in previous quarters.   |

| Key Performance Measures   | FY 2016 Target | FY 2016 Actual Performance | FY 2016 % of Annual Target | Methodology   |
|--|----------------|----------------------------|----------------------------|---|
| Number of Non-Lemon Law Complaints Completed (Output)  | 16,000         | 13,245                     | 82.78%                     | A report is developed through the Licensing Administration Consumer Affairs and Enforcement (LACE) data base to generate an actual count of all non-Lemon Law motor vehicle industry and salvage industry complaints completed during the quarter and any previous quarters. A report is also developed through the Motor Carrier Credentialing System to generate an actual count of all motor carrier complaints completed. The totals for all reports are then added together to calculate the reported total for the quarter. |
| Average Number of Weeks to Complete a Lemon Law Complaint (Output)   | 24             | 18.38                      | 76.58%*                    | The average time required for a Lemon Law Program complaint to be completed through the complaint completion process, including issuance of a final decision. This includes Lemon Law complaints and warranty compliance complaints.  |
| *See Attachment 13, FY 2016 Quarterly Performance Report, p.14, for variance explanation. TxDMV is actually outperforming this target. |                |                            |                            |   |

**L. Please discuss any “high-value data” your agency possesses, as defined by Section 2054.1265 of the Government Code. In addition, please note whether your agency has posted those data sets on publically available websites as required by statute.**

The department maintains a significant volume of high-value data as defined under Government Code, §2054.1265. To best simplify the large amount of data, a comprehensive list is included in Attachment C. The list first separates the data into categories of accessibility based on user rights. The data is then broken down by report type and division. For specific information, click on any open source link to view the described high-value data.

### III. History and Major Events

- 1917 Texas passed legislation establishing the Texas Highway Department and enacted the registration law, centralizing registration of motor vehicles at the state level.
- 1918 Texas passed legislation establishing the counties as the agents of the state for providing registration services.
- 1939 Texas enacted the Certificate of Title Act, creating public policy for titling vehicles.
- 1939-2009 During this timeframe, what is now known as the Texas Department of Transportation (TxDOT) began licensing and regulating the motor vehicle sales and distribution industry including salvage dealers, registering commercial vehicles, permitting oversize/overweight loads and providing auto theft prevention grants.
- 2009 Texas Sunset Advisory Commission issued recommendation to transfer the motor vehicle functions within TxDOT, including Vehicle Titles and Registration, Motor Vehicle Division, Motor Carrier Division and Automobile Burglary and Theft Prevention Authority to a newly created Texas Department of Motor Vehicles (TxDMV). According to the recommendation, the goal of creating a new, independent state agency responsible for the State's motor vehicle functions was to ensure that these functions receive the focus and attention needed to improve the administration of these functions as well as improve customer service.
- House Bill (HB) 3097, 81st Legislature (Regular Session, 2009), created TxDMV as an independent agency. The bill transferred four divisions from TxDOT – Vehicle Titles and Registrations, Motor Carrier (excluding Oversize/Overweight permitting), Motor Vehicles and the Automobile Burglary and Theft Prevention Authority – to the newly created department. The department became operational in November.
- House Bill (HB) 2553, 81st Legislature (Regular Session, 2009) was signed into law. HB 2553 simplified all vehicle registration fees by establishing registration fees for passenger cars, buses, commercial motor vehicles, truck-tractors and trailers based on the vehicle's gross weight over, at, or under 6,000 pounds, rather than the vehicle's model year or gross weight and tire equipment. The new fee structure took effect on September 1, 2011.
- 2011 House Bill (HB) 2017, 82nd Legislature (Regular Session, 2011) took effect. HB 2017 amended sections of the Occupations Code and Transportation Code to update definitions and provisions relating to the

organization, governance, duties and functions of TxDMV. Key provisions of the bill included the authority for the department to enter into inter-local contracts and assess a service charge for a credit card payment. The board was also granted authority to establish systems to electronically title vehicles, as well as file license applications and issue licenses electronically. HB 2017 also required the department to establish standards for uniformity and service quality for counties with respect to the registration and titling of, and issuance of license plates to, motor vehicles.

Senate Bill 1420, 82nd Legislature (Regular Session, 2011) transferred the powers, duties, functions, programs and activities of TxDOT relating to oversized and overweight vehicles under Transportation Code, Chapters 621, 622 and 623 to TxDMV no later than January 1, 2012.

House Bill 2553, 81st Legislature (Regular Session, 2009) authorizing vehicle registration fee simplification took effect. This resulted in a reduction of 1,745 fee categories to nine.

2012 TxDMV assumed responsibility for the Motor Carrier Oversize and Overweight Permitting Program from TxDOT.

2013 House Bill (HB) 2202, 83rd Legislature (Regular Session, 2013) established the TxDMV Fund (Fund 010) and authorized the TxDMV to establish a processing and handling fee for vehicle registration transactions sufficient to cover costs of the department, county tax assessor-collectors and county deputies related to registration. Also authorized the TxDMV Board to establish and prescribe rules related to deputies performing titling and registration duties.

House Bill 6, 83rd Legislature (Regular Session, 2013), the funds consolidation bill, abolished the TxDMV Fund.

House Bill (HB) 2305, 83rd Legislature (Regular Session, 2013) established registration-based enforcement of motor vehicle inspection. The bill required TxDMV, in partnership with the Texas Department of Public Safety (DPS) and the Texas Commission on Environmental Quality (TCEQ), to establish a system to verify that a vehicle has a current, passing inspection prior to registration renewal. The system became active March 1, 2014.

House Bill 1692, 83rd Legislature (Regular Session, 2013) authorized the transfer of administrative hearings for lemon law and warranty performance cases from the State Office of Administrative Hearings (SOAH) to TxDMV. The bill required mediation on lemon law and warranty performance cases, and created a position for a new chief

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hearings examiner to oversee the administrative hearings process. The bill also required mediation on franchise termination and protest cases involving licensed franchise dealers and manufacturers.

2014 The registration-based enforcement system of motor vehicle inspection authorized by HB 2305, known as Two Steps, One Sticker or “single sticker,” went live. Inspection stickers were no longer issued and vehicle registration stickers began serving as proof of both inspection and registration.

2015 The United States Supreme Court issued its ruling in *Walker v. Texas Division, Sons of Confederate Veterans*, 135 S.Ct. 2239 (June 18, 2015). The court held that Texas did not violate First Amendment free speech rights when it refused to allow specialty license plates bearing the Confederate battle flag, because Texas’ specialty license plate designs constitute government speech.

Senate Bill (SB) 1512, 84th Legislature (2015) authorized the re-creation of the TxDMV Fund and rededicated the revenue sources for the fund.

2016 As authorized by HB 2202, the TxDMV Board approved a \$4.75 processing and handling fee on vehicle registration transactions to consolidate multiple add-on fees and centralized the fulfillment of online registration renewals. The board also established a discount for online transactions.

The TxDMV Fund authorized by SB 1512 (Fund 010) became active and the department began utilizing the funds for its operations and making deposits.

2017 The processing and handling fee and centralized fulfillment of online registration renewal went into effect.

Senate Bill 1349, 85th Legislature (2017) authorized the transfer of real property to the department from TxDOT and authorizes TxDMV to own, lease, manage and dispose of real property.



## IV. Policymaking Structure

### A. Complete the following chart providing information on your policymaking body members.

**Texas Department of Motor Vehicles  
Exhibit 3: Policymaking Body**

| Member Name                  | Term / Appointment Dates / Appointed by (e.g., Governor, Lt. Governor, Speaker)                                | Qualification (e.g., public member, industry representative) | City        |
|------------------------------|--|--|-------------|
| Raymond Palacios Jr.         | 2/1/19; 8/23/16 reappointed and named chair by Governor Abbott; 8/30/12 original appointment by Governor Perry | Franchised auto dealer                                       | El Paso     |
| Blake Ingram                 | 2/1/17; appointed 2/23/11 by Governor Perry  | Independent auto dealer                                      | Sunnyvale   |
| Robert "Barney" Barnwell III | 2/1/19; appointed 6/6/12 by Governor Perry   | Public member  | Magnolia    |
| Luanne Caraway               | 2/1/19; appointed 3/22/13 by Governor Perry  | Tax assessor-collector                                       | Kyle        |
| Brett Graham                 | 2/1/17; appointed 8/23/16 by Governor Abbott   | Franchised auto dealer                                       | Denison     |
| Kate Hardy                   | 2/1/21; appointed 8/23/16 by Governor Abbott   | Vehicle manufacturing or distribution industry               | Trophy Club |
| Gary Painter                 | 2/2/21; appointed 8/23/16 by Governor Abbott   | Law enforcement  | Midland     |
| Guillermo "Memo" Treviño     | 2/1/21; appointed 9/2/15 by Governor Abbott  | Public member  | Laredo      |
| John H. "Johnny" Walker III  | 2/1/17; appointed 9/28/09 by Governor Perry  | Motor carrier industry                                       | Houston     |

### B. Describe the primary role and responsibilities of your policymaking body.

The board is charged with overseeing and coordinating the development of the Texas Department of Motor Vehicles (TxDMV or department) and ensuring that all components of the motor vehicle industry function as a system. It is directed to carry out its policy-making functions in a manner that protects the interests of the public and industry while maintaining a sound and consistent regulatory framework.

**C. How is the chair selected?**

The governor appoints one of the board's members chair of the board. The chair serves at the pleasure of the governor.

**D. List any special circumstances or unique features about your policymaking body or its responsibilities.**

Section 1001.025 of the Transportation Code directs the board to consider ways in which the department's operations may be improved and authorizes the board to periodically report to the legislature concerning potential statutory changes that would improve the operation of the department.

On behalf of the board, the chair is required to report to the governor, the lieutenant governor, the speaker of the House of Representatives and the presiding officers of relevant legislative committees on legislative recommendations adopted by the board and relating to the operation of the department.

While the Automobile Burglary and Theft Prevention Authority (ABTPA) has a separate governor-appointed board, the TxDMV Board approves ABTPA's Legislative Appropriations Requests.

**E. In general, how often does your policymaking body meet? How many times did it meet in FY 2016? In FY 2017?**

The board is required to hold regular meetings at least quarterly and special meetings at the call of the chair. In general the full board meets 4-5 times per calendar year.

- FY 2016: Four full board meetings, one Projects and Operations Committee meeting, two Finance and Audit Committee meetings and three Household Goods Carrier Advisory Committee meetings.
- FY 2017: Five full board meetings, one Finance and Audit Committee meeting and one Household Goods Carrier Advisory Committee meeting.

**F. What type of training do members of your agency's policymaking body receive?**

Upon appointment, board members are provided with training mandated by Transportation Code, §1001.030. This training is given in-person by department staff and covers the duties and responsibilities of the board; the programs of the department; the roles and functions of the department; the rules of the department with an emphasis on those rules that relate to disciplinary and investigatory authority; the current budget of the department; the results of the most recent full audit of the department; the requirements of the Open Meetings Act, Public Information Act and Administrative Procedure Act; the requirements of conflict of interest laws and other laws pertaining to public officials; and ethics.

**G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.**

The Board Policy Documents are provided during board member training and are part of the board meeting materials readily available for reference by board members. The Board Policy Documents consist of the following items:

- Governance Process (adopted by the board 10/13/11) - The directives presented in this policy apply to the TxDMV Board and TxDMV department personnel who interact with the board.
- Strategic Planning (adopted 10/13/11) - The directives presented in this policy apply to the TxDMV Board and TxDMV department personnel who interact with the board. TxDMV Strategic Planning Policy attempts to develop and document a comprehensive process for the department that exceeds the state's strategic planning process.
- Board Vision (updated 4/7/16) - The information presented in this policy addresses the goals and key objectives of the board as they relate to the mission, vision and values of TxDMV.
- Agency Boundaries (adopted 9/13/12) - The intent of the boundaries is to more clearly define the roles and responsibilities of the board and the executive director to alleviate any staff uncertainty regarding limitations on their authority to act in the best interest of the department.
- Key Performance Indicators (adopted 9/12/14) – These are internal process measures across program areas implemented by the board and are in addition to the measures approved by and reported to the Legislative Budget Board.

**H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?**

At each board meeting the board receives reports on fiscal and budgeting matters, enterprise project status and facilities. Key performance indicators are reported to the board members on a monthly and quarterly basis. The Executive Director produces a monthly Board Update containing information about department activities. Lastly, department leadership meets on a regular basis with the board members.

**I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?**

The board obtains input in a variety of manners. At the beginning of each regular board meeting, the department's Executive Director provides an update that includes any information received through stakeholder working groups and industry associations, town hall forums across the state with county tax assessor-collectors and stakeholder and industry conferences attended by department executive leadership. The board also obtains public input by reviewing comments on proposed rules and through public

comment received at board meetings. Members of the public also serve on working groups that, together with department staff, provide valuable input on draft rules that are ultimately proposed to the board. Lastly, board members receive correspondence and inquiries from the public in writing and over the phone.

**J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart. In addition, please attach a copy of any reports filed by your agency under Government Code Chapter 2110 regarding an assessment of your advisory committees.**

**Texas Department of Motor Vehicles  
Exhibit 4: Subcommittees and Advisory Committees**

| Name of Subcommittee or Advisory Committee                  | Size / Composition / How are members appointed?  | Purpose / Duties  | Legal Basis for Committee                          |
|---|--|---|--|
| Finance and Audit Committee of the TxDMV Board              | 4; board members (Caraway (Chair), Graham, Hardy, Walker); appointed by Chair  | Budget, strategic plan, audits over the department  | TX Transp. Code Sec. 1001.023(8)                   |
| Projects and Operations Committee of the TxDMV Board        | 4; board members (Ingram (Chair), Barnwell, Caraway, Walker); appointed by Chair   | Rule-making and department wide projects  | TX Transp. Code Sec. 1001.023(8)                   |
| Legislative and Public Affairs Committee of the TxDMV Board | 4; board members (Treviño (Chair), Barnwell, Ingram, Painter); appointed by Chair  | Addresses legislative issues and public relations activity  | TX Transp. Code Sec. 1001.023(8)                   |
| Household Goods Motor Carrier Advisory Committee            | 13; industry stakeholders, department division director, board member, appointed by TxDMV Board:<br>John H. Walker, TxDMV Board Member<br>Bill Harbeson, TxDMV<br>Carol Fallin, TxDMV<br>Jim French<br>Konrad Gwaltney<br>Chris Moucka<br>Bill Andis<br>Steve Lancashire<br>Traci McCullah<br>Chad Miller<br>Jason Badder<br>Carrie Hurt<br>Mark Weiss | Review and make recommendations to TxDMV Board for the modernizing and streamlining of Title 43, Texas Administrative Code, Chapter 218, Motor Carriers. The committee is charged with reviewing only rules relating to protecting consumers of household goods carriers from deceptive or unfair practices and unreasonably hazardous activities | TX Transp. Code Sec. 643.155<br>43 TAC Sec. 206.94 |

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| Name of Subcommittee or Advisory Committee   | Size / Composition / How are members appointed?  | Purpose / Duties  | Legal Basis for Committee   |
|--|--|---|---|
| <p>Motor Vehicle Advisory Committee<br/>(Committee last met in 2015; TxDMV board has not replaced any members as of 8/31/2017)</p> | <p>9; industry stakeholders, board members, last appointed by TxDMV Board in 2015:<br/>                     Blake Ingram - Chair &amp; Board Liaison<br/>                     Laura Ryan - Board Liaison<br/>                     Raymond Palacios - Board Liaison<br/>                     Bob Kee<br/>                     Bruce Orman<br/>                     Paul Morgan<br/>                     Brent Rhodes<br/>                     Mike Regan<br/>                     Ken Roche</p> | <p>Review and make recommendations to simplify and modernize the motor vehicle dealer license process</p> | <p>TX Transp. Code Sec. 1001.031.<br/>                     43 TAC Sec. 206.95</p> |

## V. Funding

### **Provide a brief description of your agency's funding.**

The Texas Department of Motor Vehicles (TxDMV) uses the General Appropriations Act as the basis for developing an annual departmental operating budget for each year of the biennium. The budget staff develops a preliminary budget for each division based on available revenues, appropriations, estimates of unexpended balances and prior year expenditure patterns. The preliminary budget is presented to division directors for review and development of funding recommendations. Division approved funding recommendations are presented to executive management for review and approval. The finalized internal operating budget is presented to the board for approval during its August meeting each year.

From FY 2010 (the year the department became operational) through the FY 2012-13 biennium, TxDMV operations were fully funded through the State Highway Fund (SHF) (Fund 0006) with the exception of the Automobile Burglary Theft Prevention Authority (ABTPA), which was fully funded through General Revenue (GR) (Fund 0001). The department also received federal reimbursements. The department's method of finance changed to a combination of GR funding, SHF funding and some federal reimbursements for the FY 2014-15 biennium.

Senate Bill 1512, 84th Legislature (Regular Session, 2015) created the TxDMV Fund using deposits from fees and revenues collected by the department. ABTPA remains funded from GR and the department also received federal reimbursements.

### **FY 2016:**

**GR Fund (0001)** – TxDMV GR fund deposits consist of fee deposits from motor vehicle registration, title certificates, special vehicle permits, motor vehicle dealer licenses, specialty license plates and other transportation-related permits. During FY 2016, approximately 93% of the budget was funded through GR appropriations. Also included are the appropriations to support the Automobile Burglary and Theft Prevention Authority (ABTPA).

**SHF (0006)** – SHF expenditures in FY 2016 were associated with unexpended balance appropriations (refer to next section Rider 5, Unexpended Balances and Capital Authority: TxDMV Automation System) for TxDMV Automation projects including updates to systems related to Registration and Titling services and the implementation of a new motor vehicle dealer licensing system.

**Federal Funds** - Federal funds included in the TxDMV appropriations are associated with a grant from the Federal Motor Carrier Safety Administration (FMCSA). In FY 2016, TxDMV received grant funding for the Commercial Vehicle Information Systems and Networks (CVISN). Beginning in FY 2017 the CVISN program has been renamed the Innovative Technology Deployment (ITD) Program. See section VII.6.

**FY 2017:**

**Texas Department of Motor Vehicles Fund (TxDMV Fund) (0010)** – The TxDMV Fund consists of non-registration fee revenue authorized by statute. Beginning in FY 2017 the TxDMV Fund will provide support for all TxDMV operations, with the exception of the ABTPA program, which will remain funded through GR from an assessment on insurance policies.

**B. List all riders that significantly impact your agency’s budget.**

| <b>FY 2016-17 Riders Impacting Budget – Texas Department of Motor Vehicles</b> |   |  |
|--|---|--|
| <b>Rider Description</b>   |   |  |
| Rider 2  | <p><b>Capital Budget.</b> Funds appropriated above may be expended for capital budget items listed below. Notwithstanding the General Provisions of this Act relating to limitations on the expenditure of appropriated funds on capital budget items, upon approval of the board of the Department of Motor Vehicles, (1) the amounts identified for each item below may be adjusted or may be expended on other capital budget items within the strategy to which the funds are appropriated or transferred to another capital budget item in another strategy; and (2) any funds appropriated above to the Department of Motor Vehicles may be expended for the acquisition of capital items, excluding construction of buildings and facilities and acquisition of land and other real property. If the Department of Motor Vehicles transfers an amount of appropriations into or out of a capital budget item in excess of 25 percent of the amount listed below for the capital budget item or acquires any capital budget items not expressly listed in this rider, the chair of the board of the Department of Motor Vehicles shall report such a transfer or acquisition in a quarterly report to the Governor and the Legislative Budget Board. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code §1232.103.</p> | <p>This rider clarifies the line item budget outlining the amounts specifically appropriated to TxDMV for capital budget items.</p> <p>In addition, this rider provides authority for the department (with Board approval and notification to the LBB and Governor’s Office) to exceed the 25% transfer limitation in Article IX Sec. 14.03 for capital budget line items.</p> |
| Rider 3  | <p><b>Appropriation of Special License Plate Fees.</b> Out of amounts appropriated above to the Department of Motor Vehicles in Strategy A.1.1, Titles, Registrations and Plates, the amounts of \$6,766,377 from the General Revenue Fund in fiscal year 2016 and \$6,836,637 from the Texas Department of Motor Vehicles Fund in fiscal year 2017 are for the purpose of making contract payments to the vendor selected by the Department of Motor Vehicles for the marketing and sale of personalized and specialty license plates pursuant to Transportation Code §§504.851 and 504.852 from fees</p>  | <p>This rider provides authority for the department to appropriate balances and revenues from fees collected from the sale of plates to the credit of General Revenue and the Texas Department of Motor Vehicles Fund. The rider also provides authority for using such proceeds to</p>  |

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| <b>FY 2016-17 Riders Impacting Budget – Texas Department of Motor Vehicles</b> |   |   |
|--|---|---|
| <b>Rider Description</b>   |   |   |
|  | collected from the sale of personalized and specialty license plates. In addition to amounts appropriated above in Strategy A.1.1, Titles, Registrations and Plates, any additional fees collected from the sale of personalized and specialty license plates (Object Code 3014) and deposited to the credit of the General Revenue Fund and the Texas Department of Motor Vehicles Fund for the purposes of making contract payments to the vendor selected by the Department of Motor Vehicles for the marketing and sale of personalized and specialty license plates are appropriated for the same purpose. Any unobligated or unexpended balances of these funds remaining as of August 31, 2016, are appropriated in the fiscal year beginning September 1, 2016, for the same purpose. | make contract payments to the MyPlates vendor.  |
| Rider 4  | <b>Unexpended Balance Appropriation: Federal Grants and State Matching Funds.</b> In addition to amounts appropriated above to the Department of Motor Vehicles, any unexpended balances of funds from federal grants remaining on August 31, 2015, from appropriations made to the Department of Motor Vehicles for the fiscal biennium ending August 31, 2015, including balances remaining from appropriations of state matching funds required under federal contracts, (estimated to be \$0) are appropriated in the state fiscal biennium beginning September 1, 2015, for the same purposes.   | This rider provides unexpended balance authority for matching funds for federal grants. In FY 2016/17 biennium this rider provided authority to UB balances for matching funds for the CVISIN and PRISM grants. |
| Rider 5  | <b>Unexpended Balance and Capital Authority: TxDMV Automation Systems.</b> In addition to amounts appropriated above for the TxDMV Automation System capital budget item in Rider 2, Capital Budget, any unexpended balances remaining as of August 31, 2015 (estimated to be \$0), from appropriations made to the Department of Motor Vehicles in Strategy A.1.4, Technology Enhancement and Automation, for the state fiscal biennium ending August 31, 2015, for the TxDMV Automation System (formerly Vision 21 Core System) capital budget project are appropriated for the same purpose in the state fiscal biennium beginning September 1, 2015   | This rider provides unexpended balance authority for funding appropriated for TxDMV Automation projects in FY 2014/15 biennium to the FY 2016/17 biennium.  |
| Rider 6  | Contingency for Texas Department of Motor Vehicles Fund.<br>a. Contingent on enactment of SB 1512, or similar legislation relating to the disposition of fees collected by or on behalf of the Department of Motor Vehicles to be deposited to the Texas Department of Motor Vehicles Fund, by the Eighty-fourth Legislature, Regular Session, appropriations made to the Department of Motor Vehicles out of General Revenue by this Act are reduced by \$130,316,695 in fiscal year 2017 and the amount of \$130,316,695 in fiscal year 2017 is appropriated instead to the Department of Motor   | This contingency rider provided to allow for the creation of the TxDMV Fund in FY 2016.   |



| FY 2016-17 Riders Impacting Budget – Texas Department of Motor Vehicles |  |  |
|---|--|--|
| Rider Description   |  |  |
|   | <p>Vehicles from the Texas Department of Motor Vehicles Fund. Furthermore, any reference to General Revenue as the method of financing or source of appropriation in any rider in the bill pattern for the Department of Motor Vehicles in Article VII or elsewhere in this Act is replaced by the Texas Department of Motor Vehicles Fund for fiscal year 2017.</p> <p>b. In the event SB 1512, or similar legislation relating to the disposition of fees collected by or on behalf of the Department of Motor Vehicles to be deposited to the Texas Department of Motor Vehicles Fund is not enacted by the Eighty-fourth Legislature, Regular Session, appropriations made to the Department of Motor Vehicles out of the General Revenue Fund by this Act are reduced by \$40,198,749 in fiscal year 2016 and \$40,269,009 in fiscal year 2017 and the amounts of \$40,198,749 in fiscal year 2016 and \$40,269,009 in fiscal year 2017 are appropriated to the Department of Motor Vehicles instead from State Highway Fund No. 006.</p> |  |
| Rider 7   | <p>Department of Motor Vehicles Austin Bull Creek Campus.</p> <p>Out of amounts appropriated above to the Department of Motor Vehicles in fiscal year 2017, \$1,494,687 from the Texas Department of Motor Vehicles Fund is to be used for the purposes of acquiring and maintaining new leased facilities for the relocation and consolidation of the Department of Motor Vehicles' offices and facilities located on the Bull Creek Campus in Austin, Texas.</p>   | <p>This rider clarifies the line item budget outlining the amounts specifically appropriated to TxDMV for the relocation of the Bull Creek Campus.</p>   |
| Texas Facilities Commission Rider 20                                    | <p>Department of Motor Vehicles Headquarters Acquisition and Relocation.</p> <p>In accordance with Government Code Chapters 1232 and 2166, the Texas Public Finance Authority shall issue revenue bonds on behalf of the Texas Facilities Commission in an amount not to exceed \$57,995,000 for the purpose of acquisition, the construction of facilities and relocation to new headquarters space for the Texas Department of Motor Vehicles. Included in the amounts appropriated to the Texas Facilities Commission, in Strategy A.2.1, Facilities Design and Construction, is \$57,995,000 in Revenue Bond Proceeds in fiscal year 2016 for acquisition and relocation to new headquarters space for the Texas Department of Motor Vehicles, pursuant to Government Code, §2166.453.</p> <p>Any unexpended balances in the appropriation made herein and remaining as of August 31, 2016, are appropriated for the same purposes for the fiscal year beginning September 1, 2016</p>   | <p>This rider provided the Texas Facilities Commission with the authority to issue revenue bonds to fund the acquisition and construction of a new facility for TxDMV. This rider was vetoed by the Governor in June 2015.</p> |

**C. Show your agency's expenditures by strategy.**

**Texas Department of Motor Vehicles  
Exhibit 5: Expenditures by Strategy — 2016 (Actual)**

| <b>Goal / Strategy</b>                      | <b>Amount Spent</b>  | <b>Percent of Total</b> | <b>Contract Expenditures Included in Total Amount</b> |
|---|----------------------|-------------------------|---|
| A.1.1 Titles Registration and Plates        | \$63,913,384         | 43%                     | \$47,966,898  |
| A.1.2 Vehicle Dealer Licensing              | \$3,145,312          | 2%                      | \$656,960   |
| A.1.3 Motor Carrier Permits & Credentials   | \$9,928,141          | 7%                      | \$1,488,689   |
| A.1.4 Technology Enhancement and Automation | \$18,810,084         | 13%                     | \$15,792,249  |
| A.1.5 Customer Contact Center               | \$2,109,373          | 1%                      | \$18,487  |
| B.1.1. Enforcement                          | \$5,281,486          | 4%                      | \$59,139  |
| B.2.1 Automobile Theft Prevention           | \$14,188,375         | 10%                     | \$124,906   |
| C.1.1 Central Administration                | \$6,837,530          | 5%                      | \$337,757   |
| C.1.2. Information Resources                | \$21,206,897         | 14%                     | \$15,480,202  |
| C.1.3. Other Support Services               | \$1,762,189          | 1%                      | \$789,051   |
| <b>GRAND TOTAL:</b>                         | <b>\$147,182,771</b> | <b>100%</b>             | <b>\$82,714,338</b>                                   |

**D. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.**

**Texas Department of Motor Vehicles  
Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)**

| Source  | Total                  |
|---|------------------------|
| <b>Motor Vehicle Registration Fees</b><br>(vehicle registration and license plates)   | \$1,495,249,276        |
| <b>Motor Carrier-Oversize/Overweight</b><br>(issuance of oversize/overweight vehicle permits)   | \$153,063,901          |
| <b>Motor Vehicle Certificates of Title</b><br>(issuance of regular titles, salvage titles, rebuilt titles and title histories)  | \$82,405,139           |
| <b>Commercial Transportation Fees</b><br>(application and per-vehicle fees for motor-carrier operating authority)   | \$6,076,022            |
| <b>Business Dealer Licenses</b><br>(licenses to operate as a motor vehicle dealer, distributor, converter, lessor or manufacturer)  | \$7,411,103            |
| <b>Motor Carrier Act Fines</b><br>(administrative penalties for motor carriers in violation of statutes or rules)   | \$2,354,717            |
| <b>Administrative Services</b><br>(processing and handling fee revenue and charges for obtaining public records)  | \$1,326,670            |
| <b>Salvage Dealer Licenses</b><br>(licenses to operate as a salvage motor vehicle dealer or agent)  | \$1,080,369            |
| <b>Judgments and Settlements</b><br>(administrative penalties for motor vehicle dealers in violation of Texas Occupations Code)   | \$925,440              |
| <b>Motor Carrier Insurance</b><br>(proof of insurance filing and verification fee for motor carriers)   | \$872,792              |
| <b>Equipment Lease to Counties</b><br>(county leasing of TxDMV registration and titling terminals and printers)   | \$296,375              |
| <b>Federal Funds</b><br>(grant award funding)   | \$264,025              |
| <b>Motor Vehicle Complaints</b><br>(application fee for motor vehicle dealer complaint, including Lemon Law)  | \$38,425               |
| <b>Abandoned Motor Vehicles</b><br>(application fee for authorization to dispose of an abandoned motor vehicle)   | \$4,420                |
| <b>Total</b>  | <b>\$1,751,368,674</b> |
| <p>Note: For FY 2016, the department collected approximately \$1.583 billion more in revenues than it was appropriated. TxDMV collected \$1.751 billion in total revenue on behalf of the state. Of the approximately \$1.75 billion collected \$222 million was deposited to the credit of GR and \$1.528 billion was credited to the SHF.</p> |                        |

**E. If you receive funds from multiple federal programs, show the types of federal funding sources.**

**Texas Department of Motor Vehicles  
Exhibit 7: Federal Funds — Fiscal Year 2016 (Actual)**

| Type of Fund   | State / Federal Match Ratio | State Share | Federal Share | Total Funding |
|--|-----------------------------|-------------|---------------|---------------|
| 20.237.000 Commercial Vehicle Information Network-CVISN (Renamed Innovative Technology Deployment) | 50/50                       | \$329,465   | \$374,296     | \$703,761     |
| TOTAL  |                             | \$329,465   | \$374,296     | \$703,761     |

**F. If applicable, provide detailed information on fees collected by your agency.**

TxDMV collects revenue from more than 150 fees as required or authorized by state law, mostly in the Transportation Code and Occupations Code. For ease of use during the Sunset-review process, the department offers FY 2016 fee revenue (Exhibit 8) as a table in Attachment D.

