Board Meeting Agenda Book

Texas Department of Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

October 19, 2017

Full Board Meeting, 8:00 a. m.
AGENDA BOARD MEETING TEXAS DEPARTMENT OF MOTOR VEHICLES
4000 JACKSON AVE., BUILDING 1, LONE STAR ROOM
AUSTIN, TEXAS  78731
THURSDAY, OCTOBER 19, 2017
8:00 A.M.

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

1. Roll Call and Establishment of Quorum

2. Chair's Reports - Chairman Raymond Palacios
   Proposed 2018 Board Meeting Schedule

3. Executive Director's Reports - Whitney Brewster
   A. Awards, Recognition of Years of Service, and Announcements
   B. Sunset Review Status Update
   C. Interagency Agreement between TxDOT and TxDMV Update
   D. Hurricane Relief Response
   E. Operational Plans
      • Summary of FY 2017 Operational Plan
      • Overview of FY 2018 Operational Plan
   F. Introduction of Interim Enforcement Division Director
   G. Application Migration and Server Infrastructure Transformation (AMSIT) Project Update

BRIEFINGS AND ACTION ITEMS
4. Finance and Audit
   A. TxDMV Fund Update - Linda M. Flores and Renita Bankhead (BRIEFING ONLY)
   B. FY 2017 Quarterly Financial Report - Linda M. Flores and Renita Bankhead (BRIEFING ONLY)
   C. Facilities Update - Linda M. Flores and Ann Pierce (BRIEFING ONLY)
   D. Internal Audit Update - Sandra Menjivar-Suddeath (BRIEFING ONLY)
      • Annual Internal Audit Report for FY 2017
5. **Legislative and Public Affairs** - Caroline Love (BRIEFING ONLY)
   85th Legislative Implementation

6. **Projects and Operations** - Judy Sandberg (BRIEFING ONLY)
   Enterprise Projects Update

7. **Specialty Plate Design** - Jeremiah Kuntz
   A. (Texas Parks and Wildlife Foundation) Quail (New Non-Vendor Plate)
   B. Texas 2000 (New Vendor Plate)

**RULES - ADOPTION**
Title 43, Texas Administrative Code

8. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz
   Amendments, §§217.3, 217.4, 217.82, and 217.84
   (Relating to SB 2076 - new trailer size and rule language cleanup)
   *(Proposal Published September 8, 2017 - 42 Tex. Reg. 4596)*

9. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz
   Amendments, §§217.45 and §217.182
   (Relating to HB 561 - package delivery license plate)
   *(Proposal Published September 8, 2017 - 42 Tex. Reg.4603)*

10. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz
    Amendments, §§217.141, 217.142, and 217.143; and New, §217.144
    (Relating to SB 2076 - VIN inspections)
    *(Proposal Published July 21, 2017 - 42 Tex. Reg. 3633)*

11. Chapter 218, Motor Carriers - Corrie Thompson and Jimmy Archer
    Amendments, §218.61
    (Relating to claims filed with household goods carriers)
    *(Proposal Published June 23, 2017 - 42 Tex. Reg. 3262)*

**RULES - PROPOSAL**
Title 43, Texas Administrative Code

12. Chapter 209, Finance - Linda M. Flores
    New, §209.24
    (Relating to charges for public information)

13. Chapter 210, Contract Management - Linda M. Flores
    Amendments, §210.22
    (Relating to the Historically Underutilized Business Program)
   Amendments, §215.210
   (Relating to compliance with order granting relief for warranty performance obligations)

15. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz
   Amendments, §§217.43, 217.45, and 217.46
   (Relating to amending registration expiration dates to 12 months for consistency)

16. Chapter 217, Vehicle Titles and Registration - Jeremiah Kuntz
   Amendments, §§217.168 and §217.185
   (Relating to petition for rulemaking on dealer deputy compensation)

17. Chapter 217, Vehicle Titles and Registration - Jimmy Archer
   Amendments, §217.54
   (Relating to HB 1793 - modifying the language regarding the payment of inspection fees and SB 2075 - clarifying the situations in which the one-time fee is due)

18. Chapter 219, Oversize and Overweight Vehicles and Loads - Jimmy Archer
   (Relating to modernizing the permitting process via electronic submissions and rule language cleanup)

EXECUTIVE SESSION
19. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:
   • Section 551.071 - Consultation with and advice from legal counsel regarding:
     - pending or contemplated litigation, or a settlement offer;
     - a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code, Chapter 551; or
     - any item on this agenda.
   • Section 551.074 - Personnel matters.
     - Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.
   • Section 551.089 - Security devices or security audits:
     - the deployment, or specific occasions for implementation, of security personnel or devices; or
     - a security audit.

20. Action Items from Executive Session
21. Public Comment

22. Adjournment

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

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

Pursuant to Sections 30.06 and 30.07, Penal Code (trespass by license holder with a concealed or openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun or a handgun that is carried openly.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact Stacy Steenken by telephone at (512) 302-2380.

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

CERTIFYING OFFICIAL: David D. Duncan, General Counsel, (512) 465-5665.
2018 Board Meeting HOLD DATES are highlighted yellow

Note: These are hold dates in case there will be a meeting in the month; start time is 8:00 a.m.; meetings are at the call of the Chairman; when we know for certain there will be a meeting we will confirm and provide as much notice as possible.
RECOMMENDATION

Board Chair and Members offer congratulations to employees receiving recognition for an award, reaching a state service milestone, or retirement.

PURPOSE AND EXECUTIVE SUMMARY

Beginning November 3, 2016, the Executive Director will announce the name of individuals who retired from the agency and will recognize employees who have reached a state service milestone of 20 years and every five-year increment thereafter. Recognition at the October 19, 2017 Board meeting for retirements and state service awards include:

Donald Burns in the Enforcement Division reached 20 years of state service.
Kristeaufer Phillips in the Enforcement Division reached 20 years of state service.
Shebia Harrison in the Vehicle Titles & Registration Division reached 25 years of state service.
Mary Sedillo-Chacon in the Information Technology Services Division reached 25 years of state service.
Jeannie Weaver in the Human Resources Division reached 30 years of state service.

