

TEXAS DEPARTMENT OF MOTOR VEHICLES

Issue 1

The Department's Industry-Oriented Board and Its Processes Create Risk for the State.

Change in Statute

Rec. 1.1, Adopted as Modified

Replace the original staff recommendation with the following. Direct the Sunset Commission to request that the Legislature examine all state boards, including the Texas Department of Motor Vehicles board, for any legislation needed to mitigate the potential liability of boards controlled by active market participants. (Management action – nonstatutory)

Rec. 1.2, Not Adopted

Require the governor to designate a public member as the presiding officer of the department's board.

Rec. 1.3, Adopted

Require the board to adopt rules and policies to establish clear standards for conduct and handling of contested cases coming before the board for final decisions.

Rec. 1.4, Adopted as Modified

Update and modify the standard Sunset across-the-board requirement related to board member training to include a provision that ensures the training addresses concerns of potentially anticompetitive behavior.

Rec. 1.5, Adopted

Remove the board's exemption from providing balanced representation on its advisory committees.

Rec. 1.6, Adopted

Apply the Sunset across-the-board requirement related to negotiated rulemaking and dispute resolution.

Management Action

Rec. 1.7, Adopted

Direct the board to establish advisory committees to provide expertise for rulemaking and other issues and adopt rules regarding standard committee structure and operating criteria.

Issue 2

Texas Lacks Basic Safeguards to Identify and Address Vehicle Title Fraud.

Change in Statute

Rec. 2.1, Adopted

When outsourcing state services to full-service deputies, require counties to follow standard contracting practices.

Rec. 2.2, Adopted as Modified

Clarify the department's authority to control access to the registration and title system. Also require the department, by March 1, 2020, to work with county tax assessor-collectors to create clear criteria for the department to suspend or deny access to the registration and title system when a county tax assessor-collector suspects abuse, fraud, or waste of the system by an employee or a full-service deputy. The department must adopt rules regarding criteria to suspend access to the registration and title system by March 1, 2020.

In addition to the statutory recommendation, direct the department, as a management action, to adopt rules to

- formalize the department's current "red flag" fraud warning system, further developing and implementing a clear and efficient path for county tax assessor-collectors to report suspected fraud, waste, or abuse of the registration and title system by employees, dealers, and full-service deputies; and
- provide an option for a county to request action for suspected fraud or abuse, such as immediately suspending access to the registration and title system.

Rec. 2.3, Adopted as Modified

Implement mandatory fraud training for all persons processing state registration or title transactions. Also, as a management action, specify the training will be provided online or in-person as needed, prior to gaining access to the registration and title system.

Rec. 2.4, Adopted as Modified

Require the department to implement a proactive, risk-based approach to monitoring fraud. In addition to the statutory recommendation, direct the department, as a management action, to share best practice protocols with county tax assessor-collectors to implement such fraud monitoring.

Rec. 2.5, Adopted as Modified

Authorize the department to audit or perform a compliance review of any entity providing registration and title services, and to access records needed to conduct audits or fraud investigations. This recommendation would also authorize county tax assessor-collectors to audit or perform a compliance review of any entity providing registration and title services in the county, and to access records needed to conduct audits or fraud investigations. The authority of the county tax assessor-collectors to perform audits and compliance reviews does not in any way limit the department's authority to audit or perform a compliance review of any entity providing registration and title services.

Rec. 2.6, Adopted

Authorize ABTPA grant recipients to use funds to combat a broader range of motor vehicle crimes, such as title and odometer fraud, beyond just automobile burglary and theft.

Issue 3

The Department's Approach to Enforcement Does Not Effectively Address the Biggest Risks to the Public.

Change in Statute

Rec. 3.1, Adopted

Remove statutory exceptions from standard enforcement practices for deceptive advertising violations by motor vehicle dealers.

Rec. 3.2, Adopted

As part of the department's enforcement authority, authorize refunds for consumers for motor vehicle and motor carrier violations.