In FY 2016, all fee revenue was deposited to the general revenue fund or state highway fund in accordance with distribution instructions in statute.

## VI. Organization

**A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division. Detail should include, if possible, Department Heads with subordinates, and actual FTEs with budgeted FTEs in parenthesis.**

The department-wide organizational chart is included as Attachment E. Detailed organizational charts of each division are included as Attachment F.

**B. If applicable, fill in the chart below listing field or regional offices.**

**Texas Department of Motor Vehicles  
Exhibit 9: FTEs by Location — Fiscal Year 2016**

| Headquarters, Region, or Field Office              | Location                              | Co-Location?<br>Yes / No                       | Number of Budgeted FTEs<br>FY 2016 | Number of Actual FTEs<br>as of June 1, 2016 |
|--|---------------------------------------|--|------------------------------------|---|
| Headquarters                                       | Austin<br>(Bull Creek & Camp Hubbard) | Yes, TxDOT                                     | 559                                | 507   |
| Abilene Regional Service Center                    | Abilene                               | Yes, TxDOT                                     | 8                                  | 8   |
| Amarillo Regional Service Center                   | Amarillo                              | Yes, TxDOT                                     | 5                                  | 5   |
| Austin Regional Service Center                     | Austin                                | Yes, TxDOT                                     | 11                                 | 11  |
| Beaumont Regional Service Center                   | Beaumont                              | Yes, TxDOT                                     | 8                                  | 8   |
| Corpus Christi Regional Service Center             | Corpus Christi                        | Yes, Corpus Christi Regional Transit Authority | 7                                  | 7   |
| Dallas/Carrollton/Mesquite Regional Service Center | Dallas                                | No   | 23                                 | 23  |
| El Paso Regional Service Center                    | El Paso                               | No   | 11                                 | 11  |
| Fort Worth/Arlington Regional Service Center       | Fort Worth                            | No   | 21                                 | 21  |
| Houston/Dickinson Regional Service Center          | Houston                               | No   | 33                                 | 33  |
| Huntsville   | Huntsville                            | Yes, TDCJ                                      | 2                                  | 2   |

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| Headquarters, Region, or Field Office  | Location       | Co-Location?<br>Yes / No | Number of Budgeted FTEs<br>FY 2016 | Number of Actual FTEs<br>as of June 1, 2016 |
|--|----------------|--------------------------|------------------------------------|---|
| Longview Regional Service Center       | Longview       | Yes, TxDOT               | 10                                 | 10  |
| Lubbock Regional Service Center        | Lubbock        | Yes, TxDOT               | 7                                  | 7   |
| Midland/Odessa Regional Service Center | Midland/Odessa | Yes, TxDOT               | 6                                  | 6   |
| Pharr Regional Service Center          | Pharr          | Yes, TxDOT               | 13                                 | 13  |
| San Antonio Regional Service Center    | San Antonio    | No                       | 20                                 | 20  |
| Waco Regional Service Center           | Waco           | No                       | 8                                  | 8   |
| Wichita Falls Regional Service Center  | Wichita Falls  | Yes, TxDOT               | 11                                 | 11  |
| Total                                  |                |                          | 763                                | 711   |

**C. What are your agency’s FTE caps for fiscal years 2016–2019?**

- FY 2016: 763.0
- FY 2017: 763.0
- FY 2018: 779.0
- FY 2019: 779.0

**D. How many temporary or contract employees did your agency have as of August 31, 2016? Please provide a short summary of the purpose of each position, the amount of expenditures per contract employee, and the procurement method of each position.**

As of August 31, 2016, TxDMV had a total of 25 temporary contract employees accounting for over \$2.2 million in expenditures. A description of these positions and their procurement methods is available in Attachment G.

**E. List each of your agency's key programs or functions, along with expenditures and FTEs by program.**

**Texas Department of Motor Vehicles  
Exhibit 10: List of Program FTEs and Expenditures — Fiscal Year 2016**

| Program   | Number of Budgeted FTEs FY 2016 | Actual FTEs as of August 31, 2016 | Actual Expenditures  |
|---|---------------------------------|-----------------------------------|----------------------|
| ABTPA   | 5                               | 5                                 | \$14,188,375         |
| Department Support                                    | 148                             | 132                               | \$29,528,178         |
| Consumer Relations Division                           | 45                              | 43                                | \$2,087,373          |
| Enforcement and Investigations                        | 76                              | 74                                | \$4,887,014          |
| Finance and Administrative Services                   | 69                              | 60                                | \$4,716,213          |
| Lemon Law   | 6                               | 6                                 | \$394,473            |
| Commercial Fleet Services                             | 20                              | 20                                | \$1,569,390          |
| Credentialing (operating authority)                   | 19                              | 19                                | \$960,813            |
| Oversize/Overweight Permits                           | 80                              | 69                                | \$6,693,381          |
| Innovative Technology Deployment*<br>(formerly CVISN) | 0                               | 0                                 | \$703,761            |
| Motor Vehicle Division                                | 38                              | 38                                | \$4,596,866          |
| Lemon Law Hearings                                    | 5                               | 5                                 | \$394,312            |
| Registration Services                                 | 127                             | 117                               | \$58,720,302         |
| Title Services  | 125                             | 118                               | \$17,742,320         |
| <b>TOTAL</b>  | <b>763</b>                      | <b>711</b>                        | <b>\$147,182,771</b> |

\*The FTEs involved in this program are not funded by the grant dollars listed under actual expenditures.

## VII. Guide to Agency Programs

The Texas Department of Motor Vehicles' (TxDMV or department) nine-member board sets policy, promulgates rules and performs all other duties required by statute. The department consists of the following divisions – Enterprise Project Management Office, Executive Director's Office, Government and Strategic Communications Division, Human Resources Division, Information Technology Services Division, Internal Audit Division, Office of General Counsel, Automobile Burglary and Theft Prevention Authority, Consumer Relations Division, Enforcement Division, Finance and Administrative Services Division, Motor Carrier Division, Motor Vehicle Division, Office of Administrative Hearings and Vehicle Titles and Registration Division.

Shorter narratives are provided to describe the support divisions of the department, as such divisions are typical of most state agencies. The programs of the divisions that are central to the department's core functions are described in detail as instructed by Section VII, Guide to Agency Programs.

### 1. Registration Services

#### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Registration Services*

**Location/Division:** *Austin (Headquarters) & Regional Service Centers, Vehicle Titles and Registration Division*

**Contact Name:** *Linda Kirksey, Chief of Registration Services*

**Actual Expenditures, FY 2016:** *\$58,720,302*

**Number of Actual FTEs as of June 1, 2017:** *118*

**Statutory Citation for Program:** *Transportation Code, Chapters 502 and 504*

#### B. What is the objective of this program or function? Describe the major activities performed under this program.

Registration Services is responsible for the development, implementation and oversight of motor vehicle registration policy and procedure for the state. This program also manages the registration aspects of motor vehicle records in the state Registration and Title System (RTS) database and maintains ten years of imaged motor vehicle records. Major activities performed include the following:

- Maintenance of the state *Motor Vehicle Registration Manual*, which serves as a permanent reference guide for stakeholders



- Training of county tax-assessor collector staff with whom TxDMV partners to provide registration services to the motoring public across the State of Texas
- Issuance of monthly registration renewal notices to over 22 million Texas motorists annually
- Oversight of vehicle registrations
- Oversight of license plates, including general issue plates, specialty license plates, the My Plates program and disabled parking placards

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

The department provides computer equipment, services, training, and customer support to the counties allowing them to service over 24 million registered motorists across Texas. The department handles the issuance of registration renewal notices and maintenance of the statewide registration database (RTS). As part of this effort, Registration Services is responsible for the following:

- Motor Vehicle Registration Manual - the counties rely on this manual to perform their duties as agents of the state. The manual is reviewed and updated quarterly by registration program staff to ensure current policy and procedures are reflected.
- Training - webinars for program stakeholders and county tax assessor-collectors (In FY 2015 and FY 2016, the program hosted a total of 113 webinars addressing 7,570 attendees) and in-house eLearning platform to provide efficient and effective title and registration training to TxDMV staff and county tax assessor-collector staff across the state.
- Registration and Title Bulletins (RTBs) - developed by Registration Services to communicate important updates to stakeholders and county tax assessor-collectors.
- Customer phone calls - Regional Service Centers handled 922,526 phone calls in FY 2016.

In an effort to highlight and encourage counties to adopt best practices, Registration Services developed the Performance Quality Recognition Program (PQRP). The PQRP launched September 1, 2017 with the goal of recognizing county tax assessor-collectors who provide efficient and effective customer service on behalf of TxDMV. Counties must compile a comprehensive application packet that is designed to measure various criteria related to office performance. Counties that meet specific levels of efficiencies and effectiveness will be recognized by the department and awarded a bronze, silver, or gold certification that they may display in their office and on their public-facing website.

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To further increase efficiency, the department has developed multiple avenues for registration renewal -- online (24/7), by mail, or in-person. This variation of methods provides customer flexibility. Online renewal also offers the customers a discount.

Registration Services has been recognized for its effectiveness. The program received an award related to its "Two Steps, One Sticker" initiative -- the Excellence in Government Partnership Award -- which was granted in recognition of the program's partnership with other state agencies to administer changes in law. Additionally, the Special Plates Unit was awarded a Certificate of Appreciation in January 2016 by The Texas Veteran's Commission in recognition of diligence and efficiency bringing Texas military and veteran license plates to a high level of compliance with the U.S. Army's Institute of Heraldry. The Special Plates Unit's effectiveness and efficiency is not limited to their work with military plates. This small group of only five employees handled over 5,200 emails and 31,000 customer calls related to specialty plates in FY 2016.

### **D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

- 2011            Implemented webSUB, a web-based application that replaced the legacy Remote Sticker Printing System, which required the physical transport of electronic of renewal data from the subcontractor location to the county tax office for processing.
- 2013            Mandatory county participation in the Internet Vehicle Title and Registration Service (IVTRS). As mandated by HB 2741, all Texas county tax assessor-collectors transitioned to online registration renewal through IVTRS.
- 2014            Established an online system to issue temporary permits (One Trip, 30-Day, 72-Hour, 144-Hour) for customer convenience.
- Established the Field Service Representative (FSR) program. FSRs routinely visit county tax assessor-collector offices and conduct audits of inventory and transactions, provide training and make recommendations based on their findings.
- 2016            The department began marking motor vehicle records of individuals whose child support payments are in arrears with a DELINQUENT CHILD SUPPORT indicator and registration is not permitted.
- Eliminated mandatory license plate replacement at seven years.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

Registration services affect all Texans. Transportation Code, Chapter 502, requires owners of motor vehicles (all vehicles that are self-propelled), trailers and semitrailers to apply for annual registration for each registration year in which the vehicle is used or will be used on a public highway. Funds collected as part of the registration program that are deposited to the State Highway Fund (0006) affect the state's ability to maintain roads and highways. In FY 2016, 24,053,612 vehicles were registered and \$1,425,042,883 was deposited into the State Highway Fund.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

Registration Services is administered within the Vehicle Titles and Registration Division (VTR), which is overseen by the division's director and deputy director. The Chief of Registration Services is directly responsible for the day-to-day functions of the program and reports to the division's deputy director. Registration services transactions are conducted by the 16 TxDMV Regional Service Centers and 254 county tax assessor-collectors across the state.

The day-to-day registration program may be separated into three main functional areas: initial registration, registration renewal and specialty license plates.

### **Initial Registration**

Most initial registrations are processed through the county tax assessor-collectors in conjunction with a title issuance or transfer. Apportioned registrations, which account for a small percentage of all registrations, are handled by the regional service centers or online through the Texas International Registration Plan (TxIRP) system. Registration of vehicles purchased through a dealer may be handled on site if the dealer utilizes webDEALER.

### **Registration Renewal**

Registration renewals are initiated at TxDMV by the mailing of registration renewal notices 60 days prior to registration expiration. Customers may choose to renew in-person, through the mail, or online. In-person renewals are handled by the county tax assessor-collectors or their deputies. Mail-in renewals are also processed by the county tax assessor-collectors and returned by mail to the customer. Online renewals (beginning with January 2017 expirations) are processed by TxDMV and through its vendor. Online renewals incur a two business day hold allowing county tax assessor-collectors an opportunity to review the renewal request. If the renewal is approved, it is included in a daily renewal file generated by TxDMV that is then sent to the vendor for printing, inserting and mailing to the customer. If during the two-business day hold the county declines the

online renewal transaction, the customer is sent an email informing them to contact their local county tax assessor-collector.

### **Specialty License Plates**

Currently there are three avenues by which a specialty license plate is created: by the department, My Plates or the Legislature. There are currently 465 available specialty plates. Depending on the type of plate, applications are handled by the county tax assessor-collectors, online through Texas.gov, online through the My Plates website, or internally by the Specialty License Plate section within the registration program. Personalized plate pattern requests for any specialty plate are reviewed internally for approval or denial. Customers are notified of a denied request and given the opportunity to appeal or chose another plate pattern at no cost.

Since 2006, at the direction of the Legislature, the state has contracted with a private vendor for the design, sale and marketing services of specialty license plates. The vendor services are intended to increase the revenue generated to the state from the sale of specialty plates. The vendor is compensated from the proceeds of the sale of specialty plates.

Insurance and inspection verification is also a key program component. The department works with the Texas Department of Public Safety, Texas Commission on Environmental Quality and Texas Department of Insurance to maintain a database allowing real-time verification of insurance and inspection information before a vehicle can obtain registration.

### **G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$48,740,481

TxDMV Rider 1 Appropriation – Appropriation of Special License Plate Fees

General Revenue: \$4,429,458

TxDMV Rider 5 Appropriation – Unexpended Balance and Capital Authority

TxDMV Automation System - State Highway Fund 0006: \$5,550,363

### **H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

The TxDMV Motor Carrier Division (MCD) administers the International Registration Plan (IRP), which, prior to 2009, was part of the Vehicle Titles and Registration Division (VTR). IRP or apportioned registration is a registration reciprocity agreement between the United

States and Canadian provinces allowing motor carriers to obtain registration credentials in one jurisdiction while giving them the freedom of interstate travel without the inconvenience and expense of purchasing trip permits. The Regional Service Centers (RSCs) establish IRP accounts along with adding and deleting commercial motor vehicles to each account. MCD oversees the TxIRP System and also mails renewals to the accounts set up by the RSCs. Fleet registration includes non-apportioned vehicles unlike the other vehicles registered within the TxIRP system.

The Specialty Plates Unit coordinates with the Texas Department of Criminal Justice (TDCJ) on the design and manufacturing of license plates. However, the Finance and Administrative Services Division manages the contract for the manufacturing of license plates. This was a VTR responsibility prior to 2009.

The Texas Parks and Wildlife Department (TPWD) performs similar services and functions for watercraft (vessels) and outboard motors. While TPWD handles the registration of the watercraft and motor, the transporting unit (trailers and semitrailers) and the pulling units (typically a pickup truck) are registered by TxDMV. This often results in a customer having to visit a county tax office for the boat trailer registration while having to visit a TPWD office (if the customer's county does not process boat titles) for their boat registration. Additionally, the TxDMV and TPWD registration periods are not aligned. Individuals are currently able to register their watercraft every two years while registration renewal for trailers is required annually. Each department requires different paperwork and documentation as well.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

While the overlap is with the target population, it does not impact the same products. As a result, there is no duplication or conflict within these programs. The impact is that consumers who own a boat and trailer are having to complete two sets of dissimilar documentation and visit different offices for a similar end result.

TxDMV and TPWD have an interagency contract whereby TPWD agrees to provide remuneration to TxDMV for use of its RTS computers to administer watercraft registrations. Currently, 75 of the 254 Texas counties are partnered with TPWD to provide watercraft registrations. County staff use TxDMV RTS computers to access the Boat Registration Information and Title System (BRITS) to conduct TPWD business.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Registration Services partners with 254 county tax assessor-collectors across the state to provide the most effective and efficient customer service to the motoring public. County tax assessor-collectors process various registration related transactions on behalf of

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TxDMV. TxDMV provides county tax assessor-collectors with computer workstations, network infrastructure, computer supplies, forms, training and compensation in return for their assistance.

Registration Services and Information Technology Services work together to administer the Scofflaw program. This program allows counties, municipalities, toll authorities, and other state agencies to contract with the department to place a flag on the vehicle record of owners who are delinquent in payment of a fine, fee, tax, traffic citation, red light camera violation, toll violation, or child support. The program, established by statute in 1995, allowed placement of the flag to assist municipalities in collection of delinquent traffic fines. The program expanded over the years with vehicle record flags for delinquent toll violations added in 2014. The flag on the vehicle record alerts the county of the delinquency, so registration renewal may be denied until the vehicle owner resolves the outstanding issue. In 2016, the department began marking motor vehicle records of individuals whose child support payments are in arrears with a DELINQUENT CHILD SUPPORT indicator and registration is not permitted.

Registration Services assigns new requests for State Official, Federal Official and Judicial registration. Registration services personnel verify the position, request the manufacture of plates through TDCJ in Huntsville and mail the plates to the official's county tax office. The county tax assessor-collector's office registers the plates to the vehicles and collects the applicable fees and issues registration insignia.

Additionally, Registration Services issues and renews Honorary Consul registration to individuals appointed by the U.S. Secretary of State, Office of Foreign Missions, including the collection of annual registration fees and inspection fees. This requires working closely with the Office of Foreign Missions in Houston to validate the Honorary Consuls each year.

### **K. If contracted expenditures are made through this program please provide:**

- **a short summary of the general purpose of those contracts overall;**
- **the amount of those expenditures in fiscal year 2016;**
- **the number of contracts accounting for those expenditures;**
- **the method used to procure contracts**
- **top five contracts by dollar amount, including contractor and purpose;**
- **the methods used to ensure accountability for funding and performance;**  
**and**
- **a short description of any current contracting problems.**

In FY 2016, Registration Services executed 21 contracts and expended \$49,597,121. The top contract expenditures totaled \$40,151,104. The department ensures accountability for funding and performance through confirmations that mail pieces are processed, plate and stickers are produced and through regular status reports provided by the vendor.

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| Vendor Name                   | FY 2016 Expenditures | Procurement Method  | Purpose of Contract                          | Methods to Ensure Accountability for Funding and Performance  |
|-------------------------------|----------------------|---|--|---|
| Texas Correctional Industries | \$25,184,262         | Interagency Agreement Contract Act, Texas Government Code, Title 7, Chapter 771   | License Plate production                     | Administrative Services oversees the contract; validates services and license plate, sticker, placard, etc. production; and makes payments against interagency agreement with Texas Department of Criminal Justice in accordance with Tex. Gov't Code, Title 7, Ch.771. Trends are monitored and anticipated needs are determined at least annually and validated against budget allowances for this contract. If additional funding needs are anticipated beyond routine annual and/or biennium budgets, a mid-year review request and/or an exceptional item is submitted to ensure State needs are met as appropriate.   |
| MyPlates                      | \$4,429,458          | Purchasing method is Delegated - Request for Proposals - Purchasing Category Codes (PCC) 0 - Exempt - Vendor ID 1271060954 - Revenue Generating | Specialty license plate design and marketing | <p>The vendor provides TxDMV performance reports from its website store and call center sales. VTR and vendor staff manage the contract via monthly working group and executive meetings. VTR reviews and approves all of the vendor's marketing products. Per contract, the VTR and vendor management teams must meet at specified intervals to formally review the vendor's performance. Per statute, the department's plate manufacturing costs are recovered in the distribution of funds from new plate orders and renewals. TxDMV invoices the vendor to recover new plate programming and sample plate manufacturing costs. Per contract, the vendor guarantees a specified amount of undesignated revenue to the General Revenue Fund. The vendor also periodically provides the department's IT team its programming code and passwords so that the <a href="http://www.myplates.com">www.myplates.com</a> website store can be recovered if needed.</p> <p>Board monitors contract performance through quarterly reviews.</p> |

TxDMV Self-Evaluation Report

| Vendor Name  | FY 2016 Expenditures | Procurement Method  | Purpose of Contract                      | Methods to Ensure Accountability for Funding and Performance  |
|--|----------------------|---|--|---|
| USPS   | \$4,170,128          | Postage - General Appropriations Act, Texas Government Code, Title 10, Subtitle C, Chapter 2113, Sec. 2113.103  | Postage                                  | Postage fund balances are monitored on postage meters by a designated FTE. Fund balances are compared against mailings to ensure expected counts of mail pieces enter the mail stream. The majority of postage funds are being used by the vendor that provides monthly postage reconciliations that show the specific number and types of mail pieces that were processed. |
| Standard Register (Taylor Communications bought Standard Register and is the current vendor) | \$3,948,346          | Purchases of services in an amount estimated to exceed \$25,000.01 for the total contract within a one year period. See 34 Texas Administrative Code 20.41 - Delegated Purchases. | Point of Sale Registration Sticker Paper | Designated FTE who works closely with vendor to ensure product delivered and invoiced accurately. Any discrepancies or concerns with product quality are promptly addressed with the vendor that conducts and internal review and issues replacement product as needed. Invoices are reviewed to ensure reconciliation with product received.                               |
| Deloitte   | \$2,418,910          | Purchasing method is Delegated - Request for Proposals - Purchasing Category Codes (PCC) D  | RTS Refactoring-project expenses         | TxDMV established a Governance process that oversees the expenditure of funds for the RTS project and monitors the performance of the vendor.   |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

Texas claims one of the largest veteran populations in the country. Service members – active and retired – may choose from dozens of license plates honoring their commitment and sacrifice. Since the first military license plate for disabled veterans was created in 1972, the number of license plates related to the U.S. Armed Forces has increased substantially. TxDMV currently offers 184 different disabled veteran and military specialty



license plates and the Legislature continues to approve dozens of new designs each session. For example, the 84th and 85th legislative sessions created a total of 95 military plates. While the number of plates and the demand for them has grown, TxDMV staff has not. The proliferation of these plates has made it increasingly difficult for current program resources to keep up with demand and process applications in a timely manner. If the number of plates continues to grow at the current pace, it will impede the program's ability to effectively and efficiently serve this special group of motorists. In addition, the creation of new specialty plates has a corresponding impact on the department's IT resources depending on the level of programming necessary for each new plate.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

Registration Services is supported by the Budget and Research Services group, 16 RSCs and division administration.

Budget and Research Services provides oversight of division contracts, division budget monitoring and position control, division open records requests processing, administration of the division's eLearning program, evaluation of county tax assessor-collector requests for equipment and division statistics and performance measure reporting.

The RSCs support Registration Services functions by providing training to county tax assessor-collector's offices, conducting audits of county tax assessor-collector's offices, coordinating inventory and computer equipment orders for county tax assessor-collector's offices and answering customer inquiries and serving as first point of contact for county tax assessor-collector's offices.

VTR administration includes the division director, deputy division director, one executive assistant and one administrative assistant, and provides general oversight of the division. VTR administration is also responsible for critical division policy and procedure decisions and administrative oversight of division chiefs and Budget and Research Services manager.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

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N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 2. Title Services

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Title Services*

**Location/Division:** *Austin (Headquarters) & Regional Service Centers, Vehicle Titles and Registration Division*

**Contact Name:** *Clint Thompson, Chief of Title Services*

**Actual Expenditures, FY 2016:** *\$17,742,320*

**Number of Actual FTEs as of June 1, 2017:** *118*

**Statutory Citation for Program:** *Transportation Code, Chapter 501*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

Proper titling protects vehicle owners and prospective buyers by allowing motorists to establish ownership and safely transfer ownership. Title Services is responsible for the development, implementation and oversight of motor vehicle title policy and procedure for the state. This program also manages the title aspects of motor vehicle records in the state RTS database and checks each title application against the National Motor Vehicle Title Information System (NMVTIS).

NMVTIS was designed to assist and provide benefits to states' motor vehicle titling agencies. NMVTIS serves as a repository of vehicle related information, which provides states with a mechanism to instantly check all participating states' vehicle title records to verify the accuracy and legitimacy of title information. The U.S. Department of Justice is responsible for oversight of the implementation and operation of NMVTIS, and works in partnership with the American Association of Motor Vehicle Administrators (AAMVA).