Finally, the following individuals recently retired from the agency:

Rose Guillen - Vehicle Titles & Registration Division
Helen Guerrero - Vehicle Titles & Registration Division
Paula Noland – Vehicle Titles & Registration Division
Debbie Fromme – Motor Carrier Division
Doris Curl – Motor Vehicle Division
Barbara Bonner – Finance and Administrative Services Division
Patrick Palmer - Finance and Administrative Services Division
Bill Harbeson – Enforcement Division
Carol Primrose – Motor Carrier Division
Charles Landers – Motor Carrier Division
Lori Smith – Enforcement Division
Beverly Trumble – Enforcement Division
Yolanda Johnson - Vehicle Titles & Registration Division
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Linda M. Flores, CPA, Chief Financial Officer  
Agenda Item: 4.A.  
Subject: Presentation of a summary of activities in the TxDMV Fund for month ending August 31, 2017

RECOMMENDATION

This is a briefing of the TxDMV Fund revenue and expenditure activities for August, 2017. No action required.

PURPOSE AND EXECUTIVE SUMMARY

On September 1, 2016, the TxDMV began depositing revenue into the Texas Department of Motor Vehicle Fund (TxDMV Fund or Fund 0010.) The operating budget for Fiscal Year 2017 is primarily funded by revenues collected in the TxDMV Fund. Legislation authorized a one-time $23 million transfer of funds from General Revenue (Fund 0001) to the TxDMV Fund as start-up resources.

FINANCIAL IMPACT

Collections for the TxDMV Fund for the year ending August 2017, totaled $174.2 million consisting of $151.2 million in revenue deposits (including $7.1 million in collections for payments of fees for credit cards and Texas.gov) plus the $23 million one-time transfer.

- Year-end revenue collections for the Processing and Handling Fee (P&H) were slightly below projections at $36.5 million.

Obligations to the TxDMV Fund for the same period includes $113.4 million in operating expenses, plus $12.2 million in obligations for fringe benefits and $7.1 million for convenience and Texas.gov fees. The result is a net cash balance of $41.5 million at August 31, 2017.

Collected revenues for Fiscal Year 2017, excluding the $23 million one-time transfer, covered the actual expenditures at year end. Any unspent operating expenses remaining after encumbered obligations are expended will lapse to the TxDMV Fund increasing balances available for future year appropriations.

BACKGROUND AND DISCUSSION

The 83rd Legislature, Regular Session, enacted two bills—H.B. 2202 and H.B. 6—that significantly affect TxDMV’s revenue disposition for funds collected by the department and its method of finance for the 2014-2015 biennium. The 84th Legislature, Regular Session enacted SB 1512 which ensured that the TxDMV Fund and its revenue dedications were recreated and rededicated revenues for deposit into the TxDMV Fund.

The TxDMV Fund 0010 was created effective September 1, 2016, changing the agency’s method of financing from General Revenue (with the exception of the Automobile Burglary and Theft Prevention Authority [ABTPA]) to the TxDMV Fund.
### TxDMV Fund Revenue & Expenses

**August 2017**

**Revenues**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Time Transfer</td>
<td>$23,000,000</td>
</tr>
<tr>
<td>Motor Vehicle Certificates</td>
<td>$40,210,435</td>
</tr>
<tr>
<td>Motor Vehicle Registration Fees</td>
<td>$43,152,484</td>
</tr>
<tr>
<td>Motor Carrier - Oversize / Overweight</td>
<td>$13,401,329</td>
</tr>
<tr>
<td>Motor Vehicle Business Licenses</td>
<td>$8,013,945</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>$2,895,360</td>
</tr>
<tr>
<td>Processing &amp; Handling (P&amp;H) Fees</td>
<td>$36,470,446</td>
</tr>
<tr>
<td><strong>Subtotal Fee Collections</strong></td>
<td>$144,143,998</td>
</tr>
<tr>
<td><strong>Total Fee Collections with Transfer</strong></td>
<td>$167,143,998</td>
</tr>
<tr>
<td>Credit Card Convenience Fees</td>
<td>$3,634,416</td>
</tr>
<tr>
<td>Texas.gov Fees for Online P&amp;H</td>
<td>$3,461,198</td>
</tr>
<tr>
<td><strong>Total Revenue for Convenience Fees and Texas.gov</strong></td>
<td>$7,095,614</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$174,239,612</td>
</tr>
</tbody>
</table>

**Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Related</td>
<td>$37,319,387</td>
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<tr>
<td>Benefit Replacement Pay</td>
<td>$97,319</td>
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<tr>
<td>Other Personnel</td>
<td>$1,914,869</td>
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<tr>
<td>Professional Fees</td>
<td>$9,240,186</td>
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<tr>
<td>Fuels &amp; Lubricants</td>
<td>$45,795</td>
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<tr>
<td>Consumables</td>
<td>$1,052,461</td>
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<tr>
<td>Utilities</td>
<td>$3,951,441</td>
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<tr>
<td>Travel In-State</td>
<td>$291,708</td>
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<tr>
<td>Travel Out-of-State</td>
<td>$47,601</td>
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<tr>
<td>Rent - Building</td>
<td>$638,422</td>
</tr>
<tr>
<td>Rent - Machine and Other</td>
<td>$235,307</td>
</tr>
<tr>
<td>Advertising &amp; Promotion</td>
<td>$24,950</td>
</tr>
<tr>
<td>Purchased Contract Services</td>
<td>$30,286,789</td>
</tr>
<tr>
<td>Computer Equipment &amp; Software</td>
<td>$4,535,811</td>
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<tr>
<td>Fees &amp; Other Charges</td>
<td>$1,138,011</td>
</tr>
<tr>
<td>Freight</td>
<td>$569,248</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>$1,885,031</td>
</tr>
<tr>
<td>Membership &amp; Training</td>
<td>$239,848</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$152,147</td>
</tr>
<tr>
<td>Postage</td>
<td>$14,648,471</td>
</tr>
<tr>
<td>Reproduction &amp; Printing</td>
<td>$4,250,824</td>
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<tr>
<td>Services</td>
<td>$845,390</td>
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<td>Other Capital</td>
<td>$21,701</td>
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<tr>
<td><strong>Subtotal Operating Expenses</strong></td>
<td>$113,432,717</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$12,024,286</td>
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<tr>
<td>Credit Card Convenience Fees</td>
<td>$3,634,416</td>
</tr>
<tr>
<td>Texas.gov Fees for Online P&amp;H</td>
<td>$3,461,198</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$132,732,617</td>
</tr>
<tr>
<td><strong>Net Cash Balance</strong></td>
<td>$41,506,996</td>
</tr>
</tbody>
</table>