Rec. 3.3, Adopted

Authorize the department to use cease-and-desist authority for unlicensed salvage activity.

Management Action

Rec. 3.4, Adopted

Direct the department to identify and implement methods to reduce its complaint resolution timeframes.

Rec. 3.5, Adopted

Direct the department to develop clear guidance and criteria for prioritizing investigations and inspections.

Rec. 3.6, Adopted

Direct the department to improve enforcement data tracking in its existing systems.

Rec. 3.7, Adopted

Direct the department to revise and expand key performance indicators and annual enforcement reports to better assess effectiveness and efficiency and provide more visibility of its enforcement program.

Rec. 3.8, Adopted

Direct the department to publish penalty matrices.

Rec. 3.9, Adopted

Direct the department to publish more detailed enforcement histories of regulated motor vehicle and motor carrier businesses.

Issue 4

Key Elements of the Department's Licensing Functions Do Not Conform to Common Licensing Standards.

Change in Statute

Rec. 4.1, Adopted

Eliminate motor vehicle show and exhibition approval requirements.

Rec. 4.2, Adopted as Modified

Eliminate the representative and salvage agent licenses, but maintain the lease facilitator license.

Rec. 4.3, Adopted

Eliminate separate salvage license endorsements and establish a single, streamlined salvage license.

Rec. 4.4, Adopted

Authorize the department to set salvage license terms in rule.

Management Action

Rec. 4.5, Adopted

Direct the department to conduct criminal history checks for all motor vehicle license renewals.

Rec. 4.6, Adopted

Direct the department to adopt criminal history evaluation rules and guidelines consistent with Chapter 53, Texas Occupations Code for salvage industry regulation.

Rec. 4.7, Adopted

Remove unnecessary application requirements for salvage licenses.

Issue 5

Texas Has a Continuing Need for the Texas Department of Motor Vehicles, but Opportunities Exist to Better Leverage State IT Investments.

Change in Statute

Rec. 5.1, Adopted

Continue the Texas Department of Motor Vehicles for 12 years.

Rec. 5.2, Adopted

Require the department to ensure webDEALER is available to automobile dealers in all Texas counties by September 1, 2020.

Rec. 5.3, Adopted

Apply the standard across-the-board requirement related to complaints.

Management Action

Rec. 5.4, Adopted

Direct the department to develop a comprehensive approach to developing, maintaining, and updating its IT infrastructure.

Rec. 5.5, Adopted

Direct the department to evaluate and identify further opportunities to consolidate and modernize its customer service functions to improve efficiency and customer experience.

Adopted New Recommendations

Completion Date of House Bill 1959 (85R) Study

Direct the department to conduct the existing contracted study to identify and assess alternative technologies for registering commercial vehicles to replace license plates, permits, and other documentation and registration methods currently in use by the state, and evaluate the safety and suitability for identified technologies for use on roadways, as required under House Bill 1959 (85th Legislature, Regular Session) by March 31, 2019 instead of December 1, 2021. Also, direct the department to include an analysis of any statutory impediments to conducting a pilot program as described in H.B. 1959 as part of this study. (Management action – nonstatutory)

Licensing and Inspection of Salvage Dealers

As part of the license application process for a salvage vehicle dealer, direct the department to consider the criminal background of an applicant's partner, company principal, officer, or general manager as a qualifying factor when determining whether to issue a license. (Management action – nonstatutory)

Direct the department to establish a risk-based approach to its salvage vehicle dealer inspections. As part of the risk-based inspections, the department should consider factors including inspection history, complaint history, and any other factor determined by department rule. (Management action – nonstatutory)

Audits of Tax Assessor-Collectors

Require the department to coordinate with the comptroller of public accounts and authorize the comptroller of public accounts to include, at the comptroller's discretion and as part of its ongoing audits of state revenue collections by county tax assessor-collector offices, a review of processes relating to a county's collection and remittance of revenues included in the audit.