In addition to providing job aids and training, Title Services developed and maintains a NMVTIS Guide.

Other major activities performed include the following:

- Maintenance of the state Motor Vehicle Title Manual, Salvage/Nonrepairable Motor Vehicle Manual, Assembled and Rebuilt Vehicle Manual and National Motor Vehicle Title Information System (NMVTIS) Guide, which serve as permanent reference guides for stakeholders
- Training of county tax-assessor collector personnel with whom TxDMV partners with to provide title services to the motoring public across the State of Texas
- Oversight of issuance of Texas titles
- Review of title applications and fraud investigations

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- Processing and issuance of salvage titles, nonrepairable titles and Certificates of Authority to dispose, and the processing and issuance of certified copies of each of these

Title Services provides subject matter experts that assist with requirements gathering, user acceptance testing, project implementation and training on enterprise-wide IT projects.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

The department provides computer equipment, services, training, and customer support to the counties allowing them to process title applications electronically. The department is also responsible for the printing and mailing of titles (over 8.2 million in FY 2016). Title Services is responsible for the following:

- Motor Vehicle Title Manual, Salvage/Nonrepairable Motor Vehicle Manual, Assembled and Rebuilt Vehicle Manual and the NMVTIS Guide - the counties rely on this manual to perform their duties as agents of the state. The Motor Vehicle Title Manual is reviewed and updated quarterly, and the other manuals and guides are reviewed and updated on an as needed basis by title program staff to ensure current policy and procedures are reflected.
- Issuance of salvage, nonrepairable and certified copies of titles.
- Registration and Title Bulletins (RTBs) - developed by Title Services to communicate important updates to stakeholders and county tax assessor-collectors.

Title Services also utilizes an in-house eLearning platform to provide efficient and effective title and registration training to TxDMV staff and county tax assessor-collector staff across the state. The learning management system currently has 37 title and registration modules that are accessible anytime and can be reviewed as many times as needed, which helps to ensure county staff have the requisite knowledge to effectively assist the motoring public with all title and registration transaction needs.

In an effort to highlight and encourage counties to adopt best practices, Title Services developed the Performance Quality Recognition Program (PQRP). The PQRP launched September 1, 2017 with the goal of recognizing county tax assessor-collectors who provide efficient and effective customer service on behalf of TxDMV. Counties must compile an extensive application packet that is designed to measure various criteria related to office performance. Counties that meet specific levels of efficiencies and effectiveness will be recognized by the department and awarded a bronze, silver, or gold certification that they may display in their office and on their public-facing website.

Title Services has been recognized for its effectiveness. In 2015, the department's National Motor Vehicle Title Information System project was recognized as the "Best Application Serving the Public" with a Best of Texas Award. In addition, webDEALER, one of the most significant projects the department has undertaken, exemplifies the department's ability to provide services in an efficient and effective manner. In 2016, webDEALER received the International Trailblazer Award from the American Association of Motor Vehicle Administrators. The Trailblazer Award recognizes a jurisdiction agency or individual who identified and implemented innovative changes that positively affected their agency and/or community.

The following statistics show the increase in webDEALER utilization since its inception.

| Fiscal Year        | Active Counties* | Active Dealers* | webDEALER Applications Approved | % of Total Dealer Applications Submitted |
|--------------------|------------------|-----------------|---------------------------------|--|
| 2017 (through May) | 81               | 1008            | 1,168,840                       | 40.66%                                   |
| 2016               | 70               | 876             | 1,277,278                       | 32.60%                                   |
| 2015               | 54               | 456             | 317,603                         | 8.61%                                    |
| **2014             | N/A              | N/A             | 2,683                           | 0.07%                                    |

\*Numbers reflect the last month of the period  
 \*\*In 2014, the active Counties and Dealers were not captured.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

2009      The Electronic Lien and Title (ELT) system was implemented. This system facilitates the recording of a lien electronically in the Registration and Title System. A title is not printed until a paper copy is requested by the lienholder or the lien is released. This benefits customers and lienholders in multiple ways: fewer errors, less paper, faster release of title from the lienholder.

2013      The webDEALER application was first implemented for new car sales. This web-based application is used by motor vehicle dealers to electronically submit title applications to county tax assessor-collector offices. It has since evolved to encompass additional types of transactions and types of motor vehicles such as used and salvage.

2014      A full-time, dedicated title fraud investigator was transitioned to Title Services with the primary function of investigating title and odometer fraud. Investigations also often lead to the discovery of sales tax fraud, which is reported to the Comptroller.

A fraud training program was established. Field Service Representatives (FSR) routinely provide this training to county tax assessor-collector offices around the state to assist in the identification of fraudulent transactions.

The department implemented the National Motor Vehicle Title Information System (NMVTIS).

The Field Service Representative program was established. FSRs routinely visit county tax assessor-collector offices and conduct audits of inventory and transactions, provide training and make recommendations based on their findings.

2016 The webSALVAGE application was implemented. It is similar to webDEALER; however, it facilitates salvage pool operators and insurance companies in submitting salvage and non-repairable title applications directly to the department.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program affects every motor vehicle (as defined by Transportation Code, Chapter 501), which includes any motor driven or propelled vehicle required to be registered, trailers, and semitrailers that exceed 4,000 pounds gross vehicle weight, travel trailers, all-terrain vehicles, recreational off-highway vehicles, motorcycles, motor-driven cycles and mopeds.

In order to obtain a Texas title, the person or entity must have a residence or a place of business in the state.

The motor vehicle titling process has other peripheral impacts after the original title is issued to a person or business. Impacted persons or entities include but are not limited to motor vehicle dealers, lienholders, insurance companies, motor vehicle dealers, salvage dealers, used auto parts recyclers, metal recycling entities, county tax assessor-collectors and motor vehicle manufacturers.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

Title Services is administered within the Vehicle Titles and Registration Division, which is overseen by the division director and deputy director. The Chief of Title Services is directly responsible for the day-to-day functions of the program and reports to the division's deputy director. Title Services transactions are conducted by the 254 county

tax assessor-collector offices across the state (original Texas titles), 16 TxDMV Regional Service Centers (RSCs) (Certified Copies of Texas Titles) and at TxDMV headquarters (salvage and non-repairable Texas titles). The Regional Service Centers and county tax assessor-collectors provide title services to motorists.

The day-to-day title program may be separated into three main functional areas: regular titles, salvage/nonrepairable/certificate of authority titles and certified copies of titles.

### **Regular Titles**

The typical process for Texas title transfer involves the owner (or a motor vehicle dealer on behalf of the owner) submitting a title application to the county tax assessor-collector office (in the county of the owner's residence, where the sale occurred, or where the vehicle is encumbered). The county tax assessor-collector processes the transaction through the Registration and Title System or through webDEALER if a participating dealer has submitted the title application through the webDEALER system.

Most motor vehicles are then checked against NMVTIS and any conflicts are returned two days after processing. If there are no NMVTIS errors and no other reasons requiring further efforts, the paperwork is mailed from the county tax assessor-collector's office to the department's imaging vendor and scanned into the motor vehicle's title history. The new Texas title is automatically issued by the department on the 7<sup>th</sup> calendar day after processing by the county tax office. The process can be broken down in the below steps:

1. County reviews title application
2. County processes title application in RTS
3. TxDMV sends qualifying VINs to NMVTIS to check for errors or conflicts
4. NMVTIS sends response to TxDMV
5. TxDMV updates record in RTS
6. TxDMV sends Error Reports to county
7. County makes necessary changes and submits transaction to TxDMV
8. TxDMV issues or rejects title

### **Salvage/Nonrepairable/Certificate of Authority Titles**

These types of title transfers require insurance companies (or salvage pool operators on behalf of insurance companies), salvage vehicle dealers, or owners to submit an application by mail to the department or through the webSALVAGE system. Upon receipt, the fees are cashiered by finance personnel and the application is forwarded to the Title Control Systems Section for processing. Motor vehicle records are also checked against NMVTIS and if no issues are present, the resulting title is issued within seven days.

## **Certified Copies of Titles**

These applications are submitted most often by the motor vehicle owner(s) or by licensed motor vehicle dealers (using a power of attorney) by mail or in person. Applications in-person are processed immediately and the Certified Copy is issued across the counter. Mailed applications are processed in the order they are received and the resulting Certified Copy is mailed back to the applicant. Before Certified Copies are processed, an inquiry against NMVTIS is performed to ensure the Texas record is still the most recent record.

### **G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$16,463,346

TxDMV Rider 5 Appropriation – Unexpended Balance and Capital Authority

TxDMV Automation System - State Highway Fund 0006: \$1,278,974

### **H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

The Texas Parks and Wildlife Department (TPWD) performs similar services and functions for watercraft (vessels) and outboard motors. TPWD is responsible for issuing titles to these vessels and outboard motors, and some county tax assessor-collector's offices perform these services on behalf of TPWD. Additionally, TPWD handles the disposition of abandoned vessels and outboard motors. This function is similar to the process used by TxDMV. TxDMV processes the disposition of abandoned motor vehicles and makes notifications to owners and lienholders on record with the department.

While TPWD handles the titling of the watercraft and motor, the transporting unit (trailers and semitrailers) and pulling units (typically a pickup truck) are titled by TxDMV. This often results in a customer having to visit a county tax office for the boat trailer title while having to visit a TPWD office (if the customer's county does not process boat titles) for their boat title. Each department requires different paperwork and documentation as well.

### **I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

While the overlap described in section H above is with the target population, it does not impact the same products. As a result, there is no duplication or conflict within these programs. The impact is that consumers who own a boat and a trailer are having to



complete two sets of dissimilar documentation and visit different offices for a similar end result, a title.

TxDMV and TPWD have an interagency contract whereby TPWD agrees to provide remuneration to TxDMV for use of its RTS computers to administer watercraft titles. Currently, 75 of the 254 Texas counties are partnered with TPWD to provide watercraft titles. County staff use TxDMV RTS computers to access Boat Registration Information and Titling System to conduct TPWD business.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Title Services partners with 254 county tax assessor-collectors across the state in order to provide the most effective and efficient customer service to the motoring public. County tax assessor-collectors process various title related transactions on behalf of TxDMV. TxDMV provides county tax assessor-collectors with computer workstations, network infrastructure, computer supplies, forms, training and compensation in return for their assistance.

The NMVTIS system is administered by the American Association of Motor Vehicle Administrators (AAMVA) under the authority of the United States Department of Justice. The system is an important part of the title process, and AAMVA has a working group of multiple states and AAMVA staff that meet two to three times annually and hold monthly conference calls. Texas is currently the chair of the working group, which is tasked with working on state business rules and developing best practices for titling and title brands.

The title process also involves working with local and state law enforcement and Auto Burglary and Theft Prevention Authority (ABTPA) grantees, specifically for vehicle identification number inspections and investigations.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance;  
and
- a short description of any current contracting problems.

In FY 2016, Title Services executed 16 contracts, expending \$11,026,926. The top contract expenditures totaled \$5,664,337. The department ensures accountability for funding and performance through confirmations that mail pieces are processed, document scanning is completed and through regular status reports provided by the vendor.

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| Vendor Name  | FY 2016 Expenditures | Procurement Method   | Purpose of Contract              | Methods to Ensure Accountability for Funding and Performance  |
|--------------|----------------------|--|----------------------------------|---|
| USPS         | \$1,245,623          | Postage - General Appropriations Act, Texas Government Code, Title 10, Subtitle C, Chapter 2113, Sec. 2113.103 | Postage                          | Postage fund balances are monitored on postage meters by a designated FTE. Fund balances are compared against mailings to ensure expected counts of mail pieces enter the mail stream. The majority of postage funds are being used by the vendor, Xerox, that provides monthly postage reconciliations that show the specific number and types of mail pieces that were processed. |
| Deloitte     | \$2,418,910          | Purchasing method is Delegated - Request for Proposals - Purchasing Category Codes (PCC) D                     | RTS Refactoring-project expenses | TxDMV established a Governance process that oversees the expenditure of funds for the RTS project and monitors the performance of the vendor.   |
| Pitney Bowes | \$588,110            | Postage - General Appropriations Act, Texas Government Code, Title 10, Subtitle C, Chapter 2113, Sec. 2113.103 | Postage                          | Postage fund balances are monitored on postage meters by a designated FTE. Fund balances are compared against mailings to ensure expected counts of mail pieces enter the mail stream. The majority of postage funds are being used by the vendor, Xerox, that provides monthly postage reconciliations that show the specific number and types of mail pieces that were processed. |

| Vendor Name | FY 2016 Expenditures | Procurement Method  | Purpose of Contract | Methods to Ensure Accountability for Funding and Performance  |
|-------------|----------------------|---|---------------------|---|
| Open Text   | \$1,411,694          | Council on Competitive Government (CCG), Texas Government Code, Title 10, Subtitle D, Chapter 2162, Subchapter A, Sec. 2162.1 | Document Scanning   | The department ensures accountability for funding and performance through internal validation by Administrative Services who oversees the contract and validates services against the department's vendor contract and established Statement of Work (SOW) requirements. Trends and actual expenditures are monitored throughout the fiscal year and reviewed during the development and negotiation of the contract itself to ensure cost effectiveness and availability through division provided budget funding. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

Please reference section II.H regarding decentralized service delivery.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

Title Services is supported by the Budget and Research Services group, 16 RSCs and division administration.

Budget and Research Services provides oversight of division contracts, division budget monitoring and position control, division open records requests processing, administration of the division's eLearning program, evaluation of county tax assessor-collector requests for equipment and division statistics and performance measure reporting.

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The RSCs support Title Services functions by reviewing bonded title applications and issuing associated Letters of Rejection; assigning/reassigning vehicle identification number (VIN) applications and issuing associated VINs; providing training to county tax assessor-collector's offices, conducting audits of county tax assessor-collector's offices; coordinating inventory and computer equipment orders for county tax assessor-collector's offices; assisting with webDEALER setup; answering customer inquiries and serving as first point of contact for county tax assessor-collector's offices.

VTR administration includes the division director, deputy division director, one executive assistant and one administrative assistant, and provides general oversight of the division. VTR administration is also responsible for critical division policy and procedure decisions and administrative oversight of division chiefs and Budget and Research Services manager.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

### 3. Commercial Fleet Services

#### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Commercial Fleet Services*

**Location/Division:** *Austin (Headquarters), Motor Carrier Division*

**Contact Name:** *John Poole, Section Manager*

**Actual Expenditures, FY 2016:** *\$1,569,390*

**Number of Actual FTEs as of June 1, 2017:** *17*

**Statutory Citation for Program:** *Transportation Code, §§502.0023, 502.091, 502.255, 504.507, 504.516*

#### B. What is the objective of this program or function? Describe the major activities performed under this program.

The objective of Commercial Fleet Services (CFS) is to provide Texas-based motor carriers with apportioned registration through the International Registration Plan (IRP). IRP is a registration reciprocity agreement between the United States and Canadian provinces allowing motor carriers to obtain registration credentials in one jurisdiction, giving them the freedom of interstate travel without the inconvenience and expense of purchasing trip permits in each jurisdiction. In other words, a carrier may be registered in only his/her home state, yet legally and easily engage in interstate commerce. CFS manages Texas' online IRP system and associated contracts and conducts compliance audits of IRP-participating motor carriers.

In addition, CFS manages:

- Token-trailer registrations
- Multi-year fleet (intrastate) registration
- Forestry vehicle registration
- Rental trailer registration
- Texas participation in Performance and Registration Information Systems Management (PRISM) (federal motor carrier safety program)
- Heavy vehicle use tax (HVUT) verification program

#### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

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Reviews of several of the programs CFS manages demonstrate the program's effectiveness and efficiency. For example, the most recent review of the Texas PRISM program by the Federal Motor Carrier Safety Administration found Texas passed all of the IRP registration requirements. The Federal Highway Administration (FHWA) conducted its triennial review of Texas' heavy vehicle use tax (HVUT) procedures and issued a report finding the state in compliance with enforcement and procedures. In addition, the latest IRP "Peer Review" found Texas in compliance with the Plan except for selection of base jurisdiction, the frequency of audits and "netting Audit adjustments." Each issue has since been addressed.

In 2016 MCD conducted a Customer Satisfaction Survey. For the division as a whole, the level of General Customer Satisfaction rose from 87.66 percent in the 2015 survey to 90 percent in the 2016 survey for those who rated service as "Exceptional," Very Good," or "Good." The highest increase was in the "Exceptional" rating.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

N/A

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program directly affects motor carriers and commercial vehicle owners operating in inter and intrastate commerce and commercial services on Texas, national and international highways and roads.

IRP/apportioned participants, which account for the largest number of program registrants, must meet the following qualifications:

- Established place of business in Texas
- Proof of insurance
- Verification of heavy vehicle use tax (HVUT)
- Ownership of units by account holder, or lease agreement provided
- Verification of USDOT number to confirm carrier is authorized for interstate travel
- Must operate in Texas; each unit in fleet must operate in two or more jurisdictions
- Texas title or an RPO (Registration Purposes Only title)

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The program is administered by two functional groups:

### **Commercial Fleet Support Group**

The Commercial Fleet Support Group is focused on the administration of the requirements of interstate commercial vehicle registration under the IRP and intrastate commercial vehicles in accordance with the state statutes that govern the multi-year fleet, forestry, rental and token trailer registration programs. This group is also responsible for managing the help desk function that provides support to the regional service centers, counties and apportioned, multi-year fleet, forestry, rental and token trailer registration accounts holders. It administers the transfer and distribution of IRP related fees between Texas and the other IRP jurisdictions. This group also serves as the department's interface with the vendor that supports and maintains the TxIRP online system. Additionally, it provides project management oversight for TxIRP related information technology projects.

This group is responsible for industry outreach and administers such programs as commercial fleet account management, expedited registration for fleet vehicles and IRP Compliance Training. These programs are designed to enhance the department's presence in Texas' motor carrier industry community; and maintains the lines of communication open that keeps both parties up to date with industry and government best practices.

### **IRP Compliance Audit Group**

The IRP Compliance Audit Group is focused on the administration of the Texas' IRP compliance audit function. The International Registration Plan (IRP) requires each member jurisdiction to conduct an audit of 3 percent of its active (renewed) fleets in any given calendar year. This group conducts desk-side and field audits in accordance with the IRP and IRP Audit Procedures Manual. Registrants are randomly selected for audit, but some are referred for audit by other sources such as the department's Regional Service Centers. This group also reviews a sample of audits from other jurisdictions to ensure Texas is receiving accurate registration fees.

CFS is also supported by TxDMV Motor Carrier Division director and a six-person division section that handles essential administrative functions: leadership and championing program projects, budget, purchasing, special projects and planning, website content, technical writing and reports, forms management, legislative coordination and rules, statistical analysis, customer surveys and outreach, information and open records requests, media coordination and liaison to other state and federal agencies. A portion of this administrative overhead is included in program expenditures.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$1,569,390

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

TxDMV regional service centers provide apportioned registration services at the local level by assisting walk-in customers, accepting payments, opening new accounts and other related services. Though CFS processes apportioned registration renewals, its primary mission is program administration and coordination of the IRP, PRISM and HVUT programs. It provides TxIRP online system help desk support to the regional service centers and individual TxIRP account holders. In addition, CFS is responsible for TxIRP online system maintenance and support, ensuring that the system is properly maintained and stays current with state, federal and IRP policies and procedures.

The Texas Comptroller of Public Accounts administers the International Fuel Tax Agreement (IFTA) program. While the IRP and IFTA programs concepts are similar, the primary difference is IFTA's central focus is to ensure that each member jurisdiction receives its fair share of the fuel taxes paid by motor carriers operating from jurisdiction to jurisdiction. The IRP is primarily focused on ensuring that each member jurisdiction receives its fair share of apportioned registration fees as motor carriers travel from jurisdiction to jurisdiction.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The lines of responsibility relating to the administration of the IRP program are distinctly defined within the department. CFS staff has primary responsibility for oversight and overall administration of the program with the regional service center providing support functions for apportioned registrants.

CFS coordinates all administrative and technical changes to the program with the regional service centers through the use of release notes, training webinars and visits to the regional service centers. CFS also has daily telephonic and email contact with the regional service centers in matters relating to system troubleshooting or answering questions relating to the program.

The department has a Memorandum of Understanding with the Texas Comptroller of Public Accounts that outlines the rules for exchange of information relating to IFTA and IRP audits. The IRP Compliance Audit supervisor serves as the department's liaison to the Comptroller's IFTA Audit Section. The two areas share their registrants and tax payers audit selection lists to avoid instances in which a motor carrier may receive simultaneous notices of audit from both departments.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**



Membership in the International Registration Plan includes U.S. states and Canadian provinces. The Performance and Registration Information Systems Management Registration and Enforcement (PRISM) is a federal program administered by the Federal Motor Carrier Safety Administration (FMCSA). The Heavy Vehicle Use Tax (HVUT) program is a federal program that is coordinated between the FHWA, IRS, the department’s Motor Carrier and Vehicles Titles and Registration divisions, the Texas Comptroller’s Office and the Internal Revenue Service.

**K. If contracted expenditures are made through this program please provide:**

- **a short summary of the general purpose of those contracts overall;**
- **the amount of those expenditures in fiscal year 2016;**
- **the number of contracts accounting for those expenditures;**
- **the method used to procure contracts**
- **top five contracts by dollar amount, including contractor and purpose;**
- **the methods used to ensure accountability for funding and performance;**  
**and**
- **a short description of any current contracting problems.**

In FY 2016, Commercial Fleet Services executed three contracts, expending \$387,460. The top two contracts totaled \$373,088, for software maintenance and support for the existing online Texas International Registration Plan (TxIRP) system, including the operating system and database management systems, disaster recovery/business continuity services and monitoring and performance tuning. Contract performance is based on the performance of the TxIRP online application. Additionally, monthly invoices are reviewed by the program’s contract manager for approval before payment. Monthly statistics are produced that show both TxIRP and program performance.

| Vendor Name | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract  | Methods to Ensure Accountability for Funding and Performance  |
|-------------|----------------------------|--|--|---|
| Explore     | \$320,288                  | Purchases of information technology commodities or services not available through DIR contracts. SPD rule 34 Texas Administrative Code 20.391 - Request for Offer Purchase Method. | Texas International Registration Plan (TxIRP) annual maintenance and support | Monthly invoices are reviewed by the TxIRP contract manager and compared to work completed for the invoice time period. |

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| Vendor Name | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract   | Methods to Ensure Accountability for Funding and Performance  |
|-------------|----------------------------|--|---|---|
| Explore     | \$52,800                   | Purchases of information technology commodities or services not available through DIR contracts. SPD rule 34 Texas Administrative Code 20.391 - Request for Offer Purchase Method. | Texas International Registration Plan (TxIRP) modifications | One-time project invoice was reviewed by the TxIRP contract manager and compared to work completed for the special project. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

Texas is a title state which means that a commercial vehicle’s owner wishing to move their fleet to the state will either have to apply for a Texas Certified Certificate of Title or a Registration Purposes Only (RPO) title. The cost of each title is \$33. This requirement has prevented large fleets from moving to Texas because many states accept an out-of-state title at no cost to the new registrant, or they may charge a reduced fee for titles.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Please refer to the Enforcement and Investigations program response to Section VII.O.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

#### **4. Credentialing (authority to operate on highways)**

##### **A. Provide the following information at the beginning of each program description.**

***Name of Program or Function:*** *Credentialing*

***Location/Division:*** *Austin (Headquarters), Motor Carrier Division*

***Contact Name:*** *Carol Fallin, Section Manager*

***Actual Expenditures, FY 2016:*** *\$960,813*

***Number of Actual FTEs as of June 1, 2017:*** *15*

***Statutory Citation for Program:*** *Transportation Code, Chapter 643*

##### **B. What is the objective of this program or function? Describe the major activities performed under this program.**

The primary purpose of the program is to protect the health, safety and welfare of the public in relation to the movement of commercial motor vehicles on roads and highways in Texas as well as consumers using household goods movers. This is accomplished through the issuance of Texas intrastate motor carrier operating credentials (intrastate certificates) to operators of:

- Vehicles with a gross weight, registered gross weight, or gross vehicle weight rating exceeding 26,000 pounds
- Farm vehicles that operate with a gross weight, registered weight, or gross vehicle weight rating of 48,000 pounds or more
- Buses designed or used to transport more than 15 people
- Commercial school buses
- Household goods (for compensation)

Motor carriers applying for intrastate operating credentials must carry at least the minimum insurance requirements for their business type.

Two additional functions performed by the program are:

- Ensuring all intrastate motor carriers traveling across state lines (interstate) are properly registered with the federal Unified Carrier Registration (UCR) program.
- Identifying “chameleon carriers” through a screening process of new applications set up in the Motor Carrier Credentialing System (MCCS). MCCS screens new motor carrier applications and identifies those that are attempting to recreate themselves as a new carrier in an attempt to avoid enforcement penalties and/or sanctions or unsatisfactory safety ratings.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

In FY 2016, MCD issued 8,381 intrastate certificates, a 4 percent increase from the 8,054 issued in FY 2015. The average turnaround time for an intrastate certificate in FY 2016 was 1.8 days -- roughly the same turnaround time as FY 2015.

In 2016, MCD conducted a Customer Satisfaction Survey. For the division as a whole, the level of General Customer Satisfaction rose from 87.66 percent in the 2015 survey to 90 percent in the 2016 survey for those who rated service as "Exceptional," "Very Good," or "Good." The highest increase was in the "Exceptional" rating.

TxDMV won the 2017 AAMVA Security Awards - Fraud Prevention and Detection Award for the department's Chameleon Carrier Identification Program that is part of MCCS. This program uses one of the web services in the Texas Commercial Vehicle Information Exchange Window (TxCVIEW) for confirming carrier information in real time with the federal Motor Carrier Management Information System (MCMIS). A new TxCVIEW web service will assist TxDMV in moving to an all-electronic system for credentialing applications.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Credentialing is currently developing a completely online self-registration system and expects the first phase of the project to be completed in September 2017.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program affects the registration related to the intrastate operation of the following:

- Vehicles with a gross weight, registered gross weight, or gross vehicle weight rating exceeding 26,000 pounds
- Farm vehicles that operate with a gross weight, registered weight, or gross vehicle weight rating of 48,000 pounds or more
- Buses designed or used to transport more than 15 people
- Commercial school buses
- Household goods (for compensation)

In June of 2017, the following active registrations could be found in MCCS:

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- 49,654 motor carriers
- 468 passenger transporters
- 873 household goods movers

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The registration function for intrastate operating authority is administered through MCCS. Credentialing also uses additional resources for verification such as the Texas Secretary of State, Texas Comptroller and the Federal Motor Carrier Safety Administration (FMCSA).

The new applicant process is as follows:

1. The motor carrier contacts a MCD credentialing specialist through the program's toll-free phone number.
2. The credentialing specialist will ask the caller some specific questions. If the caller wishes to apply for a new TxDMV certificate, the specialist will provide the caller with a list of items necessary to complete their registration process.
3. The credentialing specialist will assist the caller with establishing a user account.
4. Once the caller receives specific instructions to complete their user account, the credentialing specialist continues with establishing the applicant's business entity type. The business entity types require proof of business filings from the Secretary of State and, depending on business type, may require a social security number or Texas tax identification number.
5. If the applicant plans to use an assumed name or doing business as (DBA) the applicant will be required to submit an assumed name certificate. The applicant is required to file their assumed name or DBA with the county clerk's office in the county in which they operate their business or with the Secretary of State.
6. The applicant is provided with a Unique Identifier Number (UIN) and a personal identification number (PIN).
7. The applicant is instructed on how to complete the TxDMV certificate application process.
8. Once the user account and the business entity is established, the applicant has the ability to manage their TxDMV certificate through their user account.
9. The proper amount of required insurance must be filed along with vehicles that will be operated before the TxDMV certificate will be activated.