**Notes:**

1. MyPlates TxDMV Fund revenues for this period total $4,571,402 with expenses totaling $4,556,238
2. Motor Carrier - Oversize/Overweight excludes escrow deposits of $2.6 million.
3. Credit Card Convenience Fees includes fees for Temp Permits, Oversize/Overweight Permits, TxIRP, Motor Carrier Credentialing System (MCCS) and eLICENSING.
To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 4.B
Subject: Quarterly Financial Report

RECOMMENDATION

The attached Financial Summary reflects revenues and expenditures for the TxDMV as of August 31, 2017. No action required.

PURPOSE AND EXECUTIVE SUMMARY

The Texas Department of Motor Vehicles (TxDMV) Board is briefed quarterly by staff on revenue collections and agency expenditures. The attached Financial Summary reflects revenues and expenditures for the Texas Department of Motor Vehicles (TxDMV) as of August 31, 2017.

Fiscal year 2017 TxDMV Fund 0010 collections of $167,143,998 exceeded projections by 0.3%; however, collections for all revenues (including Fund 0006 and Fund 0001) were slightly below projection. TxDMV revenue collections were close to projections without any unanticipated fluctuations. Expenses for the same period totaled $138,155,430 with salaries, professional fees, and contract services constituting the majority of the expenditures.

FINANCIAL IMPACT

Beginning in Fiscal Year 2017 the agency is funded from the newly created TxDMV Fund which includes the Processing and Handling Fee (P&H). The exception is the Automobile Burglary and Theft Prevention Authority (ABTPA), which will continue to be funded from General Revenue. The department completed the first eight months without any major cost overruns or unanticipated expenditures.

BACKGROUND AND DISCUSSION

Revenues

Through August of Fiscal Year 2017, TxDMV Fund collections exceeded expectations with overall revenue 0.3% higher than projected. Strong title revenue and business dealer license revenue both finished above projection, offsetting lower-than-projected registration revenue and oversize/overweight revenue. P&H revenue, including the $0.50 automation portion and temporary permits, totaled $36,470,446 through August 2017.

As of August 31, 2017, revenue collections for the new MyPlates contract totaled approximately $31.1 million of which $15.3 million counts toward the $15 million General Revenue guarantee. The $15 million General Revenue guarantee was met in the third week of August 2017.

Through Fiscal Year 2017, collections for all revenues ended 2.2% lower (or $40.9 million) less than projected. The major drivers for lower-than-projected revenue collections are a decline in registration revenue and oversize/overweight revenue. Registration revenue is lower than anticipated, as the state has experienced a decrease in the number of vehicle registration transactions compared to the same period last year. Through August, oversize/overweight revenue was 3.3% below projected levels, but revenue in this category trended upward during the third and fourth quarters. The slump in oil prices and the related downturn in the oil patch continue to put pressure on the oversize/overweight category, but the number of permits issued on a monthly basis increased during the third and fourth quarters compared to the same period of Fiscal Year 2016.
Expenditures

Year-to-date expenditures through August 31, 2017 for all funds total $138,155,430 of which 82% ($113.4 million) is funded by the TxDMV Fund. Obligations to the TxDMV Fund for the same period include $113.4 million in operating expenses, plus $12.2 million in commitments for fringe benefits and $7.1 million for convenience and Texas.gov fees.

Overall the largest expenditures incurred were in salary related categories, contract services (plate production/registration renewal) and professional fees (Data Center Services and Automation). Included in the year-to-date expenditures is approximately $4.5 million for contract payments to the MyPlates vendor. Contract payments to the MyPlates vendor are contingent upon revenues collected. As of the end of August, MyPlates revenues totaled $4,571,402. Through August 2017 cumulative vendor deposits to General Revenue (Gr) totaled $31,058,267. Of these deposits, $15,281,700 counts toward the contractual guarantee of $15 million deposit guarantee to GR. MyPlates met the revenue guarantee the third week of August 2017.

Also included are capital appropriation expenditures of approximately $30.7 million, of which 44.5% are for Automation projects associated with RTS Refactoring and LACE Replacement/eLicensing.

As of August 31, 2017 there was a balance of $57.6 million in available funds (budget less actual expenditures). Of that total approximately $20 million consisted of outstanding FY 2017 obligations leaving a net balance of $37.7 million. TxDMV will carry forward to fiscal 2018, $18 million in capital funds for Automation and $1,046,000 in operating funds appropriated for the Bull Creek Relocation. The remaining balance consists of budgeted funds for MyPlates that were not necessary due to reduced revenue collections, funding set aside for Texas.gov payments for online processing that are retained by Texas.gov, salary savings resulting from the state hiring freeze and balances in various operating categories.
FY 2017 Financial Summary
for the period ending
August 31, 2017

Finance and Administrative Services Division
August 31, 2017
FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