The program is also supported by the department's Motor Carrier Division director and a six-person division section that handles essential administrative functions: leadership and championing program projects, budget, purchasing, special projects and planning, intranet and internet content, technical writing and reports, forms management, legislative coordination and rules, statistical analysis, customer surveys and outreach, information and open records requests, media coordination and liaison to other state and federal agencies. A portion of this administrative overhead is included in program expenditures.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$960,813

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

No other internal or external programs provide identical or similar services to the target population.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

No duplication of effort exists for this program.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

MCD's credentialing program works with the Unified Carrier Registration System (UCR), a federal registration program.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

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In FY 2016, Credentialing executed four contracts, expending \$179,760. The top contract expenditure totaled \$179,115 including contracts with C&T Information Technology Services for database management, monitoring and performance tuning of the Motor Carrier Credentialing System/Complaint Management System and Iteris, Inc. for a web portal service to transfer data from the FMCSA to the Unified Carrier Registration (UCR) system. The Iteris, Inc. contract was allowed to expire August 31, 2016, as the UCR Board has taken responsibility and the expense for transferring data.

| Vendor Name                         | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract   | Methods to Ensure Accountability for Funding and Performance   |
|-------------------------------------|----------------------------|--|---|--|
| C&T Information Technology Services | \$163,115                  | Information technology staff augmentation services (ITSAC). Texas Government Code, Section 2157.068, effective 09/01/2015, requires State agencies to buy commodity items, in accordance with contracts developed by DIR, unless the agency obtains an exemption from DIR. | MCCS/CMS (Motor Carrier Credentialing System/Complaint Management System) Support | Monthly invoices are reviewed by the Application Services Supervisor and compared to work completed for the invoice time period. |
| Iteris                              | \$16,000                   | Purchases of publications directly from the publisher with no dollar limits. See 34 Texas Administrative Code 20.41(e)(5) Delegated Purchases; Publications.   | Unified Carrier Registration (UCR)-Link Web portal service                        | Data transfers from the FMCSA to the UCR system monitored daily.   |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

N/A

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A



**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Please refer to the Enforcement and Investigations program response to Section VII.O.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 5. Oversize/Overweight Permits

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Oversize/Overweight Permitting*

**Location/Division:** *Austin (Headquarters), Motor Carrier Division*

**Contact Name:** *DuWayne Murdock Jr., Section Manager*

**Actual Expenditures, FY 2016:** *\$6,693,381*

**Number of Actual FTEs as of June 1, 2017:** *74*

**Statutory Citation for Program:** *Transportation Code, Chapters 621-623*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The objective of the Oversize/Overweight (OS/OW) Permitting program is to regulate the movement of oversize and overweight vehicles and loads on the Texas highway system to ensure the safety of the traveling public and to protect the integrity of highways and bridges.

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

In FY 2016, MCD issued 665,575 permits. Of those, 79.4 percent (528,801) were single-trip routed permits. The average turnaround time for single-trip routed permits is 26.4 minutes. This program continues to increase efficiency as evident by the ability to transition FTEs to other functions and redistribute internally to functions that are focused on product quality and efficiency that in turn feeds the program's efficiency curve.

Turnaround time is calculated by adding single-trip routed monthly turnaround time stats together and dividing by 12 months in the FY. Raw data is generated by the Texas Permitting and Routing Optimization System (TxPROS), the online application used to issue OS/OW permits. TxPROS modernized the permitting process, allowing online, 24/7 permit application and approval with custom – not pre-set -- routes generated that include turn-by-turn directions. From day one customers self-issued more than half of all permits through the new streamlined system. Of the 665,575 permits issued in FY 2016, 533,624 were eligible for self-issue with 389,746 actually self-issued by customers. Of the permits eligible for self-issuance, 73 percent were self-issued. Overall, 58.56 percent of all permits issued were self-issued. Customers save time and money because TxPROS eliminates waiting for self-issue eligible permits.

Efficiencies have been gained with the launch of TxPROS that has allowed the division to reassign FTEs to other areas within the department.

In 2016 MCD conducted a Customer Satisfaction Survey. For the division as a whole, the level of General Customer Satisfaction rose from 87.66 percent in the 2015 survey to 90 percent in the 2016 survey for those who rated service as “Exceptional,” Very Good,” or “Good.” The highest increase was in the “Exceptional” rating.

The TxDMV Internal Audit Division examined MCD’s OS/OW Permits program and issued a report in November 2016. The audit resulted in no “findings” and had no recommendations for improvements. Strengths cited in the final report:

The Motor Carrier Division (MCD) has processes for issuing permits to vehicles and loads that exceed Texas legal size or weight limits (Oversize/Overweight). These processes are working as intended to support the safety of the traveling public and to validate, update and communicate route restrictions on a timely basis. The Internal Audit Division (IAD) reviewed the Permit Restriction Application process, where roadway restrictions are approved and entered into the Texas Permitting and Routing Optimization System (TxPROS). In this review, the IAD identified multiple controls used to ensure public safety and provide timely information to motor carriers and the traveling public.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

TxPROS was launched in August 2011 after more than four years of development that included input from industry. The release of TxPROS brought self-service and automated routing capability to the permit issuance process.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program directly affects motor carriers or individuals who transport oversized/overweight cargo on roads in Texas. This program also directly affects all citizens who travel on these roads.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The program is administered by three functional groups:

**Program Quality**

Program Quality is focused on the maintenance, efficiency and continual improvement of the permitting system. Continual maintenance of the application is required as current road conditions, construction and other impediments to the movement of OS/OW cargo is continually updated. All routes generated by the TxPROS application are created in real-time using up to date information.

**Product Quality**

Product Quality is focused on the continual evaluation of the products and services provided and serves as a “product inspector” for all services provided. Quality checks are performed via inspection of issued permits, monitoring of transactions (both electronic and voice) and other various methods to insure all permits are issued according to law, rule and policy.

**Permit Issuance**

Permit Issuance is focused on the issuance of oversize/overweight permits using the program maintained by the “Program Quality” section and using the policies and procedures which are quality checked by the “Product Quality” section.

The program is also supported by the department’s Motor Carrier Division director and a six-person division section that handles essential administrative functions: leadership and championing program projects, budget, purchasing, special projects and planning, intranet and internet content, technical writing and reports, forms management, legislative coordination and rules, statistical analysis, customer surveys and outreach, information and open records requests, media coordination and liaison to other state and federal agencies. A portion of this administrative overhead is included in program expenditures.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$6,691,575

Rider Appropriations for Credit, Charge or Debit Service Fees (State Highway Fund 0006): \$1,806

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

The Texas Department of Transportation retains responsibility for those Texas Ports that have authority to issue OS/OW permits. Port-issued OS/OW permits are good only for short distances within designated heavy-haul corridors to and from that port. Revenue generated by port-issued permits goes to the TxDOT District where the port is located and those funds are dedicated to maintaining the heavy-haul corridors associated with that district. Eight ports or port authorities have authorization to issue short-haul permits; however, only the Port of Brownsville, Port Freeport Navigational District and Hidalgo Regional Mobility Authority are actively issuing permits. Those three ports issued a total of 52,571 permits in FY 2016: Brownsville, 27,597; Freeport, 396; and Hidalgo Regional Mobility Authority, 24,578. Chambers County also now has an active permit corridor as of August 2016, but has not yet begun to issue permits.

Inactive OS/OW permitting authorities are the Port of Harlingen, Port of Corpus Christi, Victoria and Webb County.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

No duplication of effort exists for this program.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

N/A

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, OS/OW Permitting executed three contracts, expending \$243,573. The top contract totaled \$235,677 for hosting of the TxPROS system. Contract performance is based on the performance of the applications. Additionally, monthly invoices are reviewed by the program's contract manager for approval before payment.

TxDMV Self-Evaluation Report

| Vendor Name | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract     | Methods to Ensure Accountability for Funding and Performance   |
|-------------|----------------------------|---|-------------------------|--|
| ProMiles    | \$235,977                  | Purchases of IT commodities or services not available through Department of Information Resources Contracts. Texas Comptroller's Statewide Procurement Division (34 Tex. Admin. Code 20.41) | TxPROS hosting services | Monthly invoices are reviewed by the TxPROS contract manager and compared to work completed for the invoice time period. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

The department does not have the authority to deny an OS/OW permit to a motor carrier that has been placed "out-of-service" by the Federal Motor Carrier Safety Administration (FMCSA). Carriers are often placed out-of-service because they pose an imminent hazard to safety. In FY 2016 the Southwest Research Institute reviewed 383,874 oversize/overweight permits. Of those permits, 341 had been issued to motor carriers that had an FMCSA status of "out-of-service" another 593 were placed "out-of-service" because they had not completed their biennial updates to the federal Motor Carrier Management Information System (MCMIS).

Adding language to Transportation Code, Chapter 621, to allow TxDMV to deny a permit if federal systems show a carrier has been placed out-of-service by FMCSA would support the department's mission to protect citizens and industries in Texas.

The need for a constant flow of information from TxDOT is essential to the program's performance. The department depends on timely and accurate infrastructure information from TxDOT in order to safely route motor carriers.

Indirect barriers include:

- Inefficient permit submission processes (fax/phone/business hours) that directly compete with efficient alternatives (online application via TxPROS).
- Lack of authorization to allow pilot vehicles to direct traffic. The permits the program issues are a means for motor carriers to safely transport oversize and/or overweight vehicles and cargo. However, when a carrier is required to have an escort vehicle the operators of these vehicles are unable to direct traffic, which limits the tools available to a carrier to perform the movement safely.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

While the department has the ability and expertise to issue OS/OW permits, not all carriers adhere to the guidelines of the permits. For example:

- Recently a carrier obtained a permit and after being warned multiple times to follow the route provided chose to use a different route. The carrier was too wide for the route it actually took, and this action resulted in a crash with multiple fatalities. The carrier is still in operation today.
- Of 31 known bridge hits that occurred in FY 2016, all over height loads involved were either not permitted or were permitted, but the driver chose to drive off the designated permit route. A comprehensive system for tracking bridge hits does not exist.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Please refer to the Enforcement and Investigations program response to Section VII.O.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 6. Innovative Technology Deployment

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Innovative Technology Deployment*

**Location/Division:** *Austin (Headquarters), Motor Carrier Division*

**Contact Name:** *Grady Meyer, Program Manager*

**Actual Expenditures, FY 2016:** \$703,761 (Amount represents grant expenditures and does not fund FTEs)

**Number of Actual FTEs as of June 1, 2017:** 0

**Statutory Citation for Program:** *N/A*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Innovative Technology Deployment (ITD) Program (formerly known as CVISN) is a key component of the Federal Motor Carrier Safety Administration's (FMCSA's) drive to improve commercial motor vehicle safety. The ITD Program supports FMCSA's goals by:

- Focusing safety enforcement on high-risk operators
- Integrating systems to improve the accuracy, integrity and verifiability of credentials
- Improving efficiency through electronic screening of commercial vehicles
- Enabling online application and issuance of credentials

The four agencies working together on ITD are the Texas Department of Motor Vehicles TxDMV, Texas Department of Public Safety (DPS), Texas Department of Transportation (TxDOT) and Texas Comptroller's Office (CPA). TxDMV is the lead agency.

The goals of the ITD Program are to:

- Improve safety and productivity of motor carriers, commercial vehicles and their drivers
- Simplify enforcement operations
- Improve efficiency and effectiveness of commercial vehicle safety programs through targeted enforcement
- Improve security of data and improve sharing of commercial vehicle data within States and between States and FMCSA
- Reduce Federal/State and industry regulatory and administrative costs
- Achieve nationwide deployment of the program, with all jurisdictions participating



The key components to accomplish the above are the Safety and Fitness Electronic Records (SAFER) database and the Commercial Vehicle Information Exchange Window (CVIEW) database/program in each state. SAFER collects key information from multiple federal databases, the International Registration Plan (IRP) data from each state and the International Fuel Tax Agreement (IFTA) data from each state. The information in SAFER is sent to all the state CVIEWS. No other vehicle allows states to share information with each other.

The state CVIEWS are the hubs for state users to access SAFER data, web services and share information between state agencies. Web services allow for computer to computer requests and return of information. Applications in each agency call web services to automatically get the needed information and thus remove the need for user to log into separate systems.

Texas must participate in ITD to be able to access the needed information to keep roads safe and to move commercial traffic efficiently. Other states depend on the data the department sends to SAFER for their systems.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

TxDMV won the 2017 Fraud Prevention and Detection Award from the American Association of Motor Vehicle Administrators (AAMVA) for the department's Chameleon Carrier Identification Program, part of the Motor Carrier Management Information System (MCCS). This program uses one of the web services in the Texas Commercial Vehicle Information Systems & Networks (TxCVIEW) for confirming carrier information in real time with the federal Motor Carrier Management Information System (MCMIS).

As a result of this program, other state agencies have realized the following efficiencies:

- CPA was able to decrease their rejection rate of International Fuel Tax Agreements (IFTA) licenses by using the TxCVIEW. From 01/01/16 to 5/31/16, CPA returned 204 applications. From 01/01/17 to 05/31/17, they only had to return 14.
- DPS is able to catch more violations by commercial vehicles due to the additional information they receive from the TxCVIEW web services requests from their license plate readers.
- TxDOT was able to develop an Advanced Bridge Clearance Warning system in Austin that they will use to develop state wide standards for other warning systems across the state.
- Texas Workforce Commission (TWC) was able to identify over \$3 million misclassified wages to bring in an additional \$80 thousand in unemployment taxes. They accomplished this by using data from the TxCVIEW in their 2016

Best of Texas Digital Government Award for implementation of a new business intelligence tool that uncovers Unemployment Insurance fraud.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

N/A

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

ITD provides access to ITD grant funds for the four participating agencies. TxCVIEW provides data and web services to DPS roadside troopers, TxDMV, TWC and CPA.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

There are four agencies working together on ITD in Texas – TxDMV, DPS, TxDOT and CPA. TxDMV is the lead agency.

The ITD Working group consists of members from all four agencies, the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA) and industry representatives. The Working group develops ways to improve safety on the road, increase efficiency for industry and state operations, as well as move to more online applications for operating authority and permits. This group meets from 7 to 11 times a year.

The ITD Steering Committee consists of members from all four agencies, FMCSA and the industry. The Steering Committee approves the plans proposed by the Working Group and makes sure the Working group stays on task. The Steering Committee meets twice a year.

The program is also supported by the department's Motor Carrier Division director and a six-person division section that handles essential administrative functions: leadership and championing program projects, budget, purchasing, special projects and planning, intranet and internet content, technical writing and reports, forms management, legislative coordination and rules, statistical analysis, customer surveys and outreach, information and open records requests, media coordination and liaison to other state and federal agencies.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations (match for federal funds): \$329,465

Federal Funds Appropriations – Federal Grant # 20.237.000 – Commercial Vehicle Information Network (CVISN): \$374,296

The state match came from the TxDMV budget and the federal match came from the FMCSA through a CVISN grant which is now part of the ITD grant program under the High Priority Motor Carrier Safety Assistance Program (MCSAP) grant program.

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

N/A

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Federal Motor Carrier Safety Administration (FMCSA) is the lead federal agency for the ITD Program which controls the national scope of ITD.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, \$698,029 was expended under two contracts supporting the ITD program.

TxDMV Self-Evaluation Report

| Vendor Name                  | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract  | Methods to Ensure Accountability for Funding and Performance  |
|------------------------------|----------------------------|--|--|---|
| Southwest Research Institute | \$626,945                  | Purchasing method is Delegated - Request for Qualifications (RFQ) for Consulting - Purchase Category Code (PCC) 0 (9) Exempt | CVISN project (FY 2016 title, in FY 2017 renamed Innovative Technology Deployment) | Invoices are reviewed by the ITD project manager and compared to Task Orders, contracts and grant specifications. Actual contract expenditures are reviewed during the development and negotiation of the contract to ensure cost effectiveness. FMCSA also reviews, approves and audits grant expenditures.                        |
| TxDOT                        | \$71,084                   | Interagency - PCC 0 (9) Exempt   | Advanced Bridge Clearance (ABC) project  | TxDOT reviews all invoices and compares to Task Orders, contracts and grant specifications before submitting to TxDMV for reimbursement. Actual contract expenditures are reviewed during the development and negotiation of the contract to ensure cost effectiveness. FMCSA also reviews, approves and audits grant expenditures. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

N/A

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

**Fixing America's Surface Transportation Act, 2015 (FAST Act) Grant Program Changes**

The Fixing America's Surface Transportation Act, or FAST Act, Public Law 114-94, became effective in December 2015. It is the first law enacted in more than 10 years that provides long-term funding certainty for surface transportation priorities including FMCSA's grant programs. The FAST Act reforms and strengthens FMCSA's commitment to safety, streamlines processes and provides more flexibility for the Agency's partners.

One of the largest changes under the FAST Act is the consolidation of multiple FMCSA grant programs into the Motor Carrier Safety Assistance Program (MCSAP) and High Priority (HP) grant programs. The MCSAP High Priority Grant Program now includes components of the previously separate Commercial Vehicle Information Systems and Networks (CVISN) Grant Program. The FAST Act has changed the name and funding structure of the CVISN Grant Program (now known as the ITD Grant Program), but many programmatic components remain the same. The FAST Act also increases focus on accountability, performance standards, efficiency and effectiveness while reducing administrative burdens on FMCSA grantees.

**Comprehensive Policy**

The MCSAP Grant Comprehensive Policy (MCP) serves as a combined information resource, providing program policy, guidance and technical assistance. It includes FMCSA's goals, objectives and national program elements and strategies to meet the Nation's most urgent commercial motor vehicle safety needs. Chapter 6 of the MCP provides detailed information on the ITD Grant Program, ranging from descriptions of eligible grant activities and costs to application requirements and evaluation criteria.

**Eligibility Information**

The ITD Grant Program provides reimbursement grant funding to States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam and the U.S. Virgin Islands to deploy, operate and maintain elements of their ITD programs. FMCSA may award ITD funds to agencies of States, the District of Columbia, or U.S. territories that have an approved ITD Program Plan and Top Level Design. Individuals and businesses are not eligible to apply.

**Grant Authorization**

Section 5101 of the FAST Act established the ITD discretionary grant program within MCSAP High Priority with the goal to deploy, support and maintain commercial motor vehicle information systems and networks (49 U.S.C. § 31102(l)(3)).

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Please refer to the Enforcement and Investigations program response to Section VII.O.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 7. Motor Vehicle Division

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Motor Vehicle Division*

**Location/Division:** *Austin (Headquarters), Motor Vehicle Division*

**Contact Name:** *Daniel Avitia, Director, Motor Vehicle Division*

**Actual Expenditures, FY 2016:** *\$4,596,866*

**Number of Actual FTEs as of June 1, 2017:** *35*

**Statutory Citation for Program:** *Occupations Code, Chapters 2301 and 2302 and Transportation Code, Chapter 503*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Motor Vehicle Division (MVD) provides a stable and efficient system for distributing and selling motor vehicles through the licensing of franchise dealers, motor vehicle manufacturers, independent (used) motor vehicle dealers, distributors, representatives, in-transit operators, converters, lease facilitators, lessors, salvage vehicle dealers and salvage agents doing business in Texas. MVD processes new, renewal and amended license applications for more than 30,000 motor vehicle and salvage industry licensees.

MVD also provides mediation services to facilitate the resolution of disputes between franchise dealers and manufacturers, oversees the processing and distribution of metal dealer license plates to new and independent dealers, in-transit operators, manufacturers, distributors and converters and regulates the participation of license holders in shows and exhibitions that take place throughout Texas.

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

MVD primarily measures effectiveness through a performance measure to calculate the number of Motor Vehicle and Salvage industry licenses issued in a fiscal year. For FY 2016, MVD met 88% of the goal.

MVD also tracks efficiency through key performance indicators established by the board in 2014, with target average processing times for general distinguishing number (GDN) and Franchise applications. Average processing time is calculated using the 6 month average for the relevant application, including the current month. The average number of

days taken to process applications has been reduced by 33% from the original baseline amounts.

In FY 2017, MVD successfully deployed eLICENSING, a new online self-service licensing system. eLICENSING combined the data from both the legacy motor vehicle and salvage licensing databases to give greater efficiency, consistency and functionality to internal processes. It provides a self-service hub for customers with continuous online access to account and application information, as well as the ability to upload documentation.

MVD sends all license holders a customer satisfaction survey upon approval of a license, amendment, or renewal. License holders who respond with low ratings and/or written complaints are contacted to address their concerns. For FY 2016, 96% of the participating license holders strongly agreed that they are satisfied overall with the service MVD provides. Following deployment of eLICENSING, MVD began to provide the survey as a link in the license approval email. MVD will soon be providing the survey link in a separate email to draw more attention and increase participation rates.

MVD maintains information about its mediation program in a spreadsheet that is updated on a monthly basis. Since the mediation requirement was added to the statute and the MVD program was launched, MVD's mediation program has maintained a success rate of 80% or higher.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Statute was amended in 2013 to require parties to participate in mediation prior to a hearing at the State Office of Administrative Hearings. MVD's Mediation Program provides mediation services for contested cases involving (1) franchised dealers or (2) a franchised dealer and a manufacturer (or distributor).

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The program licenses and regulates manufacturers, distributors, converters, in-transit operators, leasing companies and dealers (both prospective and current).

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The following steps outline the process to obtain a license:

1. Applicant accesses or creates account on TxDMV website



2. Applicant selects application type, enters relevant information, uploads supporting documents, e-signs and pays for application.
3. Validations are performed, criminal history report is generated and application is routed to the appropriate eLICENSING queue.
4. Senior Licensing Specialist assigns application to Licensing Specialist to process.
5. Licensing Specialist reviews application and supporting documents to ensure application meets requirements in rule and statute, communicates through eLICENSING or by phone with applicant if additional information is needed.
6. If all requirements are met, Licensing Specialist approves the application.
7. If license plates are requested, they are assigned from inventory and mailed to the applicant/license holder by Licensing Administrative staff.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$2,319,736

TxDMV Rider 5 Appropriation – Unexpended Balance and Capital Authority

TxDMV Automation System - State Highway Fund 0006: \$2,277,130

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

N/A

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

N/A

**K. If contracted expenditures are made through this program please provide:**

TxDMV Self-Evaluation Report

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, Motor Vehicle Licensing executed 14 contracts, expending \$2,500,988. The top contract expenditures totaled \$1,003,809.

| Vendor Name                                    | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract                          | Methods to Ensure Accountability for Funding and Performance   |
|--|----------------------------|---|--|--|
| Deloitte                                       | \$801,340                  | Purchasing method is Delegated - Department of Information Resources (DIR) Deliverables Based Information Technology Services (DBITS) - Procurement Category Code (PCC) I   | eLicensing/LAC E Replacement capital project | This contract is part of a capital project with an approved governance process.  |
| Anderton Group                                 | \$99,904                   | Purchase of services in an amount estimated to exceed \$25,000.01 for the total contract within a one year period. See 34 Texas Administrative Code 20.41 - Delegated Purchases.  | Automated mailing services                   | Daily counts of mail received by the vendor are maintained and compared to the monthly billing invoice to ensure accuracy.     |
| State Office of Administrative Hearings (SOAH) | \$70,900                   | Interagency Agreement Contract Act, TX Gov. Code, Title 7, Chapter 771  | SOAH services                                | This is a flat fee annual contract based on services provided.   |
| TIBH Industries                                | \$26,179                   | Purchases from the Texas State Comptroller's Statewide Procurement Division (SPD) Managed term contracts using the department's internal requisition/purchase order forms See 34 Texas Administrative Code 20.40 - SPD Term Contract Purchase | Temps  | After initial training, temporary staff's productivity, accuracy and attendance are evaluated and monitored by MVD management. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

The requirement that representatives of motor vehicle manufacturers, distributors and converters apply for and maintain a license adds a needless administrative burden to the department but provides no benefit to the consumer. Repealing the requirement that representatives hold licenses would necessitate amending several sections of Occupations Code Chapter 2301.

All MVD licenses have two-year terms except Salvage licenses issued in accordance with Occupations Code Chapter 2302. Salvage licenses have one-year terms and, therefore, require renewal every year. Changing the Salvage dealer license term to two years would ensure consistency across license types and improve efficiency for MVD and for Salvage license holders. Changing license terms for Salvage licenses will require amending Occupations Code §2302.151 License Expiration.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

Motor vehicle events (shows and exhibitions) are a component of the motor vehicle and trailer distribution industry where marketing of motor vehicle and trailer products take place. Whether the event is a single participant event or a multiple participant event, licensees must obtain permission from the MVD to participate before the date the show or exhibition opens.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Please refer to the Enforcement and Investigations program response to Section VII.O.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your**

**agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 8. Consumer Relations Division

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Consumer Relations Division*

**Location/Division:** *Austin (Headquarters)*

**Contact Name:** *Ginny Booton, Director of Consumer Relations Division*

**Actual Expenditures, FY 2016:** *\$2,087,373*

**Number of Actual FTEs as of June 1, 2017:** *43*

**Statutory Citation for Program:** *Transportation Code, §1001.004*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The objective of the Consumer Relations Division (CRD) is to provide frontline customer care support. The major activities include:

- Assisting customers via any communication avenue they choose (telephone, email, letter, website)
- Answering questions and providing information and assistance regarding:
  - Titling and registering vehicles
  - License plates
  - Legal restraints
  - Motor Vehicle Dealer licensing, applications and renewals
  - Salvage dealer inquiries
  - Motor vehicle dealer, motor carrier, household movers and Lemon Law complaints
  - Bonds
  - Disabled plates and placards
  - Military personnel immediate assistance needs
  - Toll disputes
  - Customer complaints
- Providing customers and stakeholders technical trouble shooting and web navigation support for department-related programs, applications and systems

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

The feedback received from Contact Center Customer Service Surveys confirm the program is performing well. The Contact Center received 680,508 calls and maintained an overall 89% customer satisfaction rating in FY 2016. The Survey of Employee Engagement (SEE) ratings over the course of the program history have been some of the highest satisfaction ratings in the department, demonstrating employee satisfaction. Program scores ranged from 438 to 392.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

When CRD was formed in June 2010, the original intent was to consolidate customer service activities into one program. Four various customer service groups throughout the department were identified to be centralized into one area becoming the “face” of TxDMV. CRD is a contact center business model design that is customer-centric and focuses on delivering a quality service experience at the initial point of contact. Customers contact CRD by telephone, letter, email and the website regarding the myriad of services the department provides. The division has concentrated on establishing a culture that supports their mission to “Serve Our Customers Right the First Time.”

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

CRD serves a wide customer base consisting of: the motoring public; motor vehicle dealers; law enforcement; local, state and federal agencies; dealer associations; manufacturers and distributors; lease facilitators; salvage yards; storage facilities; financial institutions; insurance entities; motor carriers; department staff.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The program is administered by the division director. The division is budgeted 48 full-time equivalent positions. Thirty-eight are dedicated customer care representatives. In addition to the representatives and the director, there is one assistant director, two supervisors, four team leads, one quality program officer and one executive assistant.

The processes involved include:

- Customer Service: “Serve Our Customers Right the First Time” [CRD Mission Statement] at the initial point of contact by focusing on a quality experience; ensuring the unique needs of each customer are handled professionally and completely through telephone, email and letters.