**TxDMV Fund Overview**

**Revenues:**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 YTD Projected Revenue</th>
<th>FY 2017 YTD Actual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Certificates of Title</td>
<td>$37,817,000</td>
<td>$40,210,435</td>
</tr>
<tr>
<td>Motor Vehicle Registration Fees</td>
<td>43,245,000</td>
<td>43,152,484</td>
</tr>
<tr>
<td>Motor Carrier - Oversize/Overweight</td>
<td>13,712,000</td>
<td>13,401,329</td>
</tr>
<tr>
<td>Business Dealer Licenses</td>
<td>7,670,000</td>
<td>8,013,945</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>2,572,400</td>
<td>2,895,360</td>
</tr>
<tr>
<td>TxDMV Fund One-time Transfer</td>
<td>23,000,000</td>
<td>23,000,000</td>
</tr>
<tr>
<td>Total TxDMV Fund Revenue</td>
<td>$166,651,969</td>
<td>$167,143,998</td>
</tr>
</tbody>
</table>

Overall, TxDMV Fund revenue is 0.3% over projection for the entire 12 months of FY 2017. Title revenue is 6.3% higher than projected while registration revenue is 0.2% less than projected.

Through the 12 months of FY 2017 oversize/overweight deposits to the TxDMV Fund are 2.3% below projections, as fewer permits than expected have been issued in the depressed oil price environment. In the fourth quarter, the department saw an uptick in the number of permits issued and revenue received. In the fourth quarter, the department issued 14.8% more oversize/overweight permits than the same period of FY 2016. After a slow revenue start to the year and recent implementation of eLicensing, business dealer licenses revenue is now 4.5% higher than projected.

The department has been collecting processing and handling fee (P&H) revenue since November, and through August has collected nearly $36.5 million. P&H revenue finished FY 2017 5.6% below projection, but has been trending upward. Fourth-quarter P&H revenue was 1.3% under projection. Revenue-forecasting staff monitors P&H revenue on a monthly basis.

In FY 2017, the top four TxDMV Fund fees (P&H, title - $3 portion, buyer’s tag, and OS/OW) accounted for 52.7% of all TxDMV Fund revenue. The automation fee was reduced to $0.50 in January via the P&H rule package and is included below in “Processing and Handling Fee (P&H).” MyPlates renewal fees and delinquent transfer penalties round out the top 10 TxDMV Fund fees. (The one-time $23,000,000 transfer is not included below.)
My Plates Contract Revenue and Guarantee Status

Through August FY 2017, cumulative vendor deposits to GR totaled $31,058,267. Of these deposits, $15,281,700 counts toward the contractual guarantee of $15 million in deposits to GR. MyPlates met the revenue guarantee the third week of August FY 2017.

*Figures exclude refund data and are subject to minimal revision.

1 – GR revenue from the sale of new plates and 5% of renewal plate revenue shall count toward the guarantee. Revenue above the $15 million continues to flow into GR.

<table>
<thead>
<tr>
<th>Snapshot at 8/31/17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Contract Cumulative Deposits to General Revenue*</td>
<td>$31,058,267</td>
</tr>
<tr>
<td>New Order Deposits to General Revenue</td>
<td>$14,451,354</td>
</tr>
<tr>
<td>Renewal Deposits to General Revenue</td>
<td>$16,606,913</td>
</tr>
<tr>
<td>General Revenue Deposits Counted Toward $15 Million Guarantee ¹</td>
<td>$15,281,700</td>
</tr>
</tbody>
</table>

*Figures exclude refund data and are subject to minimal revision.

¹ – GR revenue from the sale of new plates and 5% of renewal plate revenue shall count toward the guarantee. Revenue above the $15 million continues to flow into GR.

General Revenue deposits from the sale of vendor specialty plates are determined by plate type and plate term with the state receiving:

- 40% from all plates sales of one year
- 95% of all renewals sales
- 60% of all auction sales
- 60% from all plate sales with a term of greater than one year
- 10% of all ancillary products
FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

Overview All Revenues

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>FY 2017 YTD Projected Revenue</th>
<th>FY 2017 YTD Actual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Certificates of Title</td>
<td>$79,959,000</td>
<td>$84,232,132</td>
</tr>
<tr>
<td>Motor Vehicle Registration Fees</td>
<td>1,532,917,000</td>
<td>1,495,761,887</td>
</tr>
<tr>
<td>Motor Carrier - Oversize/Overweight</td>
<td>164,712,000</td>
<td>159,272,279</td>
</tr>
<tr>
<td>Commercial Transportation Fees</td>
<td>6,471,000</td>
<td>5,716,317</td>
</tr>
<tr>
<td>Business Dealer Licenses</td>
<td>7,670,000</td>
<td>8,013,945</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>6,966,400</td>
<td>6,988,886</td>
</tr>
<tr>
<td>TxDMV Fund One-time Transfer</td>
<td>23,000,000</td>
<td>23,000,000</td>
</tr>
<tr>
<td>Processing and Handling Fee</td>
<td>38,635,569</td>
<td>36,470,446</td>
</tr>
<tr>
<td><strong>Total DMV Revenue</strong></td>
<td><strong>$1,860,330,969</strong></td>
<td><strong>$1,819,455,892</strong></td>
</tr>
</tbody>
</table>

Overall, revenue is 2.2% under projection through August FY 2017 for all revenue collections. For the month of August revenue was 15.9% higher compared to August 2016, and total year-to-date revenues are 3.9% above FY 2016 collections.

Title revenue is 5.3% over projection, helped by stronger-than-projected overall auto sales. In the fourth quarter of FY 2017, the department recorded 1,541,685 vehicle sales, of which 452,932 (29.4%) were dealer-new sales and 1,088,753 (70.6%) were dealer-used or private-party sales. The overall sales of 1,541,685 in the fourth quarter of FY 2017 is 3.9% less than the same period in FY 2016. Overall registration revenue is 2.4% below projected levels. The state has experienced a slight decrease in the number of registration transactions compared to last year. This is partially the result of the implementation of Two Steps/One Sticker in FY 2016. Although TxDMV’s registration forecast is more conservative than both the comptroller’s biennial revenue estimate and the TxDOT cash forecast, registration revenue did not meet the FY 2017 projection. In the 12 months of FY 2017, registration deposits to the State Highway Fund finished the year 2.6% (about $38.9 million) below staff projections. As of August, there were 24,239,210 (excluding exempt vehicles) registered vehicles in Texas.

Oversize/overweight revenue is down 3.3% YTD compared to projections, but has seen a revenue rise in the third and fourth quarters of FY 2017. Commercial transportation fees revenue is 11.7% below projections. Business dealer licenses revenue is 4.5% higher than projections after a slow start in FY 2017. The Motor Vehicle Division has worked through a backlog of credential applications and recently implemented eLicensing. TxDMV total deposits YTD through August for the past three fiscal years is shown below.

![TxDMV Total Deposits Chart](chart.png)

TxDMV Board Meeting - October 19, 2017
FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

[Charts and graphs showing revenue by category and monthly revenue by category for Funds 10 and 1, with specific data points and categories indicated.]
### August 2017 Budget Status

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<tr>
<td>Salaries and Wages</td>
<td>$40,565,263</td>
<td>$9,391,703</td>
<td>$9,525,759</td>
<td>$9,429,865</td>
<td>$9,316,859</td>
<td>$37,663,395</td>
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<td>$2,981,868</td>
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<td>97,519</td>
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<td>870,484</td>
<td>1,931,129</td>
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<td>-</td>
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<td>Professional Fees and Services</td>
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<td>12,939</td>
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<td>29,855</td>
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<td>239,112</td>
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<td>Freight</td>
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<td>159,772</td>
<td>569,248</td>
<td>262,465</td>
<td>224,626</td>
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<td>Maintenance &amp; Repair</td>
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<td>73,563</td>
<td>1,003,304</td>
<td>1,977,624</td>
<td>1,241,170</td>
<td>4,795,460</td>
<td>4,239,631</td>
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<td>Memberships &amp; Training</td>
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<td>91,523</td>
<td>42,979</td>
<td>58,539</td>
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<td>Reproduction &amp; Printing</td>
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<td>4,269,217</td>
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<td>Services</td>
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<td>284,561</td>
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<td>Grants</td>
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<td><strong>Total budget adjustment (UB from FY2016) to original approved budget of $191.7 million</strong></td>
<td>$4,003,624</td>
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</tbody>
</table>

#### Notes:
1. Unexpenditure balance (UBL) amount adjusted to reflect actual costs in FY 2016 for Automation, County RTS, AMSIT, DCS, and Physical Security capital budgets.

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**FY 2017 Financial Status Highlights for the Period Ending August 31, 2017**

- **Available Budget** for FY 2017: $58,588,980
- **Change** from FY 2016: $19,885,462
- **End Lapse** at 09/30/2017: $1,004,094

**Notes:**
1. **Total budget adjustment (UBL) from FY2017 to FY2016.**

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**Comparison to Prior Year**

<table>
<thead>
<tr>
<th>Comparison to Prior Year</th>
<th>Adjusted Fiscal Year 2016</th>
<th>Adjusted Fiscal Year 2017</th>
<th>Percent Change</th>
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<tbody>
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<td>Approved Adjusted Budget</td>
<td>$196,162,994</td>
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<tr>
<td>Year-to-Date Expenditures</td>
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<tr>
<td>Available Budget</td>
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<td>$57,588,980</td>
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<tr>
<td>Encumbrances/Remainder Ex</td>
<td>$10,008,009</td>
<td>$19,885,462</td>
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<tr>
<td>Available Budget</td>
<td>$58,497,157</td>
<td>$37,703,518</td>
<td>-35.95%</td>
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**Estimated Year End Lapse**

- **End Lapse:** $5,648,447

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**Notes:**
1. Unexpenditure balance (UBL) amount adjusted to reflect actual costs in FY 2016 for Automation, County RTS, AMSIT, DCS, and Physical Security capital budgets.
Expenditures:

Year-to-date expenditures through August 31st, 2017 for all funds total $138,155,430. The significant expenditure categories are detailed below:

**Salaries and Other Personnel** ($39.7 million) – As of August 31st, 2017 there were 687 filled positions and 76 vacancies. Effective February 1, 2017, the Governor’s Office implemented a mandatory hiring freeze to be in effect through August 31, 2017. The estimated salary lapse from the hiring freeze is approximately $1.7 million, the total lapse with benefits will be $2.3 million.

**Purchased Contract Services** ($30.7 million) – This line item includes Huntsville license plate production ($21.2 million); Special License Plate Fees - Rider 3, ($4.6 million); registration renewal and specialty plate mailing ($4.4 million); and capital projects ($420K)

**Professional Fees** ($20.8 million) – The majority of these expenses are Data Center Services (DCS) ($7.2 million), Automation ($10.9 million), AMSIT ($675K), IT technology services ($675K), Motor Carrier technology services ($555K), and temporary personnel services in multiple divisions ($540K)

**Postage** ($14.6 million) – Postage permits for registration renewal mailings.

**Reproduction & Printing** ($4.2 million) – Printing and imaging of titles ($2.4 million), title paper, envelopes, and registration inserts ($1.7 million).