- Managerial: Maintain continuous improvement, knowledge management and quality assurance programs within the division to build and sustain a high-performing team and ensure quality in all work products.
- Enterprise Based: Work cross-functionally within the department to: 1) ensure quality and consistency in TxDMV customer service delivery avenues; 2) support the customer service needs of other divisions; 3) identify, escalate and troubleshoot department issues and collaborate to resolve them; and 4) serve as the front line team that provides answers to a broad customer base.
- Programs: Stay abreast of all changes to legislation, rules, policies and procedures to ensure the information and service provided to the customer base is up-to-date.
- Leadership: Create and support an environment that provides opportunities for professional development, personal growth, career advancement and succession planning.

Title-related calls can be transferred to the Regional Service Centers (RSC) if the business continuity plan is invoked, there are call center technology issues at headquarters, or if CRD is experiencing unmanageable call volumes.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$2,087,373

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

The department's 16 RSCs also provide customer service to the motoring public and other entities related to vehicles titles and registration. Their customers have either chosen a face-to-face option or they have been referred to the RSC because the service the customer requires is performed there. CRD provides guidance, answers questions and seeks to resolve issues for customers over the telephone and through written correspondence, both email and letters. Often CRD must work with other entities, such as the RSCs, to assist the customer. The RSCs also provide training to the 254 tax assessor-collectors' offices and are responsible for oversight of the county tax assessor-collector motor vehicle related activities.

The Information Technology Service Desk provides department hardware and software support to the county tax assessor-collectors while CRD assists with providing the county tax assessor-collectors with support regarding department program issues and coordinates assistance with the RSCs for customers.

The Motor Carrier Division operates a call center specific to its functions – namely, the issuance of a license or permit to a motor carrier. CRD provides general carrier information to customers.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The areas of responsibility are defined by the department's mission for each division. Divisions are expected to collaborate, coordinate and share information to meet the needs of the customers.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

The division provides coordinated customer service support to the county tax assessor-collectors, law enforcement entities and toll road authorities. The county tax assessor-collectors serve as the department's partners responsible for processing title and registration transactions through the automated Registration and Title System (RTS). Support covers a myriad of service issues customers' experience (e.g., title corrections due to errors, title brands and general title and registration procedures). CRD collaborates with both law enforcement entities and the county tax assessor-collectors regarding the confiscation and reinstatement of customer disabled placards. CRD also provides general information to law enforcement entities regarding vehicle information and requests for motor vehicle information and works with toll road authorities to assist customers regarding scofflaw remarks and holds on their vehicle record.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance;
- and
- a short description of any current contracting problems.



In FY 2016, CRD executed one contract and expended \$18,487 for training development services.

| Vendor Name     | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract | Methods to Ensure Accountability for Funding and Performance   |
|-----------------|----------------------------|---|---------------------|--|
| TIBH Industries | \$18,487                   | Purchases from the Texas State Comptroller's Statewide Procurement Division (SPD) Managed term contracts using the department's internal requisition/purchase order forms See 34 Texas Administrative Code 20.40 - SPD Term Contract Purchase | Temp/ Contractor    | CRD reviews the contractor's performance weekly to ensure expectations are met and to authorize payment of services. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

The barriers and challenges that impede the division's performance can be separated into two main categories: staffing and technology and support. As an entry point for new employees, CRD experiences routine turnover. Since FY 2011, CRD has seen a 62% increase in customer calls without a correlating increase in customer service staff. In addition, new programs, technology and statutory and rule changes increase the requirements and expectations of the division. Without dedicated resources to monitor the quality of the customer service provided, CRD experiences difficulty in keeping up with all of the changes to department programs when such changes effect the materials, standard operating procedures and online resources. CRD would also benefit from a dedicated resource to design, develop and deliver training and support to create and maintain a centralized repository of resources required for the customer care representatives.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

The customer care requirements of the division require the staff to be familiar with all program areas in the department.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

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- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 9. Enforcement and Investigations

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Enforcement and Investigations*

**Location/Division:** *Austin (Headquarters), Enforcement Division (with investigators located in field offices in Dickinson, El Paso, Fort Worth, Houston, Lubbock, Longview, Mesquite, Pharr and San Antonio)*

**Contact Name:** *Corrie Thompson, Director of Enforcement (Acting)*

**Actual Expenditures, FY 2016:** *\$4,887,014*

**Number of Actual FTEs as of June 1, 2017:** *71*

**Statutory Citation for Program:** *Transportation Code, Title 7, Subtitle A and Chapters 621, 622, 623, 642, 643, 645, 646 and 648; Occupations Code, Chapters 2301 and 2302*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Enforcement and Investigations program enforces the laws governing the motor vehicle sales and distribution, salvage and motor carrier industries, including the laws governing oversize and overweight motor carrier operations.

Major activities include:

- Receipt and investigation of complaints from the public (or initiation of complaints when potential violations are observed)
- Submission of investigation to attorney regarding violation
- Settlement of case with Respondent or if no settlement can be reached, litigation of case at State Office of Administrative Hearings (SOAH)
- Presentation of settlement or SOAH Proposal for Decision (PFD) to Board for approval of final decision

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

The Enforcement Division (ENF) measures effectiveness through a key performance measure that calculates the number of non-Lemon Law complaints completed or non-Lemon Law cases closed for a fiscal year period. For FY 2016, ENF performed at 82.78% of the goal.

ENF also tracks efficiency through key performance indicators established by the TxDMV Board which targets average processing times for the completion of non-Lemon Law complaint cases by category (motor vehicle, motor carrier and oversize/overweight) and by legal actions (contested or non-contested).

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

The Enforcement Division was created in November 2009 to consolidate the enforcement activities previously performed in TxDOT's Motor Vehicle Division (motor vehicle enforcement), Motor Carrier Division (motor carrier and oversize/overweight enforcement) and Vehicle Titles and Registration Division (salvage enforcement).

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The program deals directly with the public through consumer protection education programs and handling complaints filed by consumers. The program provides educational programs to assure understanding of the laws affecting the regulated industries, and, if violations occur, enforces laws affecting the motor vehicle and motor carrier industries by seeking sanctions or revoking licenses.

The Enforcement and Investigations program affects the following (statistics are as of 8/31/15):

- Licensees
  - Motor Vehicle - 23,302
  - Salvage Businesses - 6,944 (holding 9,661 salvage license endorsements)
  - Motor Carriers - 49,837 (including 473 bus companies)
- Members of the public

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

For motor vehicle industry complaints, cases are assigned to investigators located throughout the state. Investigators gather evidence by conducting site visits (scheduled and unscheduled) and by conducting interviews of the complainant and dealer. In some cases, it will be determined that the case should be handled by another agency or law enforcement. For example, complaints regarding the financing related to motor vehicle purchases are referred to the Office of Consumer Credit Commissioner. Cases involving failure of a dealer to remit motor vehicle sales tax are referred to the Comptroller of Public

Accounts (CPA). Cases involving unlicensed sales activities and illegal plate or temporary tag use are referred to law enforcement.

If a potential violation of the laws TxDMV enforces is determined during the investigation, the case is referred to an Enforcement Division staff attorney. The attorney will review the type of violation(s) involved and the dealer's prior case history and then issue a warning or initiate a contested case proceeding by filing a Notice of Department Decision (NODD). Most contested cases are settled through an agreed order. Cases are docketed at the State Office of Administrative Hearings (SOAH) if the respondent requests a hearing.

The majority of the motor carrier cases are generated by the Motor Carrier Credentialing System (MCCS) that reports when a motor carrier fails to provide evidence it maintains the required limits of liability insurance. Most of these cases are settled through an agreed order whereby the motor carrier pays a civil penalty. Cases are also generated when a consumer files a complaint about a household goods mover. After an investigation, if a violation is found, the case is sent to the staff attorney to initiate a contested proceeding by issuing a NODD. Cases are also initiated when an investigator discovers that a household goods mover is operating without being licensed by the department.

Oversize/Overweight (OS/OW) cases are initiated after reviewing data on Department of Public Safety (DPS) or other law enforcement agency citations. Motor carriers with repeated violations are identified and audits are then conducted by department investigators to determine whether the motor carrier has operated on other occasions carrying cargo or people on the highways without being issued an OS/OW permit. Cases are also initiated when law enforcement agencies file complaints with the department and after incidents involving an OS/OW load, such as a bridge hit or other serious accident.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$4,887,014

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

Most of the laws the department enforces also have criminal penalties and, thus, could be enforced by law enforcement. However, most law enforcement agencies do not enforce the laws administered by the department because of competing demands for the limited resources of law enforcement and the complicated nature of some of the violations. Many of the motor vehicle sales transactions TxDMV investigates involve retail install agreements, which are regulated by the Office of Consumer Credit Commissioner. Similarly, almost most of the motor vehicle sales transactions TxDMV investigates include collection of motor vehicle sales tax, which is the responsibility of CPA. Many sales tax cases are worked together by TxDMV and CPA investigators. Motor vehicle dealers are

responsible for reporting and paying motor vehicle inventory tax. Collection of this tax is the responsibility of the county tax assessor collectors and Texas law mandates that complaints based on failure to report sales and to remit the resulting tax be referred to TxDMV by the county tax assessor-collectors.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The department works closely with law enforcement in a number of areas, especially motor vehicle economic crimes such as auto theft. Federal state and local law enforcement is often dependent on the expertise of the department in understanding the motor vehicle sales and distribution, salvage and household goods moving industries. The department currently has two investigators working out of Auto Burglary and Theft Prevention Authority (ABTPA) funded auto theft task forces under MOUs. The department is also working under a MOU with the Federal Motor Carrier Safety Administration (FMCSA) to investigate and prosecute violations of federal law by interstate household goods carriers. Under this MOU, any civil penalties collected in a proceeding prosecuted by the department are retained by the department. The enforcement division provides Texas Commission on Law Enforcement (TCOLE) approved instruction to law enforcement agencies throughout the state on salvage and GDN dealer licensing and operations, temporary tag and plate usage, OS/OW permitting and HHG mover laws.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Enforcement Division personnel work with local, state and federal law enforcement agencies when assistance is requested by those agencies.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, the Enforcement Division executed 11 contracts, expending \$56,430. The top contract expenditures totaled \$51,868.

| Vendor Name     | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract     | Methods to Ensure Accountability for Funding and Performance   |
|-----------------|----------------------------|---|-------------------------|--|
| AT&T            | \$30,238                   | Purchases of items from DIR Contracts. See Texas Government Code 2157 - Purchases of Automated Information Systems commodities or services.   | Cellular phone services | Invoices are reviewed for accuracy according to the contract. Contract is reviewed annually to ensure cost effectiveness     |
| Lexis Nexis     | \$13,869                   | Purchases of publications directly from the publisher with no dollar limits. See 34 Texas Administrative Code 20.41(e) (5) Delegated Purchases; Publications.   | Online subscriptions    | Invoices are reviewed for accuracy according to the contract. Contract is reviewed annually to ensure cost effectiveness     |
| TIBH Industries | \$7,761                    | Purchases from the Texas State Comptroller's Statewide Procurement Division (SPD) Managed term contracts using the department's internal requisition/purchase order forms See 34 Texas Administrative Code 20.40 - SPD Term Contract Purchase | Temp/contractor         | Invoices are reviewed for accuracy according to the contract. Contractor work performance is monitored by Enforcement staff. |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

The lack of sufficient investigatory resources impedes the program in timelier investigation and litigation of complaints. The program currently has 25 motor vehicle investigators for more than 30,000 motor vehicle dealers and salvage vehicle dealers. California, which had 8,989 new and used car dealers as of June 15, 2017, has 198 investigators. It is hoped that the recent authorization to create a special investigations unit, which will concentrate on more complicated and time-consuming investigations, will reduce the impact of inadequate numbers of FTEs and improve processing times. As training and information programs for the public, licensees and law enforcement are developed, a more modern method of delivery would maximize effectiveness of these training and education deliverables to benefit both the public and licensees. Similar challenges exist within this program’s motor carrier section.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

**Motor Vehicle/Salvage Industry**

Regulation is needed to protect consumers and ensure a sound system for the distribution and sale of motor vehicles. In many cases, a motor vehicle is one of the biggest purchases a person will make. The opportunities for consumer harm are great. Unlicensed sales of motor vehicles poses a threat to consumers, often results in loss of tax revenue and adversely affects legitimate business operations. Additionally, motor vehicle sales provide an opportunity for other crimes such as money laundering and both drug and human trafficking.

Investigators in the field visit licensed dealers and inspect their premises and records. An inspection checklist is used. This checklist is also provided to dealers during training and at industry events.

In some cases, investigators conduct follow-up inspections to ensure compliance. Before visiting a dealer's location, investigators review the enforcement history for that licensee to identify deficiencies or violations noted in prior cases. Action taken on a current case will be after consideration of prior investigations and the action taken on those cases. When a dealer is found to be non-compliant and the violation is determined to be unintentional and due to lack of understanding of the laws, the dealer will be recommended or, in some cases, ordered to attend a dealer training seminar. Seminars are offered monthly at locations throughout the state. The investigator has the ability to issue a Notice of Violation (NOV), which is similar to a citation, when minor violations are observed in the field. Follow-up visits are sometimes scheduled in these cases to confirm that the violation has been corrected.

Sanctions authorized by statute include revocation of the license and administrative penalties. The department is also authorized to issue cease and desist orders.



The Enforcement Division initiates investigations on all motor vehicle/salvage industry complaints received by the department. Complaints come from consumers, law enforcement, other licensees and county tax assessor-collectors. The complainant is issued an acknowledgment of receipt of the complaint and during the investigation will be contacted upon initiation of the investigation and as necessary when more information is needed about the complaint. The complainant is also provided with updates during the course of the investigation and notified when investigation is closed.

### **Motor Carrier Industry**

Regulation of motor carriers is required to properly identify persons engaged in transporting goods and the public in motor carriers on the highways. The program also works to ensure that motor carriers maintain the proper liability insurance coverage. Household goods (HHG) motor carriers are monitored to ensure they are properly licensed and insured and to ensure that consumers are not harmed by deceptive trade practices. Motor carriers that carry oversize and overweight (OS/OW) loads are regulated to ensure that they operate with permits within statutory limits for these extraordinary loads and that they follow the terms of the permit, including routing.

The program works with the credentialing section in the Motor Carrier Division to assure that motor carriers with adverse safety or disciplinary actions are not re-licensed under a different name to escape that adverse history. The program also uses the MCCA to identify motor carriers that do not maintain evidence of required liability insurance coverage.

Most inspections involve HHG motor carriers to ensure they use and maintain proper paperwork for moves and that they are located where licensed. Using data from DPS and other law enforcement for citations issued roadside, the department audits motor carriers to determine if there are other OS/OW loads handled by the motor carrier where the proper permit is not used to transport the load. Audits are also scheduled following an accident, such as a bridge hit and after receipt of complaints from local law enforcement. The department requires some motor carriers to develop and follow a compliance program to assure the violation is corrected. Training programs for HHG movers and motor carrier carrying OS/OW loads are provided to licensees and law enforcement.

Sanctions authorized by statute include revocation of the license or ability to obtain OS/OW permits and administrative penalties.

The Enforcement Division initiates investigations on all motor carrier industry complaints received by the department. Complaints come from consumers, law enforcement and other licensees. Complainants are issued an acknowledgment of receipt of the complaint and are contacted for information during the course of the investigation. Complainant are provided with updates during the course of the investigation and are notified of the result of the investigation.

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices. Please include a brief description of the methodology supporting each measure.**

**Texas Department of Motor Vehicles  
Enforcement and Investigations  
Exhibit 11: Information on Complaints Against Regulated Persons or Entities  
Fiscal Years 2015 and 2016**

| Type of Complaint   | Fiscal Year<br>2015 | Fiscal Year<br>2016 |
|---|---------------------|---------------------|
| Total number of entities inspected  | 525                 | 509                 |
| Total number of complaints received from the public   | 3,590               | 3,937               |
| Total number of complaints initiated by agency  | 8,918               | 9,315               |
| Number of complaints pending from prior years   | 4,129               | 3,709               |
| Number of complaints found to be non-jurisdictional   | 154                 | 184                 |
| Number of jurisdictional complaints found to be without merit   | 2,064               | 1,956               |
| Number of complaints resolved   | 13,433              | 13,245              |
| Average number of days for complaint resolution   | 180                 | 141                 |
| Complaints resulting in disciplinary action:  | 7,656               | 7,652               |
| Administrative penalty  | 6,982               | 6,682               |
| Reprimand   | 1,585               | 2,016               |
| Revocation  | 1,453               | 1,853               |
| Note: Calculations are based on the actual count of complaints received or closed during the applicable period. |                     |                     |

## 10. Lemon Law

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Lemon Law*

**Location/Division:** *Austin (Headquarters), Enforcement Division*

**Contact Name:** *Mark Gladney, Managing Attorney*

**Actual Expenditures, FY 2016:** *\$394,473*

**Number of Actual FTEs as of June 1, 2017:** *5*

**Statutory Citation for Program:** *Occupations Code, Ch. 2301, Subchapters E and M*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Lemon Law Program provides an impartial intermediary to assist manufacturers and consumers in resolving disputes regarding substantial impairments in the use, market value or safety of a new motor vehicle arising from manufacturing defects. The program provides technical and procedural support as well as mediation expertise to resolve disputes between a consumer and a manufacturer. If a case cannot be resolved by an informal settlement agreement, the case will be forwarded to the department's Office of Administrative Hearings (OAH) for hearing.

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

The Lemon Law Program has established performance measures by which the efficiency of the program is determined. Pursuant to Texas Occupations Code § 2301.611, the department is required to track and report on the number of motor vehicles replaced or repurchased by administrative order in the program. The table below provides an indicator of such information. The program has averaged an issuance of 91 repurchase/replacement order over the last three fiscal years. Moreover, the table below indicates a rising trend in the number of consumer complaints filed and closed by program staff. Resolution of complaints by Lemon Law staff has increased by almost 7% since 2014.

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| Category                      | FY 2014 | FY 2015 | FY 2016 |
|-------------------------------|---------|---------|---------|
| Complaints Filed              | 391     | 431     | 450     |
| Cases Closed                  | 416     | 426     | 444     |
| Settlements                   | 228     | 213     | 211     |
| Repurchase/Replacement Orders | 72      | 110     | 91      |

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

N/A

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program impacts consumers who purchase or lease a “lemon” and manufacturers who are responsible for repurchase, replacement or repair.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The Lemon Law Program is administered by the Enforcement Division Director and the Lemon Law Section Manager.

The process by which the Lemon Law Program functions is as follows:

1. A consumer files a lemon law complaint with the department using the department’s e-Licensing online complaint system.
2. The complaint received in the online system is reviewed for eligibility for lemon law or warranty relief and for completeness by section administrative staff. The filing fee for a lemon law complaint is verified for payment.
3. Once reviewed and determined eligible, the case is “accepted” in the system and assigned to a section Case Advisor (CA).
4. The CA reviews the complaint information and attached documentation regarding the alleged defect associated with the subject motor vehicle and will determine final eligibility of the complaint.
5. If eligible for relief, the CA will assign the complaint a case number with the associated law section for the motor vehicle and the alleged defect code(s).

6. If the case is determined to be ineligible, the CA will refer the case to the department's Office of Administrative Hearings (OAH) for issuance of a final order of dismissal.
7. An acknowledgement letter of the complaint with the associated case number will be drafted by the CA and sent to the consumer. A notice of complaint letter containing the complaint and any attachments will be forwarded to the respondent by the CA. The respondent will have 20 days to respond.
8. After response is received from the respondent and any additional documents are reviewed, the CA will contact both parties to attempt settlement of the case.
9. In some cases, a vehicle inspection is scheduled with the parties at a dealership near the consumer's location to provide the CA with more information and to further resolution.
10. If the case is settled, a final order is issued by a Hearings Examiner (HE) from OAH.
11. If the case cannot be settled, the CA will refer the case for hearing with OAH.
12. The CA will continue efforts with the parties after referral to resolve the case.
13. The department has exclusive jurisdiction over the lemon law case for 150 days from the filing of the complaint. If a final decision is not issued by that time, the section will send a letter to the consumer asking if he/she wishes to continue the case at the department or pursue the action in a civil court.
14. An administrative hearing is scheduled by the department's assigned Hearings Examiner and conducted.
15. After the record has closed, the HE will issue a final decision and order on the merits of the case.
16. The parties may file a Motion for Rehearing (MFR) and reply in accordance with the timelines contained in the Administrative Procedures Act (APA) Tex. Gov. Code Chapter 2001.
17. The Chief Hearing Examiner will consider the MFR and issue a ruling in accordance the provisions of the APA.
18. Further appeals of the final decision and order may be pursued in a Travis County District Court in accordance with Tex. Occ. Code, §2301.609.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$394,473

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

Some consumers may choose to use the mediation program sponsored by the Better Business Bureau (BBB) to resolve lemon law or warranty complaints. There are few similarities between the two programs. The main differences in the BBB program from the TxDMV Lemon Law Program are as follows:

- BBB does not have trained auto technicians on staff to advise parties on the alleged defects and render technical assistance associated with the subject motor vehicle.
- BBB does not allow a claimant to have a concurrent lemon law complaint filed with the department while they process a complaint under its program.
- The department's Lemon Law Program assesses a \$35 filing fee as required under Tex. Occupations Code, §2301.712 for lemon law complaints. Consumer complaints filed under the warranty performance program under Tex. Occupations Code, §2301.204 are at no cost.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

No duplication of effort exists for this program.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

N/A

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;

- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, Lemon Law executed three contracts, expending \$2,709. The top contract expenditure totaled \$1,500.

| Vendor Name | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract | Methods to Ensure Accountability for Funding and Performance   |
|-------------|----------------------------|--|---------------------|--|
| All Data    | \$1,500                    | Purchases of publications directly from the publisher with no dollar limits. See 34 Texas Administrative Code 20.41(e)(5) Delegated Purchases; Publications. | Data subscription   | ALLDATA is a technical reference service for motor vehicle repairs, including information on vehicle recalls and technical service bulletins. It is used by Lemon Law Section case advisors when researching the characteristics and operation history of a specific motor vehicle. The information contained in the database is checked for accuracy by the case advisors who compare the information against other databases such as safercar.gov, CARFAX, AutoCheck and the National Motor Vehicle Information System and the National Highway Traffic Safety Association website |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

N/A

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

House Bill 2070, 85th Legislature (Regular Session, 2017) amended Tex. Occupations Code, §2301.605(a) and (c) to simplify determinations of the existence of a “reasonable number of repair attempts” undertaken by a manufacturer, converter, or distributor to cure

an alleged substantial defect. This legislation will enable some owners of defective vehicles to seek quicker relief under the law for vehicles presumed to be “lemons”.

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices. Please include a brief description of the methodology supporting each measure.**

**Texas Department of Motor Vehicles  
Exhibit 12: Information on Filed Lemon Law Complaints  
Fiscal Years 2015 and 2016**

| Number of Complaints                                | Fiscal Year 2015 | Fiscal Year 2016 |
|---|------------------|------------------|
| Total number of complaints received from the public | 431              | 450              |
| Number of complaints found to be non-jurisdictional | 63               | 53               |
| Number of complaints resolved                       | 426              | 444              |
| Average number of days for complaint resolution     | 17.09 weeks      | 18.38 weeks      |



## 11. Lemon Law Hearings

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Lemon Law Hearings*

**Location/Division:** *Austin (Headquarters), Office of Administrative Hearings*

**Contact Name:** *Edward Sandoval, Chief Hearing Examiner*

**Actual Expenditures, FY 2016:** *\$394,312*

**Number of Actual FTEs as of June 1, 2017:** *5*

**Statutory Citation for Program:** *Occupations Code, Chapter 2301 and Government Code, Chapter 2001*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Office of Administrative Hearings (OAH) was established effective January 1, 2014, to streamline the process of conducting hearings under the Texas Lemon Law. Prior to the establishment of OAH, the Lemon Law administrative hearings were performed by the State Office of Administrative Hearings (SOAH) on a contract basis.

OAH is tasked with conducting fair and unbiased administrative hearings and issuing decisions in a timely manner.

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

The legislative mandate in establishing OAH was to resolve Lemon Law complaints within an average of 150 days from the date of filing a complaint to its closure. According to the FY 2016 Lemon Law Annual Report, OAH is achieving this goal and has seen a 28% decrease in the processing time of the complaints from FY 2014. This achievement is even more impressive when compared to the average of 265 days for SOAH to process complaints in FY 2013.

### D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

N/A

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

Lemon Law protection is available to any consumer who purchases or leases a new motor vehicle from a licensee of the Motor Vehicle Division or who is a resident of the state and has registered a new motor vehicle within the state.

In addition, vehicle manufacturers, converters, or distributors may be affected in that they may be ordered to repurchase, replace, or repair complained of vehicles.

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

1. Cases are referred to OAH from the department's Lemon Law Program, logged and assigned to a hearings examiner.
2. The hearings examiner will schedule a date, time and location for the hearing and send a Notice of Hearing to the parties.
3. The hearing examiner holds a pre-hearing conference to inform the parties of the documents needed for the hearing, determine who will be representing the parties and identify who will be testifying in the hearing.
4. Parties may make discovery motions and subpoena requests which will be ruled on by the assigned hearings examiner.
5. Hearings are conducted at a location convenient to the Complainant during which the hearing examiner takes testimony and documentary evidence from the parties and witnesses.
6. The hearings examiner issues a written decision and final order within 60 days.
7. The parties may file a Motion for Rehearing in accordance with the provisions of the Texas Government Code, Chapter 2001.
8. If the Motion for Rehearing is granted, then a new hearing may be conducted to consider the evidence providing the basis for the Motion for Rehearing. If the Motion for Rehearing is denied or if no Motion for Rehearing is filed by either party, then the case is closed and no further action will be taken by OAH.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$394,312

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

N/A

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

N/A

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY 2016, OAH executed two contracts totaling \$3,594. The top contract for \$2,214 was for cellular service.

| Vendor Name   | FY 2016 Expenditure Amount | Procurement Method   | Purpose of Contract | Methods to Ensure Accountability for Funding and Performance                                      |
|---------------|----------------------------|--|---------------------|---|
| AT&T Mobility | \$2,214                    | Purchases of items from DIR Contracts. See Texas Government Code 2157 - Purchase of Automated Information Systems commodities or services. | Cellular services   | Invoices are reviewed for accuracy and contract is reviewed annually to ensure cost effectiveness |

TxDMV Self-Evaluation Report

|             |         |  |                       |   |
|-------------|---------|--|-----------------------|---|
| Lexis Nexis | \$1,380 | Council on Competitive Government (CCG) Texas Government Code, Title 10, Subtitle D, Chapter 2162, Subchapter A, Sec. 2162.1 | Online legal research | Invoices are reviewed for accuracy and contract is reviewed annually to ensure cost effectiveness |
|-------------|---------|--|-----------------------|---|

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

N/A

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 12. Automobile Burglary and Theft Prevention Authority

### A. Provide the following information at the beginning of each program description.

**Name of Program or Function:** *Automobile Burglary and Theft Prevention Authority*

**Location/Division:** *Austin (Headquarters)*

**Contact Name:** *Bryan Wilson, Director of ABTPA*

**Actual Expenditures, FY 2016:** *\$14,188,375*

**Number of Actual FTEs as of June 1, 2017:** *5*

**Statutory Citation for Program:** *Texas Revised Civil Statutes (TRCS) Article 4413 (37)*

### B. What is the objective of this program or function? Describe the major activities performed under this program.

The Automobile Burglary and Theft Prevention Authority's (ABTPA) primary objective is to protect the public by providing support to local law enforcement agencies for specialized investigative units to combat and reduce motor vehicle crime.