**Utilities** ($3.9 million) – Information Technology data circuit and telephone costs ($3.4 million); and reimbursement to TxDOT for facility costs ($466K)

**Maintenance and Repair** ($4.7 million) – Annual software maintenance costs ($1.3 million); RTS Refactoring ($2.8 million); and County technology support ($528K)

**TxDMV Lapse/Carry-Forward to 2018:**

As of August 31, 2017 there was a balance of $57.6 million in available funds (budget less actual expenditures). Of that total approximately $20 million consisted of outstanding FY 2017 obligations leaving a net balance of $37.7 million. TxDMV will carry forward to fiscal 2018, $18 million in capital funds for Automation and $1,046,000 in operating funds appropriated for the Bull Creek Relocation. The remaining balance includes:

- $2.3 million in estimated payments for the MyPlates vendor due to reduced revenue collections.
- $7.9 million in set aside payments to Texas.gov for fees related to online processing of the P&H fee. TxDMV does not collect these amounts as revenue, Texas.gov retains $2.00 fee from each online transaction and remits the states portion to the treasury, and therefore a payment is not processed.
- $2.9 million in lapsed salaries resulting primarily from the state directed hiring freeze.
- The remaining $5.6 million includes of $1.6 million in unspent General Revenue capital budget (RSC Relocation, Agency Growth and Enhancement and AMSIT).
Capital Project Status

Technology Replacements and Upgrades - County Support

The FY 2017 revised budget of $8.3 million reflects the transfer of $1.1 million to transfer to the TxDMV Automation project for carryforward to 2018. Year to date expenditures include toner cartridges for county offices, network equipment maintenance, and equipment and services for the County Equipment Refresh Project (CERP). The CERP provides workstation and printer upgrades to the 508 County offices throughout the state. The deployment of the workstation and printer upgrades was completed in May 2017.

TxDMV Automation System

The TxDMV Automation capital project provides for the continued development of information technology assets to improve customer services and improve access to agency programs for customers and the public.

The majority of the Automation expenditures are associated with the Registration and Titling System (RTS) Refactoring Project, which is estimated to be $16.2 million at year end. The Point of Sale (POS) component has been implemented in all 254 counties and the migration of RTS off the mainframe onto DCS-based servers was completed in November 2015. Efforts continue with the deployment of releases, maintenance, operations and knowledge transfer and legislative implementation that impacts RTS release schedules.

The LACE Replacement/eLicensing project was successfully launched in March 2017.

The Web Dealer Project continues with dealer implementation and enhancement testing. The modules implemented to date include New Vehicles, Used Vehicles, and Commercial Fleet. The Salvage module was implemented in July 2016. Adjustments have been made for the impact to Web Dealer from the implementation of the TxDMV Fund and the new Process and Handling (P&H) fee. The Centralized Payment module is in the business requirements development phase. Additional releases are scheduled for deployment later in calendar year 2017.

The second phase of Single Sticker was completed in April 2017. The Automation funding for this project was $1.2 million. The majority of that cost was to upgrade the TxDMV International Registration Plan (IRP) system, which implemented an automated inspection process to replace the manual verification process for commercial fleet services.

The Automation budget was increased by $5.8 million transferred to Automation from a combination of AMSIT, County RTS, RSC Relocation, and Physical Security capital budgets. The additional funds will carry forward to FY 2018 and be used for various FY 2018 Automation projects.

Growth and Enhancement – Agency Operations Support

This budget provides funds to acquire hardware/software to support agency operations. Expenditures and encumbrances to date include costs for miscellaneous computer equipment and laptops.

Commercial Vehicle Information Systems and Networks (CVISN) Grant

The Commercial Vehicle Information Systems and Networks (CVISN) federal grant focuses on safety enforcement on high-risk operators; integrating systems to improve the accuracy, integrity, and verifiability of credentials; improving efficiency through electronic screening and enabling online application and issuance of credentials. The Motor Carrier Division (MCD) works with three other state agencies – Texas Department of Transportation (TxDOT), Texas Department of Public Safety (DPS), and State Comptroller – to implement the grant, with expenditures planned for TxCVIEW maintenance and core augmentation, the ABC Warning Project, and travel. Expenditures of $222,000 have occurred through August 2017 and $213,000 is encumbered for the ABC Warning Project.
Data Center Services

The Data Center Services (DCS) program enables state agencies to access data center computing as a managed service. State agencies are billed for the amount of services consumed. Expenditures totaled $7.3 million through the end of August. The year-to-date total reflects charges for services through the June 2017 billing period. The total DCS budget of $8.7 million does not include payments to TxDOT for DCS charges, which will be paid from Information Technology (IT) operating funds in FY 2017.

Relocation of Regional Service Centers

This project provides funding in FY 2017 for the relocation of three Regional Service Centers from TxDOT facilities. On Monday, April 3, 2017, the Corpus Christi Regional Service Center began operations in its new location and Vehicles, Titling, and Registration (VTR) stakeholders reported operations went smoothly. The TxDMV Board approved the lease for the new San Antonio RSC at its January 6, 2017 meeting. The new address in 15150 Nacogdoches Road, Suite 100. The San Antonio RSC move was completed August 26, 2017. The Pharr Regional Service Center will remain at its current location on TxDOT property due to the inability to find viable properties within budget allowances and suitable to agency needs.

Relocation of Bull Creek Campus

Capital funding in the amount of $800,000 for FY 2017 will be used to address costs related to the relocation of MCD staff from Bull Creek to the 5th Floor of Building 6 at Camp Hubbard. This move is anticipated to occur by January 2018.

Application Migration & Server Infrastructure Transformation (AMSIT)

The Application Migration and Server Infrastructure Transformation project will identify shared assets, applications, and servers to be relocated from their current position to satisfy the goal of establishing a standalone agency environment. Although this project is related to Automation, it is a separate capital project. Primary costs in FY 2016 were for allotted for project management and services provided by NTT Data. The FY 2017 adjusted budget is $1.9 million, and expenditures total $1,112,000 through the end of August 2017, primarily for project management, NTT data project services, and capital equipment. A total of $4.5 million in available balance was transferred to Automation in August 2017 and will be used to fund FY 2018 Automation projects.