Statutorily, ABTPA is required to conduct the following activities toward that objective:

- Provide grants to local law enforcement to combat motor vehicle theft and burglary from motor vehicles;
- Develop a statewide plan to combat and reduce motor vehicle burglary and theft;
- Educate the public on their role in preventing motor vehicle burglary and theft; and
- Report the performance and impact of the program to the Legislature.

ABTPA creates educational material in English and Spanish about the important role that prevention can play in reducing motor vehicle crimes and provides this material to the public. Over 80,000 copies of this material were distributed throughout the state in 2016.

ABTPA also provides specialized motor vehicle theft training to law enforcement officers. This training is approved by the Texas Commission on Law Enforcement through the TxDMV Enforcement division and hosted by the grant funded taskforces on a rotating basis. DPS, the National Insurance Crime Bureau (NICB) and the Texas Association and Motor Vehicle Investigators (TAVTI) provide assistance or support.

### C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

## TxDMV Self-Evaluation Report

On April 1, 2017 ABTPA submitted its Activity and Funds Report to the Texas Legislature. This statutorily required report demonstrated that the highly trained and specialized law enforcement personnel that are funded through the ABTPA met or exceeded their legislative mandates. Because of ABTPA grant funded programs, the number of arrests, vehicle recoveries and cleared cases increased in 2016.

ABTPA has statutory performance measures established in TRCS Article 4413 (37) §6(j). ABTPA funded programs are required to track the recovery of stolen vehicles, cleared cases and persons arrested. The table below demonstrates improvements achieved by ABTPA funded taskforces related to statutory performance measures in FY 2016 as compared to FY 2015:

| <b>FY 2015 – FY 2016 Statutory Requirements Reported by Grant Recipients</b> |                |                |
|--|----------------|----------------|
| <b>Activity</b>  | <b>FY 2015</b> | <b>FY 2016</b> |
| Recovered Stolen Vehicles  | 9,168          | 10,185         |
| Cleared Motor Vehicle Theft Cases  | 11,190         | 16,070         |
| Persons Arrested Motor Vehicle Theft   | 2,463          | 2,879          |
| Cleared Burglary of a Motor Vehicle Cases                                    | 2,492          | 4,709          |
| Arrested Burglary of a Motor Vehicle   | 1,333          | 1,400          |

ABTPA collects this data from the funded taskforces. ABTPA staff monitor submitted reports and conduct site visits to validate the data.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

In 1991 there were over 161,000 vehicles stolen in Texas. In 2015 that number was down to just over 67,000. The creation of ABTPA was approved with a dedicated fee on motor vehicle insurance policies. For several years the ABTPA was appropriated the amount collected. Despite a statutory requirement that one-half of the funds collected be appropriated to ABTPA, the amount collected has increased while the amount appropriated has remained the same or been reduced.

| Fiscal Year | ABTPA Assessment Collected | Amount Appropriated Auto Theft Prevention | Difference   | Percentage allocated |
|-------------|----------------------------|---|--------------|----------------------|
| 2006        | \$17,235,509               | \$12,939,288                              | \$4,296,221  | 75%                  |
| 2007        | \$16,458,504               | \$12,525,967                              | \$3,932,537  | 76%                  |
| 2008        | \$17,655,750               | \$13,774,920                              | \$3,880,830  | 78%                  |
| 2009        | \$17,463,530               | \$13,783,835                              | \$3,679,695  | 79%                  |
| 2010        | \$19,384,443               | \$15,214,355                              | \$4,170,088  | 78%                  |
| 2011        | \$16,766,335               | \$15,214,355                              | \$1,551,980  | 91%                  |
| 2012        | \$39,434,530               | \$14,911,870                              | \$24,522,660 | 38%                  |
| 2013        | \$40,249,786               | \$14,911,870                              | \$25,337,916 | 37%                  |
| 2014        | \$42,796,154               | \$14,904,341                              | \$27,891,813 | 35%                  |
| 2015        | \$44,563,043               | \$14,904,340                              | \$29,658,703 | 33%                  |
| 2016        | \$46,068,858               | \$14,912,006                              | \$31,156,852 | 32%                  |

The specialized investigators that were developed and trained through the ABTPA funded programs provided a network that worked with local law enforcement agencies, tax assessor-collectors, TxDMV, DPS, car dealers, manufactures, NICB, insurance company special agents and many other state and federal agencies. Only properly trained investigators are authorized to use proprietary and confidential vehicle identification systems to support TxDMV, county tax assessor-collectors and other police agencies. In 2006 the Legislature added motor vehicle burglary crimes to the ABTPA. This required ABTPA to increase the skill set of its funded officers to expand its work to salvage dealers, salvage yards, used auto part dealers and recycle centers.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

Grant funding is provided annually to law enforcement agencies on a competitive basis. Grant applicants are submitted by individual agencies representing themselves or groups of agencies through interlocal agreements. The ABTPA Board of Directors makes award decisions based on eligibility, statutory requirements and grant rules that it has promulgated. While these agencies may submit grant applications and be funded for their jurisdictions, they provide motor vehicle technical assistance to many other citizens and agencies outside their jurisdictions.

In FY 2016, 24 jurisdictions received grant funding from ABTPA. The 24 grants represent the largest cities and counties in Texas in terms of both population and number of reported incidents that fall within ABTPA's statutory mandates. Beyond providing "coverage" for the state's largest jurisdictions, the grants provide coverage to jurisdictions that are critically positioned relative to the U.S./Mexican border (El Paso, Laredo, Brownsville and Eagle Pass).

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

ABTPA is led by a board consisting of six governor-appointed members and the Director of the Texas Department of Public Safety. By statute, the board is comprised of representatives of the insurance industry, consumers and law enforcement.

| Member Name            | Term/Appointment Dates/<br>Appointed by  | Qualification               | City             |
|------------------------|--|-----------------------------|------------------|
| Chief Carlos L. Garcia | 2/1/17; appointed 5/24/02 by Governor Perry; reappointed 1/20/06; reappointed 02/14/11; named chair by Governor Perry 02/20/08 | Law Enforcement             | Brownsville      |
| Steven C. McCraw       | Ex Officio   | Department of Public Safety | Austin           |
| Armin Mizani           | 2/1/21; appointed 05/09/16 by Governor Abbott  | Consumer Representative     | Keller           |
| Ashley Hunter          | 2/1/19; appointed 4/18/13 by Governor Perry  | Insurance                   | Austin           |
| Linda W. Kinney        | 2/1/19; appointed 1/9/08 by Governor Perry; reappointed 04/18/13   | Consumer Representative     | Dripping Springs |
| Ken Ross               | 2/1/17; appointed 02/06/08 by Governor Perry, reappointed 02/14/11   | Insurance                   | La Marque        |
| Lt. Tommy Hansen       | 2/1/21; appointed 05/09/16 by Governor Abbott  | Law Enforcement             | Hitchcock        |

The ABTPA Board is required to develop a plan of operation every biennium for the Texas Legislature apart from TxDMV.

The ABTPA is administratively attached to the TxDMV and staffed as a division of TxDMV. The Appropriation for ABTPA is a line in the TxDMV bill pattern. The ABTPA staff includes an Executive Director, a Grant Auditor, two Grant Coordinators and an administrative support professional. These individuals share the tasks of grant making, grant monitoring, fiscal administration, insurance fee collection, insurance refund determination and TxDMV program administration.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$14,188,375



A fee of \$2 is assessed on each year of the total number of motor vehicle years of insurance active with an insurer. This fee is deposited to the General Revenue Fund and state law specifies that 50% of each fee may only be appropriated for an ABTPA purpose. ABTPA works with the Comptroller of Public Accounts, Texas Department of Insurance (TDI), insurance companies and insurance trade associations to ensure all motor vehicle insurers are in full compliance with the law regarding the collection of the ABTPA fee. The ABTPA Board is required by law to notify TDI if an insurer fails to pay the fee. In FY 2016, ABTPA collected about \$46 million in ABTPA fees and was appropriated \$14.9 million. The ABTPA has exclusive authority to grant refunds to insurers that overpay the fee. The ABTPA staff review the filings and amended reports to assist the ABTPA board when making a determination of overpayment.

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

N/A

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

ABTPA works with counties and cities in the relationship of grantor (ABTPA) and grantee (counties/cities).

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance;
- and
- a short description of any current contracting problems.

In FY 2016, ABTPA executed 11 contracts, expending \$124,905. The top contract expenditures totaled \$112,283.

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| Vendor Name                     | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract                      | Method for Accountability  |
|---------------------------------|----------------------------|---|--|--|
| Texas Dept. of Criminal Justice | \$44,022                   | Interagency Agreement Contract Act, TX Gov. Code, Title 7, Chapter 771  | TDCJ/FUGINET Interagency contract        | Department provided quarterly reports of activities and ABTPA reviewed and verified program expenses |
| Texas Dept. of Public Safety    | \$29,265                   | Interagency Agreement Contract Act, TX Gov. Code, Title 7, Chapter 771  | Interagency contract                     | Department provided class completion reports and ABTPA reviewed and verified program expenses        |
| TIBH Industries                 | \$28,996                   | Purchases from the Texas State Comptroller's Statewide Procurement Division (SPD) Managed term contracts using the department's internal requisition/purchase order forms See 34 Texas Administrative Code 20.40 - SPD Term Contract Purchase | Temp/contract                            | Director required and reviewed daily and weekly activity reports prior to approving time.            |
| Texas Comptroller               | \$10,000                   | Interagency Agreement Contract Act, TX Gov. Code, Title 7, Chapter 771  | Collection & reporting of ABTPA revenues | Reviewed revenue collection data and required reports.   |

**L. Provide information on any grants awarded by the program.**

The ABTPA awarded a total of 24 grants in FY 2016 to various cities and counties across the state. Combined, grantees received over \$14 million from the ABTPA. A detailed look at the various grants is available in Attachment H.

**M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

The ABTPA statute is located in Vernon's Revised Civil Statutes and contains many outdated requirements. For example, the statute requires notification of the TxDOT Executive Director instead of TxDMV Executive Director and refers to an obsolete program. When the statutes were amended in 2006 to add "burglary of a motor vehicle," not all sections were consistently modified in a way to make clear that both motor vehicle theft and burglary were covered. The inconsistencies between theft and burglary references in the statute need to be corrected. Section 201.805(a) of the Transportation Code requires ABTPA to provide data to TxDOT that is unrelated to TxDOT's mission.

The Automobile Burglary and Theft Prevention Authority's (ABTPA) primary statutory mandates are tied to law enforcement and maintaining public safety and although "prevention" is a significant aspect of the work undertaken by both ABTPA and grant

recipients, the word “prevention” in ABTPA’s name may not convey the critical law enforcement/public safety role that this entity fulfills for the State of Texas. While ABTPA’s name and statutory mandate focus on “automobile burglary and theft”, it no longer encapsulates the realities that law enforcement must confront to protect Texans and their property. It leaves out aspects such as title fraud, insurance fraud, cargo theft, etc. Changing the agency’s name and removing the word “prevention” would more accurately reflect the most critical aspects of this agency’s work.

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices. Please include a brief description of the methodology supporting each measure.**

N/A

### **13. Finance and Administrative Services**

#### **A. Provide the following information at the beginning of each program description.**

**Name of Program or Function:** *Finance and Administrative Services*

**Location/Division:** *Austin (Headquarters)*

**Contact Name:** *Linda Flores, CPA, Chief Financial Officer (CFO)*

**Actual Expenditures, FY 2016:** *\$4,716,213*

**Number of Actual FTEs as of June 1, 2017:** *57*

**Statutory Citation for Program:** *Transportation Code, §1001.004*

#### **B. What is the objective of this program or function? Describe the major activities performed under this program.**

The Finance and Administrative Services Division (FAS) oversees all budgeting, financial and administrative service aspects of the department. FAS is the financial point-of-contact for fiscal oversight agencies at all levels of government. In order to efficiently manage the department's day-to-day operations as well complete TxDMV Board, executive management and statutory requirements, FAS is divided into five sections, as follows: FAS Administration; Budget; Accounting Operations; Purchasing; and Administrative Services.

#### **C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

The division uses multiple instruments and methods to continually analyze the internal effectiveness and efficiencies of its functions. A major tool used to measure effectiveness is the FAS Customer Satisfaction Survey conducted through Survey Monkey. Beginning in FY 2015, FAS established the FAS Customer Satisfaction Survey designed to identify opportunities for improvement in service delivery. The survey is available to employees, external customers and stakeholders through email communications. It consists of 12 questions regarding service and knowledge of FAS employees. The information is gathered and reported monthly to Board Support. As of August 2016, the percent of responses that expressed above average satisfaction was 100%.

#### **D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

The Texas Comptroller's Centralized Accounting, Payroll and Personnel System (CAPPS) provided the department with a system that streamlined and consolidated multiple manual systems for accounting and asset management. Funding for the CAPPS project was appropriated in Senate Bill 1, 83rd Legislature (Regular Session, 2013).

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

As the financial point-of-contact for the department, the FAS Division serves:

- TxDMV Board – Nine members
- Executive Management – Executive Director and Deputy Executive Director
- Division Directors and staff – 15 Divisions
- Regional Service Centers (RSCs) and Field Offices – 16 across the state
- All department employees for payroll/timekeeping – 763 budgeted FTEs

**F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

The FAS Division is administered by the CFO. In addition, FAS employs an Assistant CFO, an Assistant Division Director, two section directors, two managers, eight team leads and a variety of subject matter experts. Several internal, detailed policies and procedures manuals are maintained within the division for specific functional areas. Additionally, FAS' payroll team utilizes the department's Human Resources Manual as a means to provide guidance in leave accounting and leave balances.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

General Revenue Appropriations: \$4,716,213

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

No other internal or external programs provide identical or similar services to the department's internal and external populations.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

FAS does not provide identical or similar services, internally or externally. However, the division, assists in the negotiation and execution of a Memorandum of Understanding (MOU) with the Texas Department of Transportation (TxDOT) that outlines the relationship between the two agencies for utilities, maintenance and facilities needs related to TxDMV (tenant) and TxDOT (landlord).

In addition, FAS negotiates and administers (through its Administrative Services Section) an Inter-agency Contract (IAC) with the Texas Department of Criminal Justice (TDCJ). This IAC is established for the manufacturing of personalized, annual, multi-year reflectorized license plates, validation stickers, decals, and placards used by TxDMV and county tax assessor-collectors for vehicle registration.

**J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

FAS supports county tax assessor-collectors across the state with deposits to the State Treasury.

**K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance;
- a short description of any current contracting problems.

In FY 2016, FAS executed 46 contracts, expending \$865,322. The top contract expenditures totaled \$618,383. In order to ensure accountability for funding and performance, invoices are reviewed by staff and compared to work orders for maintenance activities. Administrative Services staff monitors performance of contract custodial staff contacting the vendor regularly to address issues. Actual contract expenditures are reviewed during the development and negotiation of the contract to ensure cost effectiveness.

| Vendor Name     | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract                 |
|-----------------|----------------------------|---|-------------------------------------|
| TxDOT           | \$453,288                  | Interagency Agreement Contract Act, Texas Government Code, Title 7, Chapter 771 | Interagency contract - HQ utilities |
| TIBH Industries | \$165,095                  | TIBH Industries, Human Resources Code, Title 8, Chapter 122, Section 122.001    | Janitorial/custodial                |

**L. Provide information on any grants awarded by the program.**

N/A

**M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.**

N/A

**N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

N/A

**O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

N/A

**P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices. Please include a brief description of the methodology supporting each measure.**

N/A

## 14. Department Support

The department’s support divisions include the Enterprise Project Management Office, Executive Director’s Office, Government and Strategic Communications Division, Human Resources Division, Information Technology Services Division, Internal Audit Division and Office of General Counsel.

Department support divisions are budgeted for 148 FTEs combined. As of June 1, 2017, 135 of the 148 positions were filled.

Statutory citation for program: Transportation Code, §1001.004

Funding sources and amounts for the department’s support divisions:

- General Revenue Appropriations \$29,063,219
- TxDMV Rider 5 Appropriation – Unexpended Balance and Capital Authority
- TxDMV Automation System - State Highway Fund 0006: \$464,959

Together the support divisions accounted for \$29,528,178 in actual FY 2016 expenditures. In FY 2016, the support agencies executed 183 contracts, expending \$17,031,533. The top five contract expenditures totaling \$13.7 million, were made by the department’s Information Technology Services Division.

| Vendor Name           | FY 2016 Expenditure Amount | Procurement Method  | Purpose of Contract               |
|-----------------------|----------------------------|---|-----------------------------------|
| DIR - DCS             | \$7,922,884                | Purchases of items from DIR Contracts. See Texas Government Code 2157 - Purchases of Automated Information Systems commodities or services. | DCS Services                      |
| DIR - Data Circuits   | \$3,614,650                | Purchases of items from DIR Contracts. See Texas Government Code 2157 - Purchases of Automated Information Systems commodities or services. | Data Circuits/communication lines |
| TxDOT                 | \$1,514,290                | Interagency Agreement Contract Act, Texas Government Code, Title 7, Chapter 771   | TxDOT Data Center Services (DCS)  |
| Texas NICUSA LLC      | \$461,165                  | Purchase of items from DIR Contracts. See Texas Government Code 2157 - Purchase of Automated Information Systems commodities or services.   | Texas.gov web hosting services    |
| Adjacent Technologies | \$217,800                  | Purchases of items from DIR Contracts. See Texas Government Code 2157 - Purchases of Automated Information Systems commodities or services. | FileNet system modifications      |



### **Enterprise Project Management Office - 14 FTEs**

The Enterprise Project Management Office (EPMO) is responsible and accountable for cross-functional transformation programs and projects including, but not limited to, information resources projects approved by the Department's executive Governance Team (GT). The EPMO provides an enterprise-wide, holistic, strategic approach for project governance and the management of projects approved and prioritized by the Texas Department of Motor Vehicles Board and/or the GT and which are aligned with and advance the department's Vision, Mission and Strategic Goals. Quality Assurance (QA) is a form of self-audit to ensure compliance with state and department governance and project management methodologies and to ensure projects are completed on time and within agreed-upon budget, scope and quality standards.

### **Executive Director's Office- 5 FTEs**

The Executive Director's Office provides strategic oversight and guidance to all areas of the department, including division directors and department activities, to ensure timely and effective delivery of motor vehicle related services to support commerce and economic development in the state. Specifically, the office performs the following activities:

- Coordinates the implementation of Board directives and goals
- Serves as the point-of-contact for the Office of the Governor, Office of Lieutenant Governor, Office of the Speaker of the House of Representatives, Senators and House Members and other state agencies and leadership
- Serves as the point-of-contact for federal agencies such as the Federal Highway Administration, United States Department of Transportation and Federal Motor Carrier Safety Administration
- Serves on the Board of the American Association of Motor Vehicle Administrators (AAMVA) setting policy and best practice standards for state motor vehicle departments and law enforcement across the nation and the Business Executive Leadership Committee for the Texas Department of Information Resources
- Serves as the department's official spokesperson and liaison to professional associations

The Board Liaison assists the Chairperson and members of the Board and Executive Director with Board-related initiatives and projects by providing daily administrative support, research and communication. The Board Liaison serves on the Executive Management Team, manages Board initiatives and special projects and provides status reports to the Board and Executive Director.

In addition, housed within the EDO is the Office of Innovation and Strategy (OIS). OIS is responsible for preparing the department's strategic plan, overseeing the development of Operational Plans and Initiatives, developing the department's balanced scorecard and implementing other special projects such as the Telecommuting policy and Innovation Program.

The Executive Assistance staff in the EDO provides technical and logistical support for the entire EDO suite and oversees the development of policy regarding department-wide administrative activities such as travel, meeting scheduling and management and document routing.

### **Government and Strategic Communications Division- 10 FTEs**

The Government and Strategic Communications Division (GSC) is responsible for facilitating, coordinating and maintaining all of the department's interaction with the federal, state and local government, including executive branches and executive agencies. GSC's mission is to develop and execute communications strategies in support of the divisions within the department so that customers, business partners and other stakeholders receive accurate and consistent information about the department's programs, ensuring a high level of transparency.

### **Human Resources Division- 8 FTEs**

The Human Resources (HR) Division provides assistance to employees through wellness programs and by answering HR policy questions related to benefits and compensation, leave, salary groups and job titles and descriptions. In addition, the division provides managers assistance with resolving employee issues, performance management, corrective actions, employee and organizational development and disciplinary actions.

The HR Division publishes the department's Human Resources Manual which outlines policies applicable to all employees including state and federal employment laws, rules and regulations. In addition, the Manual includes policies for the following areas: recruitment, employee relations, ethics and standards of conduct, leave, benefits, compensation, classification, organizational development and training.

### **Information Technology Services Division- 85 FTEs**

The Information Technology Services Division (ITSD) is responsible for department wide information technology needs and overall responsibility for the maintenance and support of the department's major systems and technologies. ITSD ensures consistent technology standards are applied for software, hardware and services used by the department to serve its customers. ITSD is divided into four departments (IT Support Services, Application Services, Infrastructure Services and Information Security).

IT Support Services is responsible for Quality Assurance Testing of the department's software applications, Data Support Services and Service Desk support for customers across the State of Texas for all of the department's external facing applications.

Application Services is responsible for oversight, development and maintenance of the department's applications used both internally and externally, including internal and external websites.

Infrastructure Services supports four technology specific areas: Network/Server Administration, County Network Support, Desktop Support and Data Center Services (DCS). Together, these teams provide data network design and support services, server support, telephony support, desktop support for internal department staff and user

account/ID administration to over 700 department personnel and approximately 20,000 external users with various technology needs. This includes core services such as email, file and print services, county RTS support and communication circuit coordination. Infrastructure Services also provides infrastructure support for the department's 16 regional offices and approximately 500 county tax assessor-collectors' offices within the State of Texas.

The Information Security team ensures the integrity and confidentiality of data entrusted to the department by ensuring business is conducted in a secure manner. This is accomplished through the implementation of policy, standards and guidelines to align security initiatives with department objectives. The team also facilitates security awareness through familiarization of data users, owners and custodians with the need to protect information resources in accordance with appropriate statutes, regulations, rules, standards, guidelines, processes and procedures.

The Information Security team also provides technical expertise; analysis of security; and identifying relevant risk in the areas of IT infrastructure operations; applications programming; access and identity management; contracts and procurement; applicability and impact of legislation; physical plant; and incident response. This helps them to oversee the Disaster Recovery/Continuity of Operations Planning (DR/COOP), which requires input from all divisions of TxDMV to ensure the department is prepared for unplanned events affecting daily operations.

### **Internal Audit- 3 FTEs**

The Internal Audit Division (IAD) helps identify, address and mitigate high and emerging information technology, financial, contracting and operational risks that impact the department's service. The IAD helps identify areas where efficiencies can be gained throughout the department.

### **Office of General Counsel- 10 FTEs**

The Office of General Counsel (OGC) provides legal support to department management and staff, the TxDMV Board and the ABTPA Board on the following: rulemaking; statutory and regulatory interpretation; litigation; administrative enforcement actions; human resources (including conflicts of interest and ethics); contracts; intellectual property; Board meeting planning and execution; requests, subpoenas and court orders regarding records; protection of confidential or private records; policies; procedures; and the prevention, detection and elimination of fraud, waste and abuse.

OGC also interacts with Public Information Act requestors, litigants involved in lawsuits related to motor vehicle titles, the Office of the Attorney General, businesses that are regulated by TxDMV, other state agencies, local governmental entities and elected officials and their staff. One associate general counsel serves as the Civil Rights Officer and is responsible for receiving and investigating complaints and providing department responses to complaints filed with the Texas Workforce Commission or the Equal Employment Opportunity Commission.

## VIII. Statutory Authority and Recent Legislation

- A. Fill in the following charts, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2011–2015, or earlier significant Attorney General opinions, that affect your agency’s operations.**

**Texas Department of Motor Vehicles  
Exhibit 13: Statutes/Attorney General Opinions**

***Statutes***

| Citation/Title   | Authority/Impact on Agency   |
|--|--|
| TX Transportation Code Chapter 501<br>Certificate of Title Act                           | Governs Texas motor vehicle titles, including requirements for application, title issuance and title transfer. Also governs titles for nonrepairable and salvage motor vehicles, security interests, and provides penalties and enforcement provisions.  |
| TX Transportation Code Chapter 502<br>Registration of Vehicles                           | Establishes procedures for the registration of vehicles in Texas, including the requirements for application for registration and renewal of registration, registration fees, vehicles not issued registration and registrations exempt from fees, and establishes offenses and penalties.   |
| TX Transportation Code Chapter 503<br>Dealer’s and Manufacturer’s Vehicle License Plates | Establishes licensing and business operation requirements for motor vehicle dealers.   |
| TX Transportation Code Chapter 504<br>License Plates                                     | Defines the design, specification and use of license plates, including personalized and specialty plates and plates used by persons with disabilities. Also addresses the marketing of specialty plates through a private vendor.  |
| TX Transportation Code Chapter 520,<br>Subchapter A<br>General Provisions                | Describes the department’s responsibilities and the duties and responsibilities of county tax assessor-collectors. Gives the department rulemaking authority to administer the chapter and to prescribe the classification types of deputies performing titling and registration duties; the duties and obligations of deputies; the type and amount of any bonds a county tax assessor-collector may require of a deputy; and the fees that may be charged or retained by deputies. |

| Citation/Title   | Authority/Impact on Agency  |
|--|---|
| <p>TX Transportation Code Sections 548.256, 548.306(h), and 548.509<br/>Compulsory Inspection of Vehicles</p>      | <p>Describes the responsibilities/authority for the department and county tax assessor-collectors regarding registration-based enforcement of inspection requirements and collection of the state's portion of the inspection fee.</p>  |
| <p>TX Transportation Code 551<br/>Operation of Bicycles, Mopeds and Play Vehicles</p>                              | <p>Provides for general operation and regulation of electric bicycles, neighborhood electric vehicles, motor-assisted scooters, golf carts and package delivery vehicles.</p>   |
| <p>TX Transportation Code Chapter 621<br/>General Provisions Relating to Vehicle Size and Weight</p>               | <p>Establishes the general vehicle size and weight limitations; addresses some of the issues regarding fees under Chapters 621 - 623; and provides most of the enforcement provisions for law enforcement under Chapters 621 - 623, including the penalties for offenses.</p>   |
| <p>TX Transportation Code Chapter 622<br/>Special Provisions and Exceptions for Oversize or Overweight Permits</p> | <p>Provides exceptions from the general vehicle size and weight limitations under Chapter 621 for specific vehicles, such as farm tractors and highway maintenance machinery, and for vehicles transporting specific loads, such as ready-mixed concrete and milk.</p>  |
| <p>TX Transportation Code Chapter 623<br/>Permits for Oversize / Overweight Vehicles</p>                           | <p>Charges the department with issuing various oversize/overweight permits for operators traveling through Texas; establishes fees for the permits; establishes requirements and restrictions regarding the permits; creates additional offenses for certain violations of Chapters 621 – 623; and provides the provisions regarding the administrative enforcement of violations under Chapters 621 – 623 or a rule or order adopted under these chapters, including the penalties and sanctions for violations.</p> |
| <p>TX Transportation Code Chapter 642<br/>Identifying Markings On Commercial Motor Vehicles</p>                    | <p>Gives the department rulemaking authority to prescribe additional requirements regarding the form of identifying markings required by Section 642.002(a)(2), Transportation Code.</p>  |
| <p>TX Transportation Code Chapter 643<br/>Motor Carrier Registration</p>   | <p>Governs the registration and insurance requirements for motor carriers, including administrative penalties and sanctions for violations.</p>   |

## TxDMV Self-Evaluation Report

| Citation/Title  | Authority/Impact on Agency  |
|---|---|
| TX Transportation Code Chapter 645<br>Single State Registration                                       | Enables the department to participate in a federal motor carrier registration program under the unified carrier registration system, or a single state registration system established under federal law.   |
| TX Transportation Code Chapter 646<br>Motor Transportation Brokers                                    | Imposes bonding requirements on motor transportation brokers.   |
| TX Transportation Code Chapter 648<br>Foreign Commercial Motor Transportation                         | Regulates foreign commercial vehicles operating in border commercial zones, and requires the department to adopt rules requiring motor carriers operating foreign commercial motor vehicles in this state to maintain financial responsibility.   |
| TX Transportation Code Chapter 663<br>Certain Off-Highway Vehicles                                    | Defines all-terrain vehicles, recreational off-highway vehicles and utility vehicles, establishes requirements for operator education and certification and governs the operation of off-highway vehicles.  |
| TX Transportation Code Chapter 681<br>Privileged Parking  | Governs the issuance of disabled parking placards. Requires the department to furnish a form for application; establishes the duties of county tax assessor-collectors.   |
| TX Transportation Code Chapter 683<br>Abandoned Motor Vehicles  | Addresses motor vehicle titling issues related to the seizure and sale of abandoned motor vehicles, including vehicles abandoned in a storage facility. Also governs the demolition of motor vehicles, and gives the department rulemaking authority related to application for a certificate of authority to dispose of a vehicle and related notice requirements. |
| TX Transportation Code Chapter 702<br>Contracts for Enforcement of Certain Arrest Warrants            | Allows the department to refuse to register a motor vehicle if the department receives, under a contract, information from a municipality that the owner of the vehicle has an outstanding warrant from that municipality for failure to appear or failure to pay a fine on a complaint that involves the violation of a traffic law.                               |
| TX Transportation Code Section 707.017<br>Photographic Traffic Signal Enforcement System, Enforcement | Allows the department to refuse to register a motor vehicle if the owner of the motor vehicle is delinquent in the payment of a civil penalty imposed under Transportation Code, Chapter 707.   |

| Citation/Title  | Authority/Impact on Agency  |
|---|---|
| TX Transportation Code Chapter 730<br>Motor Vehicles Records Disclosure Act             | Designed to protect the interest of an individual in the individual's personal privacy by prohibiting the disclosure and use of personal information contained in motor vehicle records, except as authorized by the individual or by law.  |
| TX Transportation Code Subtitle M (Chapters 1001 –1005)<br>Department of Motor Vehicles | Enabling statute for the department. Describes the composition, duties, and other requirements of the board; the department's structure, duties, rulemaking authority, public access requirements and standards of conduct; the department fund, and authority regarding real property. |
| TX Property Code Chapter 54<br>Landlord's Liens   | Provides the requirements for landlord's lien foreclosures. The department ensures these requirements are satisfied before processing title transfer on vehicles subject to landlord's lien.  |
| TX Property Code Chapter 59<br>Self-Storage Facility Liens                              | Provides the requirements for self-storage facility lien foreclosures. The department ensures these requirements are satisfied before processing title transfer on vehicles subject to a self-storage facility lien.  |
| TX Property Code Chapter 70<br>Miscellaneous Liens                                      | Provides the requirements for storage and mechanic lien foreclosures. The department ensures these requirements are satisfied before processing title transfer on vehicles subject to a storage or mechanic lien.   |
| TX Occupations Code Chapter 2301<br>Sale or lease of motor vehicles                     | Requires new motor vehicle dealers, manufacturers, distributors, converters and lessors to be licensed to operate in Texas and meet minimum business requirements. Also includes protections for new motor vehicle dealers and closures.  |
| TX Occupations Code Chapter 2302<br>Salvage vehicle dealers                             | License requirements for salvage vehicles dealers and their agents, including business operation duties and penalties and enforcement.  |
| TX Occupations Code Chapter 2303<br>Vehicle Storage Facility Act                        | Describes the duties and requirements for licensed vehicle storage facilities, including lien foreclosures by such entities. The department ensures these requirements are satisfied before processing title transfer on vehicles subject to a licensed vehicle storage facility lien.  |

TxDMV Self-Evaluation Report

| Citation/Title  | Authority/Impact on Agency  |
|---|---|
| Vernon's Civil Statutes Chapter 9, Art. 4413(37) Automobile Burglary and Theft Prevention Authority   | Enabling statute for ABTPA, describing ABTPA's board structure, powers, duties, funding, programs and performance.  |
| 49 U.S.C. Ch. 327, Odometers<br>49 C.F.R. Part 580, Odometer Disclosure Requirements  | Describes federal requirements for odometer disclosure by a transferor when a vehicle is transferred.   |
| 18 U.S.C. Ch. 123<br>Prohibition on Release and Use of Certain Personal Information from State Motor Vehicle Records  | Designed to protect the interest of an individual in the individual's personal privacy by prohibiting the disclosure and use of personal information contained in motor vehicle records, except as authorized by the individual or by law.  |
| 23 U.S.C. §141, Enforcement of Requirements<br>23 U.S.C. §127, Vehicle Weight Limitations -- Interstate System<br>49 U.S.C. §31112, Property-carrying Unit Limitation<br>23 C.F.R. Part 657, Certification of Size and Weight Enforcement<br>23 C.F.R. §658.17, Weight<br>23 C.F.R. §658.23, LCV Freeze; Cargo-carrying Unit Freeze<br><br>26 U.S.C. Ch. 36, Subchapter D, Tax on Use of Certain Vehicles<br>23 C.F.R. Part 669, Enforcement of Heavy Vehicle Use Tax | Requires states to do the following to prevent the loss of federal highway funding:<br><br>1. Certify that the state is enforcing state laws regarding maximum vehicle size and weight on certain roadways in accordance with certain federal laws and regulations; and<br><br>2. Verify payment of the heavy vehicle use tax prior to registering vehicles that are subject to this tax. |
| 49 U.S.C. Ch. 311, Subchapter II, Length and Width Limitations<br>23 C.F.R. Part 658, Truck Size and Weight, Route Designations -- Length, Width and Weight Limitations (excluding 23 C.F.R. §658.17, Weight and Appendix C)  | Requires states to allow and to prohibit certain lengths and widths on certain vehicles and vehicle combinations traveling on certain roadways. Authorizes the U.S. Attorney General to file a lawsuit to order a state or person to comply with Subchapter II or a regulation prescribed under Subchapter II.  |
| 49 U.S.C. Ch. 317, Participation in International Registration Plan and International Fuel Tax Agreement  | Authorizes states to participate in the International Registration Plan (a vehicle registration reciprocity agreement) and provides the following:<br><br>1. Consequences if a state decides it will not participate in the International Registration Plan; and<br><br>2. Enforcement authority if a state does not comply with 49 U.S.C. §31704, Vehicle Registration.                  |



| Citation/Title   | Authority/Impact on Agency   |
|--|--|
| <p>49 U.S.C. §14504a, Unified Carrier Registration System Plan and Agreement<br/>                     49 C.F.R. Part 367, Standards for Registration with States</p> | <p>Authorizes states to participate in the Unified Carrier Registration System Plan (UCR) and the UCR Agreement; provides consequences if a state decides it will not participate in the UCR Agreement; prohibits states from regulating motor carriers and certain transportation service providers on certain issues; authorizes the Secretary of Transportation to determine the fees that will be assessed under the UCR Agreement; and provides enforcement authority if a person or state fails to comply with 49 U.S.C. §14504a or the UCR Agreement.</p> |
| <p>49 U.S.C. §14710, Enforcement of Federal Laws and Regulations with Respect to Transportation of Household Goods</p>   | <p>Authorizes states to enforce the consumer protection provisions of Title 49 that: 1) apply to individual shippers; and 2) are related to the delivery and transportation of household goods in interstate commerce. The Secretary of Transportation, through the Federal Motor Carrier Safety Administration, determines which federal laws and regulations the states may enforce.</p>   |

**Attorney General Opinions**

| Attorney General Opinion No.                  | Impact on Agency   |
|---|--|
| <p>Opinion No. KP-0156 (July 31, 2017)</p>    | <p>Noted that for purposes of Occupations Code, §2301.476, a manufacturer includes an entity affiliated with a manufacturer, and the common understanding of the term affiliate includes concepts of both ownership and control. Opined that a court would likely conclude that a company that relinquishes control of a manufacturer but maintains full ownership of that manufacturer remains affiliated with the manufacturer for purposes of §2301.476.</p>  |
| <p>Opinion No. KP-0129 (January 18, 2017)</p> | <p>Confirmed that both the Texas Department of Motor Vehicles and the county tax assessor-collectors provide various motor vehicle registration services; that the department has statutory authority to print and mail registration insignia; that the department is authorized to contract with a business entity to perform a department function, including issuing registration insignia; and that no statute requires the department to seek county approval before entering into a contract with a private vendor to perform a department function.</p> |

TxDMV Self-Evaluation Report

| Attorney General Opinion No.            | Impact on Agency   |
|---|--|
| Opinion No. KP-0048 (December 21, 2015) | Upheld the governor's veto of certain provisions in the 84th Legislative Session's General Appropriations Act relating to certain funds for the Facilities Commission, including funds corresponding to the acquisition and relocation of the department's headquarters. |

**B. Provide a summary of recent legislation regarding your agency by filling in the charts below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). Place an asterisk next to bills that could have a major impact on the agency.**

**Texas Department of Motor Vehicles  
Exhibit 14: 85th Legislative Session**

***Legislation Enacted***

| Bill Number | Author       | Summary of Key Provisions  |
|-------------|--------------|--|
| HB 377      | Oliverson    | Enables a surviving spouse to receive a set of military specialty license plates for which their spouse would have qualified regardless of whether the deceased ever had the plate themselves. The spouse would be eligible for the plates so long as they remain unmarried.   |
| HB 561      | Murphy       | Allows the department to issue distinguishing license plates for vehicles operated by a motor carrier when used for picking up and delivering mail, parcels and packages if the vehicle is an all-terrain vehicle, golf cart, neighborhood electric vehicle, recreational off-highway vehicle, or a utility vehicle. |
| HB 1790**   | Pickett      | Removed the need for a hearing for an individual who has had their disabled placard seized and requires the individual to obtain a new placard by submitting a new application.  |
| HB 1793*    | Pickett      | Exempts vehicles that are not domiciled in Texas, are registered in Texas under the International Registration Plan and that have been issued a certificate of inspection in compliance with federal motor carrier safety regulations from state inspection requirements.  |
| HB 1959*    | Thompson, S. | Requires TxDMV to conduct a study and potentially a pilot program on undetermined "alternative technologies" for commercial vehicle registration.  |

| Bill Number | Author    | Summary of Key Provisions  |
|-------------|-----------|--|
| HB 2070**   | Smithee   | Simplifies a presumption in current law that defines a reasonable number of repair attempts. Currently this presumption requires a certain number of repair attempts to be made within the first 12 months or 12,000 miles and then additional repair attempts must be made in the subsequent 12 months or 12,000 miles. The bill consolidates the requirements so that they must all be done within the first 24 months or 24,000 miles in order to establish the presumption. Second, the bill allows for certain notifications to be made electronically, which is already common practice. |
| HB 3131**   | Martinez  | Requires the department to send notice to any owners and lienholders of an abandoned motor vehicle for which the department has received an application from a person to sell, give away, or dispose of the vehicle. If the department has no record of owners or lienholders for the motor vehicle in its registration and titling system, then department would be required to publish notice of abandonment on the department's website.  |
| HB 3254**   | Phillips  | Allow a motor carrier whose registration has been revoked to apply to the department for reregistration not later than the 180th day after the date the registration was revoked. There would be a \$10 fee for such applications. The bill would authorize department to deny the application under certain circumstances.  |
| HB 4102*    | Neave     | Requires the department to provide the opportunity to contribute to the evidence testing grant program and the Ending Homelessness Fund when a motorist registers or renews their vehicle registration.  |
| SB 441      | Rodriguez | Expands the pool of surviving spouses eligible for Surviving Spouse Disabled Veteran license plates by allowing a surviving spouse of a disabled veteran to be eligible for the plates even if Disabled Veteran license plates were not issued to the veteran prior to death.  |
| SB 869*     | Huffman   | Creates a process to allow owners to transfer their vehicle to a beneficiary upon their death and enable the asset to transfer outside of probate.   |
| SB 1001*    | Taylor    | Increases the registered gross weight of "trailers, semitrailers, pole trailers, or mobile homes" that are exempt from inspection from 4,500 lbs. or less to 7,500 lbs. or less and requires notification in each registration renewal notice if a trailer, semitrailer or pole trailers is subject to inspection.   |
| SB 1062*    | Perry     | Requires the department to provide an electronic signature process for both a secure power of attorney and a dealer reassignment form. The system used to submit electronic signatures must verify the identity of the individual electronically signing the document.   |
| SB 1349**   | Watson    | Allows for the transfer of real property to the department from TxDOT and authorizes TxDMV to own, lease, manage and dispose of real property.   |

## TxDMV Self-Evaluation Report

| Bill Number  | Author    | Summary of Key Provisions  |
|--|-----------|--|
| SB 1383  | Perry     | Authorizes the department to issue a permit that authorizes the operation of a vehicle combination used to transport fluid milk at a gross weight up to 90,000 pounds and within certain specified axle weight limitations. The bill establishes an annual permit fee of \$1,200.  |
| SB 1524  | Nichols   | Authorizes the department to issue an annual permit authorizing the movement of sealed intermodal shipping containers. The bill would require an applicant to pay a permit fee of \$6,000, of which 50 percent would be deposited to the State Highway Fund (SHF), 30 percent would be divided equally among and distributed to the counties designated in the permit application, 16 percent would be divided equally among and distributed to the municipalities designated in the permit application; and four percent would be deposited to the credit of the TxDMV Fund.  |
| SB 2075**  | Rodriguez | Allows the online registration renewal receipt to serve as proof of registration until the 31 <sup>st</sup> day after renewal and making the fleet registration fee a one-time rather than annual fee, which included redirecting the fee to the TxDMV Fund. Provides that any county can perform registration transactions for residents of a county whose county offices are closed for whatever reason as long as the office is or will be closed for a period of time determined by the department. Enables county tax assessor-collectors to provide another registration insignia or license plate if a renewal insignia or plate was lost in the mail.  |
| SB 2076**  | Rodriguez | Provides that starting January 1, 2019, the most recently issued certified copy of original title issued is the only valid title document. Allows any county to perform titling transactions for residents of a county whose county tax assessor-collector offices are closed for whatever reason as long as the office is or will be closed for a period of time determined by the department. Clarified the title exemption for farm trailers and semitrailers less than 34,000 pounds, expanded optional titling to include farm trailers below 34,000 pounds and all semi-trailers below 4,000 pounds and updated the statutory sizes of travel and house trailers. Makes various salvage and nonrepairable title fraud actions a 3 <sup>rd</sup> degree felony. Provides an exception for sellers who do not hold GDNs but have correctly assigned over the certificate of title or signed the odometer disclosure statement from having to complete one of the various joint statements required by the Tax Code. Requires the department, in coordination with the Department of Public Safety, to study the efficiency and necessity of the titling, registration and inspection of vehicles in the state and report to the Legislature by December 31, 2018 on any elements of the three programs that could be eliminated. |
| <p>*Major impact to TxDMV.</p> <p>**TxDMV Board legislative recommendation. The TxDMV Board is charged with considering opportunities for improvements to operations with recommended changes to statute to the Texas Legislature under Texas Transportation Code, Section 1001.025.</p> |           |  |

**Legislation Not Passed**

| <b>Bill Number</b>  | <b>Author</b>     | <b>Summary of Key Provisions/Reason Bill Did Not Pass</b>   |
|---------------------|-------------------|---|
| HB 276*             | Gonzales          | Would have eliminated the front license plate requirement for passenger cars and light trucks. The bill would not have prohibited two plates from being displayed so long as both were issued by the department. Bill did not receive a hearing in House.   |
| HB 652/<br>SB 1321* | Clardy/<br>Hughes | Would have required gifts, grants and other revenue collected by the Automobile Burglary and Theft Prevention Authority (ABTPA) to be deposited to the credit of a subaccount in the TxDMV Fund. Would require the \$2 fee per motor vehicle year of insurance that insurers pay to the ABTPA to be deposited to the new subaccount in the TxDMV Fund. Both bills left pending in committees of origin.   |
| HB 1154             | Davis             | Would have allowed a vehicle to not display a front license plate if the plate would inhibit technological features of the vehicle. Bill left pending in House committee.   |
| HB 1309             | Sanford           | Would have reduced from 50 percent to 30 percent the service-related disability amount required to qualify for Disabled Veteran plates and eliminates entirely the 40 percent service-connected disability because of lower extremity amputation requirement. Bill did not receive a hearing in House.  |
| HB 1789**           | Pickett           | Would have brought Texas into compliance with the recently enacted Federal FAST ACT for specific length limitations for auto transporters, backhaul standards for auto transporters, length exceptions for certain equipment, certain weight limits for emergency vehicles and weight and size limits for certain commodities that cannot reasonably be dismantled. Bill was set on House Calendar but was not heard before the 2 <sup>nd</sup> reading deadline. |
| HB 2433**           | Pickett           | Would have allowed for a permanent token trailer license plate option and accordingly change the fee from \$15 per year to a one-time \$80 fee. Bill was set on House Calendar but was not heard before the 2 <sup>nd</sup> reading deadline.   |
| HB 2487             | Price             | Would have allowed a motorist to make a voluntary contribution not to exceed \$1.50 at the time of registration or renewal if their county of registration doesn't currently assess the optional child safety fee. Bill did not receive a hearing in House.   |

TxDMV Self-Evaluation Report

| Bill Number         | Author               | Summary of Key Provisions/Reason Bill Did Not Pass   |
|---------------------|----------------------|--|
| HB 2493             | Coleman              | Would have modified the composition of the TxDMV Board by reducing the number of automobile dealer board members from three to two and expands the number of board members who are county tax assessor-collectors from one to two. The bill also would have reduced the number of public members from two to one and creates a position for a member of a county commissioner's court. Bill did not receive a hearing in House.  |
| HB 2957             | Wray                 | Would have created a new permit for the movement of a combination of vehicles up to 85 feet in length operated for personal, noncommercial use in connection with Automobile Competition Committee for the United States (ACCUS) sanctioned events. Bill did not receive a hearing in House.   |
| HB 2978             | Klick                | Would have required an application for registration to provide a space for an applicant to voluntarily list any health condition that may impede communication with a peace officer. The department would be required to provide the vehicle registration information of a person who voluntarily lists a health condition on an application to DPS. Bill did not receive a hearing in House.  |
| HB 3255**           | Phillips             | Would have established a violation subject to administrative enforcement for loading a vehicle for operation on a public highway that exceeds the height, width, or length limitations for operation of that vehicle. Would authorize the department to deny an application for an oversize/overweight permit by an applicant who is subject to an out-of-service order by the Federal Motor Carrier Safety Administration. Would require ten percent of the fee collected for an oversize/overweight permit authorized by the Legislature on or after September 1, 2019, to be deposited to the TxDMV Fund. Would authorize TxDMV to investigate and impose an administrative penalty on a shipper who does not provide a shipper's certificate of weight. Bill failed to make it out of House Calendars. |
| HB 3350/<br>SB 1608 | Israel/<br>Creighton | Would have created a \$1,000 annual permit for the transport, by a vehicle or vehicle combination, of mobile cranes. Neither bill received a hearing in its committee of origin.   |
| HB 3355/<br>SB 1607 | Israel/<br>Creighton | Would have created a \$1,000 annual permit for the transport of divisible loads consisting solely of precast prestressed concrete products. Neither bill received a hearing in its committee of origin.  |
| HB 3404             | Kuempel              | Would have required all trailers to be titled, including farm trailers. Permissive titling would only apply to farm semitrailers with a gross vehicle weight of more than 4,000 pounds. Bill did not receive a hearing in House.   |

| Bill Number                      | Author                       | Summary of Key Provisions/Reason Bill Did Not Pass  |
|----------------------------------|------------------------------|---|
| HB 3410/<br>SB 1621,<br>HB 3416* | Israel,<br>Uresti,<br>Cortez | Would have authorized the department to create an electronic registration renewal system and sought to clarify that both the county and TxDMV have a role in printing and distributing registration stickers. Counties would be guaranteed a portion of the service charge (\$1.50) for mail-in applications submitted to the county and counties could not be prevented from partnering with title service companies to provide additional locations for registration and renewal. HB 3410 and HB 3416 did not receive a hearing in the House. SB 1621 was left pending in Senate committee. |
| HB 3460/<br>SB 1939              | VanDeaver<br>Hughes          | Would have authorized the department to issue a \$2,000 annual permit for the movement of sealed ocean cargo shipping containers on a trailer with three axles if the combination of vehicles transporting the containers is within certain axle weight limits and equipped with certain safety systems. HB 3460 withdrawn from House Local calendar; SB 1939 failed to make it out of House Calendars.   |
| HB 3475*                         | Geren                        | Would have allowed for the operation of automated motor vehicles on Texas highways and would grant the department exclusive authority over requirements related to automated motor vehicles or automated driving systems. Bill did not receive hearing in House.  |
| HB 3505/<br>SB 1572              | Thompson/<br>Watson          | Would have authorized a person who held a manufacturer's license under Chapter 2301 on January 1, 2017, to also hold a general distinguishing number issued under Chapter 503, Transportation Code and operate as both a licensed manufacturer and licensed dealer of new motor vehicles to the extent that the person manufactures or distributes only engines for certain vehicles with a gross vehicle weight rating of 16,000 pounds or more. HB 3505 left pending in House committee; SB 1572 was not placed on Senate intent calendar.  |
| HB 3678*                         | Swanson                      | Would have changed most one-year registration programs into three-year programs, change the multi-year fleet registration program from a one to eight-year program to a three to nine-year program. Would require the department to verify (if applicable) safety inspections every three years and emissions inspections (if applicable) annually. Bill did not receive a hearing in House.  |
| HB 3683*                         | Pickett                      | Would have eliminated annual safety inspections for all vehicles except commercial vehicles. Bill did not receive hearing in the House.   |
| HB 3777*                         | Pickett                      | Would have repealed the department's ability to set and assess a processing and handling fee and grants the county the ability to collect a service charge of \$1.95 on registration transactions. Bill did not receive hearing in House.   |

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| Bill Number          | Author         | Summary of Key Provisions/Reason Bill Did Not Pass  |
|----------------------|----------------|---|
| HB 3807              | Burns          | Would have created a \$25 annual permit for vehicles/vehicle combinations transporting agricultural products. The permit will allow a maximum gross weight of 90,000 pounds. Bill did not receive a hearing in the House.   |
| HB 3915*             | Lucio III      | Would have clarified that "Director" means the director of the ABTPA and grants the ABTPA board the authority to appoint a director, as opposed to the Executive Director of TxDMV, to serve at their pleasure and perform all duties the board assigns. Bill did not receive a hearing in the Senate.  |
| HB 3995/<br>SB 1588* | Simmons        | Would have eliminated the mandatory safety inspections for motor vehicles. Motor vehicles would no longer require a safety inspection to receive registration or operate on public roads. HB 3995 was never set for a House calendar; SB 1588 was voted out of House committee but was never set on calendar.   |
| HB 4018              | Rodriguez      | Would have required the department to establish a program to issue "automated motor vehicle" license plates to a manufacturer of automated technology, to an upfitter and possibly to a motor vehicle manufacturer. Bill did not receive a hearing in House.  |
| HB 4028*             | Rodriguez      | Would have regulated transportation network company (TNC) drivers by requiring them to hold a license issued by the department. Bill did not receive a hearing in House.  |
| HB 4236/<br>SB 2093  | Isaac/<br>Hall | Would have established an alternative to the franchise model for a manufacturer who wants to sell motor vehicles by creating a new type of dealer called a manufacturer motor vehicle dealer who can obtain a general distinguishing number to sell only its line makes. Both bills failed to receive hearings in their chamber of origin.                          |
| SB 906               | Birdwell       | Would have created three new time-based permit types that are specifically for the movement of portable buildings. The new permits will allow for the transport of portable buildings up to 13 feet wide for a period of 30, 60, or 90 days. The fees for the new permits would be \$120, \$180 and \$240 respectively. Bill did not receive hearing in the Senate. |



| Bill Number  | Author     | Summary of Key Provisions/Reason Bill Did Not Pass   |
|--|------------|--|
| SB 1013  | Kolkhorst  | Would have specified that a request for personal information must be made through a written agreement. The requestor would agree to maintain records that specify the requestor’s use of the personal information, identify any person or entity that will receive the personal information and the permitted use for which it was obtained if the requestor resells or re-discloses the information. Requires an authorized recipient to notify the department within 30 days if they sell or re-disclose personal information. States that an authorized recipient must provide copies of all records required to be retained upon department request. Allows the department to impose a \$100 administrative penalty for each motor vehicle record where personal information was used in an unauthorized manner. Would require a recipient of personal information to take measures in response to a breach of system security to contain the unauthorized acquisition of personal information to the best of the person’s abilities and makes them liable for damages resulting from the breach of system security. Bill did not receive a hearing in Senate. |
| SB 1281  | Huffines   | Would have provided an exemption from motor carrier registration requirements for passenger cars and light trucks engaged in the intrastate transportation of household goods. Bill did not receive a hearing in Senate.   |
| SB 1560  | Taylor, L. | Would have allowed the display of only one license plate on the front or rear of the vehicle if the vehicle was not equipped by the manufacturer to accommodate the display of two plates. Bill failed to make it out of House committee.  |
| SB 2279  | Hancock    | Would have clarified that a motor vehicle manufacturer, or its parent company, are not prohibited from owning an interest in a motor vehicle dealer so long as the vehicles they sell or service are not the same type of motor vehicle that they manufacture or distribute. SB 2279 was not placed on Senate intent calendar.   |
| <p>*Major impact to TxDMV.</p> <p>**TxDMV Board legislative recommendation. The TxDMV Board is charged with considering opportunities for improvements to operations with recommended changes to statute to the Texas Legislature under Texas Transportation Code, Section 1001.025.</p> |            |  |

In addition to the bills in the tables above, 17 bills creating new specialty license plates were filed by the 85th Legislature. Nine of the 17 bills became law and created a total of 44 new specialty license plates. Two of the 44 bills require an \$8,000 deposit to be paid to the department before the plates can be designed, manufactured and sold. 40 of the newly created plates honor military service and therefore do not require a deposit. See Attachment I for a detailed list of the specialty license plate legislation considered by the 85th Legislature.

## **IX. Major Issues**

### **ISSUE 1: Clarify the process for appealing the department's decision to refuse, revoke or suspend a title**

#### **A. Brief Description of Issue**

Based on current law (Tex. Transp. Code § 501.052), an interested person aggrieved by a refusal, rescission, cancellation, suspension, or revocation of a title under Transportation Code, §501.051 may apply for a hearing to the county tax assessor-collector for the county in which the person is a resident. The county tax assessor-collector is required to hold a hearing regarding the decision. Statute also provides that a determination of the county tax assessor-collector is binding on the applicant and the department as to whether the department correctly refused to issue or correctly rescinded, canceled, revoked, or suspended the title. Finally, statute authorizes an applicant aggrieved by the determination to appeal to the county or district court of the county of the applicant's residence and the judge shall try the appeal in the manner of other civil cases.