Physical Security

In June 2016, the TxDMV Board approved transfers from EPMO operating ($122,040), and Growth and Enhancement, ($175,000), to create the FY 2016 Physical Security Project budget. The project budget includes $130k in unexpended balance (UB) funding from FY 2016. This amount financed project management costs and other miscellaneous implementation expenses. Expenses to date in FY 2017 are associated with project management, cabling costs, and minor facility costs. This project was closed in April 2017 and equipment was installed at fifteen Regional Service Centers. The last site remaining was the San Antonio Regional Service Center, which completed its move in August 2017. Physical security cameras and badges were installed at the new location as part of the Physical Security project and the installation was managed by IT personnel. Approximately $70,000 was transferred to Automation in August 2017 and will be used to fund FY 2018 Automation projects.
### FY 2017 Financial Status Highlights for the Period Ending August 31, 2017

#### Capital Projects

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<tr>
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<tbody>
<tr>
<td>Application Migration &amp; Server Transformation (AMSIT)</td>
<td>1,925,719</td>
<td>37,010</td>
<td>76,181</td>
<td>865,573</td>
<td>133,442</td>
<td>1,112,206</td>
<td>813,513</td>
<td>621,355</td>
<td>192,158</td>
</tr>
<tr>
<td>Commercial Vehicle Information Systems &amp; Network (CVSSN)</td>
<td>435,000</td>
<td>-</td>
<td>-</td>
<td>221,951</td>
<td>-</td>
<td>221,951</td>
<td>213,049</td>
<td>-</td>
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<tr>
<td>Data Center Consolidations</td>
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<td>1,486,448</td>
<td>1,866,500</td>
<td>1,963,832</td>
<td>1,956,922</td>
<td>7,522,790</td>
<td>806,268</td>
<td>548,828</td>
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<tr>
<td>Growth &amp; Enhancements - Agency Operations Support</td>
<td>1,216,786</td>
<td>66,983</td>
<td>124,672</td>
<td>57,177</td>
<td>193,270</td>
<td>442,102</td>
<td>774,684</td>
<td>386,071</td>
<td>388,613</td>
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<tr>
<td>Technology Replacement &amp; Upgrades - County Support</td>
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<td>48,987</td>
<td>120,384</td>
<td>104,290</td>
<td>954</td>
<td>274,615</td>
<td>24,390</td>
<td>14,672</td>
<td>9,718</td>
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<tr>
<td><strong>Total</strong></td>
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<td>6,963,631</td>
<td>15,065,428</td>
<td>5,657,602</td>
<td>30,734,383</td>
<td>26,008,488</td>
<td>20,059,263</td>
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#### Statement of Capital Project Expenditures through August 31, 2017

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<tr>
<td>Technology Replacement &amp; Upgrades - County Support</td>
<td>8,329,058</td>
<td>522,752</td>
<td>1,034,547</td>
<td>4,127,351</td>
<td>1,838,140</td>
<td>7,522,790</td>
<td>806,268</td>
<td>352,505</td>
<td></td>
</tr>
<tr>
<td>TXDMV Automation System Project</td>
<td>34,261,705</td>
<td>885,543</td>
<td>3,741,054</td>
<td>7,633,573</td>
<td>1,502,071</td>
<td>13,762,241</td>
<td>20,499,464</td>
<td>17,943,341</td>
<td></td>
</tr>
<tr>
<td>Regional Office Relocation</td>
<td>681,828</td>
<td>-</td>
<td>293</td>
<td>91,681</td>
<td>32,803</td>
<td>124,777</td>
<td>557,051</td>
<td>411,051</td>
<td></td>
</tr>
<tr>
<td>Bull Creek Relocation</td>
<td>800,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>800,000</td>
<td>447,495</td>
<td>352,505</td>
<td></td>
</tr>
<tr>
<td>Physical Security</td>
<td>299,005</td>
<td>48,987</td>
<td>120,384</td>
<td>104,290</td>
<td>954</td>
<td>274,615</td>
<td>24,390</td>
<td>14,672</td>
<td>9,718</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>56,742,873</td>
<td>3,047,722</td>
<td>6,963,631</td>
<td>15,065,428</td>
<td>5,657,602</td>
<td>30,734,383</td>
<td>26,008,488</td>
<td>20,059,263</td>
<td></td>
</tr>
</tbody>
</table>

#### Statement of TXDMV Automation Project Expenditures through August 31, 2017

<table>
<thead>
<tr>
<th>TXDMV Automation</th>
<th>2017 Approved Adjusted Budget</th>
<th>1Q Sep - Nov</th>
<th>2Q Dec - Feb</th>
<th>3Q Mar - May</th>
<th>4Q Jun - Aug</th>
<th>2017 YTD Expenditures</th>
<th>2017 YTD Encumbrances</th>
<th>Available Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>813010 RTS Refactoring</td>
<td>16,171,826</td>
<td>327,249</td>
<td>2,395,052</td>
<td>2,407,828</td>
<td>1,162,597</td>
<td>6,292,726</td>
<td>2,326,648</td>
<td>7,552,452</td>
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<tr>
<td>813015 WebDealer E-Titles</td>
<td>1,380,817</td>
<td>117,949</td>
<td>241,345</td>
<td>304,457</td>
<td>244,075</td>
<td>907,826</td>
<td>229,427</td>
<td>243,564</td>
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<tr>
<td>813020 E-Licensing</td>
<td>6,380,272</td>
<td>440,345</td>
<td>738,347</td>
<td>4,829,710</td>
<td>3,811</td>
<td>6,012,213</td>
<td>48</td>
<td>368,011</td>
</tr>
<tr>
<td>815028 Single Sticker Phase II</td>
<td>572,857</td>
<td>-</td>
<td>366,310</td>
<td>91,578</td>
<td>91,587</td>
<td>549,475</td>
<td>-</td>
<td>23,382</td>
</tr>
<tr>
<td>84BDGT Unallocated</td>
<td>9,755,932</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,755,932</td>
</tr>
<tr>
<td><strong>TXDMV Automation Total</strong></td>
<td>34,261,705</td>
<td>885,543</td>
<td>3,741,054</td>
<td>7,633,573</td>
<td>1,502,071</td>
<td>13,762,240</td>
<td>2,556,123</td>
<td>17,943,342</td>
</tr>
</tbody>
</table>
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Linda M. Flores, CFO  
Agenda Item: 4.C  
Subject: Facilities Update

RECOMMENDATION  
For information purposes only.