#### **B. Discussion**

The department has concerns that hearings held by county tax assessor-collectors vary in procedure and consistency across the state and that requirements for applicants are unclear. The department is also aware that numerous interested persons skip the hearings and file lawsuits in county and district courts statewide to seek relief regarding title disputes based on language in Tex. Transp. Code § 501.074 ("The department shall issue a new title for a motor vehicle registered in this state for which the ownership is transferred by operation of law or other involuntary divestiture of ownership after receiving . . . a court order[.]"). The department has been contacted by individuals, attorneys and courts across the state expressing confusion regarding these lawsuits, and has dedicated a portion of its webpage to simplify the process (<http://www.txdmv.gov/motorists/buying-or-selling-a-vehicle/title-litigation>).

#### **C. Possible Solutions and Impact**

Filing of lawsuits is expensive and time-consuming and adds numerous cases to already busy court dockets. The department believes that improvements could be made through statutory changes to clarify and streamline this process (e.g., clarification in statute as to when a court order is necessary or authority for the department issue title in certain circumstances). Another solution could be centralizing the title hearing process with the department. The department's Office of Administrative Hearings could conduct hearings electronically, offering convenience to the applicant and ensuring consistency in title decisions.

## **ISSUE 2: Protecting motor vehicle records**

### **A. Brief Description of Issue**

The department maintains confidential personal data on motor vehicle owners and registrants in the department's Registration and Title System (RTS). This RTS data is governed by state and federal laws which limit the distribution of the data, and provide for criminal penalties for misuse of the information. See Motor Vehicle Records Disclosure Act (Texas Transportation Code Chapter 730), Driver Privacy Protection Act (18 U.S.C. Chapter 123). While these statutes appear to provide prevention of data misuse through criminal penalties, the department is not aware of any prosecutions under these sections.

### **B. Discussion**

The department has been unable to convince federal or state prosecutors to pursue violations of the statutes. Further, the statutes provide for categories of permissible use for which the department must release the data to a requestor that represents a legitimate permissible use for the information. For example, towing companies that perform "non-consent" vehicle removal must be able to identify a vehicle owner to notify them of the location of their vehicle. The only way to identify the owner is through the license plate or vehicle identification number (VIN) on the vehicle. Unfortunately, once the information has been conveyed to a user with a facially valid basis to receive and possess the data, it is often resold or redisclosed for unauthorized purposes. The most common abuse is use in solicitation and advertising, which is expressly prohibited by statute.

### **C. Possible Solutions and Impact**

The department believes that there are opportunities to tighten or limit the distribution or redistribution of the data, or to provide for enforcement penalties for the department to take civil action against companies that abuse the data or sell it to those who do.

## **ISSUE 3: Ensure TxDMV receives adequate compensation to carry-out its statutory duties and that the fees charged are used for purposes for which they are assessed**

### **A. Brief Description of Issue**

The 83rd Legislature enacted House Bill (HB) 2202 (Regular Session, 2013), establishing the TxDMV Fund in the State Treasury outside of the General Revenue fund for the purpose of supporting the department's operations and accounting costs and related liabilities. The bill amended various sections of the Transportation Code to direct the disposition of certain fees or portions of fees to the credit of the TxDMV Fund from the State Highway Fund, including fees related to the titling and registration of vehicles, issuance of license plates, regulation and registration of motor vehicle and salvage license dealers and registration and regulation of commercial vehicles.

The bill also authorized the TxDMV Board, by rule, to collect a fee in addition to registration fees for the issuance of license plates or registration insignia to cover the

expenses of collecting the registration fees. A provision of this bill allowed county tax assessor-collectors to retain a portion of the fee with the remainder credited to the TxDMV Fund.

While HB 2202 was passed by the legislature, the TxDMV Fund was inadvertently omitted from the funds consolidation bill, abolishing the fund and preventing the directed revenues from being deposited into the TxDMV Fund for the FY 2014-2015 biennium.

Subsequently, the 84th Legislature, Regular Session enacted Senate Bill 1512 (Regular Session, 2015) which recreated the TxDMV Fund and exempted the revenues, identical to those prescribed in H.B. 2202. The purpose of this legislation was to realign the disposition of certain fees and establish TxDMV as a self-funded department.

In June of 2016, the TxDMV Board adopted a Processing & Handling Fee (P&H) as directed by HB 2202 to cover the cost of registering vehicles, a portion of which is retained by county tax assessor-collectors. P&H deposits to the TxDMV Fund began in November of 2016.

## **B. Discussion**

Currently, TxDMV collects sufficient revenue to support its appropriations to administer its statutory functions and is efficient and effective in its use of appropriated dollars. However, the department closely monitors any changes to its duties and functions, by rule or by federal/state legislation that might shift or increase the department's workload. In order to equitably align fees with the resources and requirements required to regulate them, the department should be diligent in evaluating fee amounts and portions of fees that are directed to the credit of the TxDMV Fund.

## **C. Possible Solutions and Impact**

Analyze the current fee structure of TxDMV to ensure that the fee rates are set at amounts sufficient to cover the costs of providing the service, that the fees deposited into the TxDMV Fund are adequate for the department's operations, and that the fees are equitable for the public and stakeholders who pay them.

### **ISSUE 4: Prohibition on manufacturer ownership of dealership**

#### **A. Brief Description of Issue**

Vehicle manufacturers and distributors are prohibited from "owning" motor vehicle dealerships in Texas pursuant to Occupations Code, §2301.476. "Ownership" is not defined or limited, and could be read to include even minor, non-controlling equity interests in a manufacturer or dealership or a corporate entity that includes either of those types of entities.

#### **B. Discussion**

The prohibition on manufacturer ownership of dealers is historically grounded in concerns about “vertical integration” – the ownership of both the manufacturing facility and the sales outlets for the exact vehicles being manufactured. With complex corporate structures and multistate or even multinational ownership of corporate entities, the possibility of cross-ownership has become much more likely. The prohibition does not anticipate that a corporation may own a motor vehicle manufacturer in another country that does not sell vehicles in Texas or even the United States, and yet that company would be prohibited from owning a dealership in Texas.

The agency is charged with interpreting and applying the statutory prohibition, and has been presented with progressively more complicated corporate ownership structures to evaluate. Multinational corporations with broad ownership of stock can present significant interpretation variances. See Texas Attorney General Opinion KP-0156 (2017).

Further complicating the matter, under the current statute, a dealer is defined as a person who buys, sells, or exchanges motor vehicles, yet a motor vehicle is defined to include “an engine, transmission, or rear axle, regardless of whether attached to a vehicle chassis.” Recent legislative activity has attempted to address concerns about both the impact of the definition of a motor vehicle as well as complex corporate structures in the manufacturer/dealer relationship. See table in Section VIII, Legislation Not Passed (HB 3505, SB 1572, SB 2279).

### **C. Possible Solutions and Impact**

Potential solutions include the following:

1. Limit the prohibition in Occupations Code, §2301.476 to direct ownership of dealerships that sell the manufacturer’s or distributor’s products.
2. Clarify that “own” as used in §2301.476(c) means ownership of a controlling or majority interest in a business entity. Use standard definitions of ownership that correspond to the Business Organizations Code or other standard definitions known to corporate entities and investors.

These solutions could provide the department with clear legal guidance for regulated industries regarding manufacturer/dealer ownership interfaces. The motor vehicle industry would have more certainty in investment and ownership decisions regarding Texas-licensed manufacturers, distributors and dealerships.

## X. Other Contacts

A. Fill in the following charts with updated information on people with an interest in your agency, and be sure to include the most recent email address.

### Texas Department of Motor Vehicles Exhibit 15: Contacts

#### Interest Groups

| Group or Association Name/<br>Contact Person                               | Address  | Telephone               | Email Address                 |
|--|--|-------------------------|-------------------------------|
| Southwest Movers Association<br>(SMA)<br>Dorothy Brooks                    | 700 East 11th Street<br>Austin, TX 78701             | (512) 476-0107          | dorothy@texasrucking.com      |
| Tax Assessor-Collectors Association of Texas<br>(TACA)<br>Kevin Kieschnick | P.O. Box 448<br>Waco, Texas 76703                    | (361) 726-5232          | kevin.kieschnick@nuecesco.com |
| Texas Automobile Dealers Association<br>(TADA)<br>Karen Phillips           | 1108 Lavaca Street<br>#800<br>Austin, Texas 78701    | (512) 476-2686<br>x 128 | kphillips@tada.org            |
| Texas Independent Automobile Dealers Association<br>(TIADA)<br>Jeff Martin | 9951 Anderson Mill Road<br>Austin, Texas 78750       | (512) 244-6060          | jeff.martin@txiada.org        |
| Texas Recreational Vehicle Association<br>(TRVA)<br>Phil Elam              | 10816 Crown Colony Drive #200<br>Austin, Texas 78747 | (512) 327-4514<br>x 101 | philelam@trva.org             |
| Texas Motorcycle Dealers Association<br>(TMDA)<br>Michael Marks            | 823 Congress Avenue<br>#230<br>Austin, Texas 78701   | (512) 238-8013          | mmarks@eami.com               |
| Texas Automotive Recyclers Association<br>(TARA)<br>Cheryl Lambert         | P.O. Box 3547<br>Galveston, Texas 77552              | (713) 725-7537          | txautorecyclers@gmail.com     |

| Group or Association Name/<br>Contact Person                   | Address   | Telephone               | Email Address           |
|--|---|-------------------------|-------------------------|
| Texas Trucking Association (TXTA)<br>Les Findeisen             | 700 E 11th Street<br>Austin, Texas 78701                        | (512) 478-2541<br>x 109 | les@texastrucking.com   |
| Texas Association of Counties (TAC)<br>Ender Reed              | 1210 San Antonio Street<br>Austin, Texas 78701                  | (800) 456-5974          | enderr@county.org       |
| Auto Alliance<br>Leighton J. Yates<br>Manager of State Affairs | 803 7 <sup>th</sup> Street NW, Ste. 300<br>Washington, DC 20001 | (202) 326-5543          | lyates@autoalliance.org |

### Interagency, State, or National Associations

| Group or Association Name/<br>Contact Person                                     | Address  | Telephone      | Email Address                                 |
|--|--|----------------|---|
| American Association of Motor Vehicle Administrators (AAMVA)<br>Anne Ferro       | 4401 Wilson Boulevard<br>#700<br>Arlington, Virginia 22203 | (703) 908-5766 | aferro@aamva.org                              |
| National Odometer and Title Fraud Enforcement Association (NOTFEA)<br>Holly Merz | 1305 East Walnut Street<br>Des Moines, Iowa<br>50319       | (515) 281-7686 | hmerz@notfea.org<br>or<br>holly.merz@iowa.gov |

### Liaisons at Other State Agencies

*(with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)*

| Agency Name/<br>Relationship/Contact Person                | Address                                     | Telephone      | Email Address          |
|--|---|----------------|------------------------|
| Texas Department of Transportation (TxDOT)<br>Trent Thomas | 125 E 11th Street<br>Austin, Texas<br>78701 | (512) 463-6397 | trent.thomas@txdot.gov |

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| Agency Name/<br>Relationship/Contact<br>Person  | Address  | Telephone                        | Email Address   |
|---|--|----------------------------------|---|
| Texas Department of<br>Public Safety<br>(DPS)<br>Skylor Hearn   | P.O. Box 4087<br>Austin, Texas<br>78773                            | (512) 424-7901                   | skylor.hearn@dps.texas.gov                                |
| Texas Commission on<br>Environmental Quality<br>(TCEQ)<br>Morris Brown  | Attn: Morris Brown<br>MC 206<br>P.O. Box 13087<br>Austin, TX 78711 | (512) 239-1438                   | morris.brown@tceq.texas.gov                               |
| Texas Department of<br>Insurance<br>(TDI)<br>Melissa Burkhart   | 333 Guadalupe<br>Street,<br>Austin, Texas<br>78701                 | (512) 676-6609                   | melissa.burkhart@tdi.texas.gov                            |
| OAG/Angela Colmenero,<br>Chief, General Litigation  | P.O. Box 12548<br>Austin, Texas<br>78711-2546                      | (512) 463-2120                   | angela.colmenero<br>@texasattorneygeneral.gov             |
| OAG/Nichole Bunker-<br>Henderson, Chief,<br>Administrative Law<br>Division  | P.O. Box 12548<br>Austin, Texas<br>78711-2546                      | (512) 475-4300                   | nichole.bunker-henderson<br>@texasattorneygeneral.gov     |
| OAG/Ronald Del Vento,<br>Chief, Bankruptcy and<br>Collections Division  | P.O. Box 12548<br>Austin, Texas<br>78711-2546                      | (512) 475-4936                   | ronald.delvento@oag.texas.gov                             |
| Office of the Governor<br>Charlie Leal, Agency<br>Analyst   | 1100 San Jacinto<br>Blvd, Austin, TX<br>78701                      | (512) 463-1778                   | charlie.leal@gov.texas.gov                                |
| Legislative Budget Board<br>(LBB)<br>Thomas Galvan, Agency<br>Analyst   | 1501 Congress Ave<br># 5, Austin, TX<br>78701                      | (512) 463-1169                   | thomas.galvan@lbb.state.tx.us                             |
| Texas Facilities<br>Commission<br><br>Peter Maas, Deputy<br>Executive Director,<br>Planning and Real Estate<br>Management<br>Gayla Davis, State Leasing<br>Services Manager | 1711 San Jacinto<br>Blvd<br>Austin, TX 78701                       | (512) 463-9454<br>(512) 463-3331 | peter.maas@tfc.state.tx.us<br>gayla.davis@tfc.state.tx.us |



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| Agency Name/<br>Relationship/Contact<br>Person   | Address   | Telephone                        | Email Address                     |
|--|---|----------------------------------|-----------------------------------|
| State Office of Risk<br>Management<br>Iris Moore, Senior<br>Insurance Manage             | 300 West 15th<br>Street<br>William P.<br>Clements, Jr. State<br>Office Building, 6th<br>Floor<br>Austin, TX 78701 | (512) 475-1440                   | iris.moore@sorm.texas.gov         |
| TDCJ<br>Bobby Lumpkin, Division<br>Director, Manufacturing<br>Agribusiness and Logistics | PO Box 4013<br>Huntsville TX<br>77342   | (936) 437-2189                   | bobby.lumpkin@tdcj.texas.gov      |
| TDCJ<br>Kelly Strong, Wynne Unit<br>Warden   | Wynne Unit<br>License Plate Plant:<br>810 FM2821,<br>Huntsville, Texas<br>77320                                   | (936) 295-9126                   | kelly.strong@tdcj.texas.gov       |
| TDCJ<br>JoAnn Rawlinson,<br>Assistant Director, Field<br>Operations (plate contract)     | PO Box 4013,<br>Huntsville, 77342   | (936) 437-6064                   | joann.rawlinson@tdcj.texas.gov    |
| TDCJ<br>Kevin Von Rosenberg,<br>Assistant Director, Texas<br>Correctional Industries     | PO Box 4013<br>Huntsville TX 7734   | (936) 437-6074                   | kevin.vonrosenberg@tdcj.texas.gov |
| Tx.Gov<br>Randall Storm, Product<br>Manager  | N/A   | (512) 651-9817                   | rstorm@egov.com                   |
| TX.Gov<br>Barbara Lazenby,<br>Business Contracts<br>Analyst                              | N/A   | (512) 651-9825                   | barbara.lazenby@egov.com          |
| Texas Comptroller of<br>Public Accounts<br>Russell Charlton                              | N/A   | (512) 463-9466<br>(800) 252-1386 | russell.charlton@cpa.texas.gov    |

## XI. Additional Information

### Reporting Requirements

**A. Texas Government Code, Sec. 325.0075 requires agencies under review to submit a report about their reporting requirements to Sunset with the same due date as the SER. Include a list of each agency-specific report that the agency is required by statute to prepare and an evaluation of the need for each report based on whether factors or conditions have changed since the statutory requirement was put in place.**

Please see Exhibit 16 in Attachment J.

**B. Has the agency implemented statutory requirements to ensure the use of "first person respectful language"? Please explain and include any statutory provisions that prohibits these changes.**

While there is no statutory requirement for the department to ensure the use of "first person respectful language," the department's Human Resources Manual includes a Person First Respectful Language policy. The department is committed to the intent of "first person respectful language" and the words and phrases the statutes recommend in an effort to provide fair, equal and respectful treatment for all TxDMV employees and customers.

### Complaint Data

**C. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate.**

**Texas Department of Motor Vehicles  
Exhibit 17: Complaints Against the Department — Fiscal Years 2015 and 2016**

| Number of Complaints  | Fiscal Year<br>2015 | Fiscal Year<br>2016 |
|---|---------------------|---------------------|
| Number of complaints received                                 | 169                 | 90                  |
| Number of complaints resolved                                 | 99                  | 64                  |
| Number of survey complaints - no contact information provided | 67                  | 18                  |
| Number of complaints dropped/found to be without merit        | 3                   | 8                   |
| Number of complaints pending from prior years                 | 0                   | 0                   |
| Average time period for resolution of a complaint             | 3                   | 2                   |

## Historically Underutilized Business (HUB) Data

D. Fill in the following charts detailing your agency's Historically Underutilized Business (HUB) purchases.

### Texas Department of Motor Vehicles Exhibit 18: Purchases from HUBs

#### *Fiscal Year 2015*

| Category              | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal* | Statewide Goal |
|-----------------------|----------------|--------------------|---------|-----------------------|----------------|
| Heavy Construction    | -              | -                  | -       | -                     | 11.2%          |
| Building Construction | \$2,655        | \$0                | 0%      | 0%                    | 21.1%          |
| Special Trade         | \$23,812       | \$3,475            | 14.6%   | 0%                    | 32.9%          |
| Professional Services | -              | -                  | -       | -                     | 23.7%          |
| Other Services        | \$25,916,136   | \$5,669,987        | 21.9%   | 15%                   | 26.0%          |
| Commodities           | \$2,961,025    | \$796,207          | 26.9%   | 13%                   | 21.1%          |
| <b>TOTAL</b>          | \$28,903,628   | \$6,469,669        | 22.4%   | -                     | -              |

#### *Fiscal Year 2016*

| Category              | Total \$ Spent | Total HUB \$ Spent | Percent | Agency Specific Goal | Statewide Goal |
|-----------------------|----------------|--------------------|---------|----------------------|----------------|
| Heavy Construction    | -              | -                  | -       | -                    | 11.2%          |
| Building Construction | -              | -                  | -       | -                    | 21.1%          |
| Special Trade         | \$7,209        | \$968              | 13.4%   | 0.0%                 | 32.9%          |
| Professional Services | -              | -                  | -       | -                    | 23.7%          |
| Other Services        | \$30,728,936   | \$4,247,725        | 13.8%   | 15%                  | 26.0%          |
| Commodities           | \$4,405,579    | \$1,258,158        | 28.6%   | 22%                  | 21.1%          |
| <b>TOTAL</b>          | \$35,141,724   | \$5,506,851        | 15.7%   | -                    | -              |

**Fiscal Year 2017 (thru 5/31/2017)**

| Category              | Total \$ Spent         | Total HUB \$ Spent    | Percent      | Agency Specific Goal | Statewide Goal |
|-----------------------|------------------------|-----------------------|--------------|----------------------|----------------|
| Heavy Construction    | -                      | -                     | -            | -                    | 11.2%          |
| Building Construction | -                      | -                     | -            | -                    | 21.1%          |
| Special Trade         | \$4,498.20             | -                     | 0%           | 0%                   | 32.9%          |
| Professional Services | -                      | -                     | -            | -                    | 23.7%          |
| Other Services        | \$32,165,744.74        | \$2,056,435.40        | 6.4%         | 11%                  | 26.0%          |
| Commodities           | \$7,462,369.45         | \$2,082,854.43        | 27.9%        | 23%                  | 21.1%          |
| <b>TOTAL</b>          | <b>\$39,632,612.39</b> | <b>\$4,139,289.83</b> | <b>10.4%</b> | <b>-</b>             | <b>-</b>       |

**E. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Sec. 2161.003; TAC Title 34, Part 1, rule 20.286c)**

TxDMV has a HUB policy and operates pursuant to the State of Texas requirements: Government Code, §2161.003; Texas Administrative Code, Title 34, §§20.10 – 20.28; and other guidance as promulgated by the Texas Comptroller of Public Accounts.

In implementing the above program, and working in conjunction with the department’s procurement and contracting policies, it is the department’s policy to make a good faith effort to maximize HUB participation in department procurement and contracting.

**F. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Sec. 2161.252; TAC Title 34, Part 1, rule 20.285)**

Section 2161.251 of the Government Code and 34 TAC §20.14 mandate a \$100,000 threshold for determining potential subcontracting opportunities; department policy establishes a \$50,000 threshold.

**G. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.**

- 1. Do you have a HUB coordinator? If yes, provide name and contact information. (Texas Government Code, Sec. 2161.062; TAC Title 34, Part 1, rule 20.296)**

**HUB Coordinator**

David Chambers, CTPM  
(512) 465-1257  
4000 Jackson Avenue, Austin, Texas 78731  
[David.Chambers@TxDMV.gov](mailto:David.Chambers@TxDMV.gov)

**Assistant HUB Coordinator**

Fred Snell, CTP  
(512) 465-4177  
4000 Jackson Avenue, Austin, Texas 78731  
[Fred.Snell@TxDMV.gov](mailto:Fred.Snell@TxDMV.gov)

- 2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Texas Government Code, Sec. 2161.066; TAC Title 34, Part 1, rule 20.297)**

The department has designed a program of HUB forums and attends additional forums throughout the state. Attachment K contains a list of TxDMV HUB outreach for FY 2015 and FY 2016.

- 3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Texas Government Code, Sec. 2161.065; TAC Title 34, Part 1, rule 20.298)**

The department has developed a mentor-protégé program and is currently engaged in 11 agreements.

**Equal Employment Opportunity (EEO) Data**

- H. Fill in the charts below detailing your agency's Equal Employment Opportunity (EEO) statistics.**

**Texas Department of Motor Vehicles  
Exhibit 19: Equal Employment Opportunity Statistics**

***Officials / Administration***

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2015 | 48                        | 10%                      | 7.4%                                 | 15%              | 22.1%                                | 55%            | 37.4%                                |
| 2016 | 74                        | 10.8%                    | 7.4%                                 | 17.5%            | 22.1%                                | 45%            | 37.4%                                |
| 2017 | N/A                       | N/A                      | 7.4%                                 | N/A              | 22.1%                                | N/A            | 37.4%                                |

***Professional***

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2015 | 399                       | 14%                      | 10.4%                                | 21%              | 19.3%                                | 55%            | 55.3%                                |
| 2016 | 130                       | 6.9%                     | 10.4%                                | 13.8%            | 19.3%                                | 44.6%          | 55.3%                                |
| 2017 | N/A                       | N/A                      | 10.4%                                | N/A              | 19.3%                                | N/A            | 55.3%                                |

***Technical***

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2015 | 114                       | 11%                      | 14.4%                                | 24%              | 27.2%                                | 42%            | 55.3%                                |
| 2016 | 96                        | 9.3%                     | 14.4%                                | 26%              | 27.2%                                | 28%            | 55.3%                                |
| 2017 | N/A                       | N/A                      | 14.4%                                | N/A              | 27.2%                                | N/A            | 55.3%                                |

***Administrative Support***

| Year | Total Number of Positions | Percent African-American | Statewide Civilian Workforce Percent | Percent Hispanic | Statewide Civilian Workforce Percent | Percent Female | Statewide Civilian Workforce Percent |
|------|---------------------------|--------------------------|--------------------------------------|------------------|--------------------------------------|----------------|--------------------------------------|
| 2015 | 322                       | 15%                      | 14.8%                                | 36%              | 34.8%                                | 33%            | 72.1%                                |
| 2016 | 415                       | 14.9%                    | 14.8%                                | 32.2%            | 34.8%                                | 81%            | 72.1%                                |
| 2017 | N/A                       | N/A                      | 14.8%                                | N/A              | 34.8%                                | N/A            | 72.1%                                |

Service/Maintenance and Skilled Craft are excluded from this subsection as TxDMV does not have positions in these categories. EEO FY 2017 statistics for the presented subsections will be provided when they are available.

**I. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?**

The department's EEO policy is maintained in the Human Resources Manual, available on the department's intranet website. The department makes every effort to ensure that it provides equal opportunity for employment to all individuals. The department also makes reasonable efforts to ensure the employee population mirrors the state's diverse workforce. The department communicates its EEO commitment not only through the policy in the HR Manual, but also through policy discussions during new employee orientation and supplemental training, ensuring accessibility of the policy to outside organizations and inclusion of an EEO and affirmative action statement on job postings, stationery, recruitment literature and advertising.

## **XII. Agency Comments**

Since its creation in 2009, the Texas Department of Motor Vehicles has worked steadily towards a full separation from the Texas Department of Transportation (TxDOT) on a broad range of department operational issues. In November of 2009, all of the department's regional service centers were located on TxDOT property, all department human resources services were provided by TxDOT, and the department's information technology resided on TxDOT systems. Over the last eight years, the department has transferred control of leases for four regional service centers to the Texas Facilities Commission and relocated four additional regional offices. All department Human Resources systems for managing personnel, hiring and training are fully separate. The department has taken over dozens of contracts, including janitorial and other support contracts for facilities, IT contracts for the Motor Carrier and Vehicle Title and Registration operations of the department, and all financial reporting and accounting operations. With the recent completion of the Application Migration and Server Infrastructure Transformation (AMSIT) Project, the department has now successfully separated all IT infrastructure from legacy TxDOT locations and moved these services to the Department of Information Resources Data Center and TxDMV-controlled servers.

The 81st Texas Legislature created TxDMV as a new, independent state agency to ensure that the state's motor vehicle functions receive the focus and attention necessary to improve the administration of these functions and improve customer service. The department believes it is already achieving these goals through its efforts to modernize services and increase efficiencies, and remains committed to continuing these efforts in the future.



## **Attachments**

Create a separate file and label each attachment (e.g., Attachment 1, Agency Statute) and include a list of items submitted. Attachments may be provided in electronic form or through links to agency webpages.

### **Attachments Relating to Key Functions, Powers, and Duties**

1. Agency's enabling statute.
2. Annual reports published by the agency from FY 2015–2017.
3. Internal or external newsletters published by the agency from FY 2016–2017.
4. List of studies that the agency is required to do by legislation or riders.
5. List of legislative or interagency studies relating to the agency that are being performed during the current interim.
6. List of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties or functions. Provide links if available.

### **Attachments Relating to Policymaking Structure**

7. Biographical information (e.g., education, employment, affiliations, and honors) or resumes of all policymaking body members.
8. Agency's most recent rules. If lengthy, please provide electronically or just the citation to the Administrative Code.

### **Attachments Relating to Funding**

9. Agency's Legislative Appropriations Request for FY 2018–2019.
10. Annual financial reports from FY 2015–2016.
11. Operating budgets from FY 2015–2017.

### **Attachments Relating to Organization**

12. If applicable, a map to illustrate the regional boundaries, headquarters location, and field or regional office locations.

### **Attachments Relating to Agency Performance Evaluation**

13. Quarterly performance reports completed by the agency in FY 2015–2017.

## TxDMV Self-Evaluation Report

14. Any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.
15. Agency's current internal audit plan.
16. Agency's current strategic plan.
17. List of internal audit reports from FY 2013–2017 completed by or in progress at the agency.
18. List of State Auditor reports from FY 2013–2017 that relate to the agency or any of its functions.
19. Any customer service surveys conducted by or for your agency in FY 2016–2017.