PURPOSE AND EXECUTIVE SUMMARY  
TxDMV Facilities Services presents updates regarding agency relocation projects, weather related updates and general facilities and maintenance activities:

- Bull Creek/Motor Carrier Division (Austin, Texas)
- San Antonio Regional Service Center (San Antonio, Texas)
- Camp Hubbard, Building 1 Parking Lot Update and Sewer Line Replacement

FINANCIAL IMPACT  
- $1.49 million was initially appropriated for the Motor Carrier Division (MCD) Relocation
- $1.4 million was appropriate for the relocation of Regional Service Center Relocations

BACKGROUND AND DISCUSSION  
Please see the attached agency routine Facilities Update Report.
Agency Property Relocation Projects (PRP)

2016-2017 Agency Moves
★★★★★
The department received funding during the 84th Legislative Session to relocate staff from the Bull Creek Property (Motor Carrier Division) and selected Regional Service Centers (RSCs). Two RSCs were relocated in calendar year 2017. This included Corpus Christi (March 2017) and San Antonio Texas (August 2017).

2018-2019 Biennial Plans
★★★★★
The department received funding during the 2016-2017 biennium for the relocation of the Motor Carrier Division (MCD) to commercial property. However, during this same time frame, the department entered into discussions with TxDOT and the Office of the Governor to identify available space at Camp Hubbard. These dialogues resulted in plans to relocate MCD to Camp Hubbard, Building 6, 5th Floor. Since the projected move date is January 2018, the department received approval during the 85th Legislative Session to carry-forward unexpended balance appropriations into the FY 2018-FY 2019 biennium.

In addition, Senate Bill 1349, 85th Legislature, Regular Session, granted TxDMV authority to buy, improve, sell and lease, property. SB 1349 also gave TxDOT legal authority to donate two tracts of property (Tract 1 is Camp Hubbard Buildings 1 through 5 and Tract 2 is Camp Hubbard Buildings 6 through 10 and the associated parking on both tracts) to TxDMV.

Finally, the department was appropriated $9.8M for the FY 2018-2019 to begin undertaking maintenance related expenses associated with the buildings occupied by TxDMV staff. As part of the appropriation three (3) additional FTEs were approved to handle facilities and maintenance needs related to the property. The department will be launching an initiative to move toward independently undertaking facilities maintenance functions at TxDMV Headquarters at Camp Hubbard.
>Bull Creek/MCD (Austin, Texas)

**Current Status:**
- TxDOT has coordinated vendor and contractor efforts for asbestos mitigation and renovation of the building which will house MCD. Substantial construction completion is anticipated by late October. TxDMV conducted a walk-through with the Texas Correctional Industries (TCI) earlier this year (January 2017). In late May 2017, a draft space layout was received and a final plan (with requested changes) was processed and returned. In June 2017, TxDMV processed a purchase order to initiate the modular furniture manufacturing process. TxDMV staff also compiled needed information, technology infrastructure and equipment that will be processed as the project progresses. Modular installation, cabling and electrical work is scheduled to occur throughout the month of November 2017 and Facility Services will submit a purchase request in December 2017 for a projected move date of early January 2018 and final surplus removal from the Bull Creek location by or before February 2018.

>San Antonio RSC (San Antonio, Texas)

**Final Status:**
- Move-in was scheduled to occur on Friday, August 18th, but due to issues on the landlord’s end and an inability to obtain the required Certificate of Occupancy (CoO), the move was delayed by one week. The move-occurred on Friday, August 25, 2017. Facilities Services and the RSC also implemented precautionary mitigation to ensure that there was no water damage to RSC assets as a result of Hurricane Harvey.
- The San Antonio’s new address is 15150 Nacogdoches Road, Suite 100. Business operations commenced at the new location on Monday, August 28th.
- Facilities Services also successfully negotiated with the Texas Facilities Commission (TFC) and the landlord for an updated lease start date of September 1st. The initial lease extends through 2027 (10 years).
- There are still ongoing punch list items requiring attention now that the adverse weather conditions have better subsided and Facilities Services is working closely with TFC and the landlord to see them through to successful completion.

>Camp Hubbard Projects

A lot of project activity has been occurring at Camp Hubbard, especially at Building 1, for the past several months:

**Current Status:**
- TxDOT Parking Lot Renovation Project – During the June/July 2017 timeframe, TxDOT updated the parking lots at both Buildings 1 and 5 as part of their Camp Hubbard campus parking lot renovations. The renovations
have had a great impact on TxDMV’s parking capacity. CH-1 previously had a total of 243 available spaces inclusive of open, fleet/trailer, reserved, disabled/ADA and visitor spaces. That was increased to 269 (26 additional spaces) after project conclusion. Building 5 also experienced improvements starting with 111 spaces and increasing by 24 more spaces to a total of 135 overall spaces.

- **TxDMV Disabled/ADA Parking Improvements at Building 1** – Facilities Services worked closely with TxDOT at the end of the overall Parking Lot Improvement Project last month (September) to make further improvements at Building 1 to add disabled parking spaces in the employee designated parking area. Placards or International Symbols of Access (ISA) on license plates are required to use these spaces. The improvement also includes three (3) handicap accessible routes into the building.

- **TxDOT Sewer Line Improvement Project** – The fencing surrounding the corridor area between Building 1 and the Cafeteria-Building 2 provides safeguards for department staff and visitors while TxDOT contractors are working on a major project to replace and re-route old and decaying pipe lines that have adversely impacted Building 1. The most recent flooding incident occurred over a year ago and required temporary re-housing of an entire section of the Finance and Administrative Services (FAS) Division for almost four (4) months. TxDOT began an extensive study of the cause. The results of the study indicated that a majority of piping was originally built almost 60 years ago and needed to be upgraded.

TxDOT began the bidding process in July 2017 and project activities began in August 2017. Contractors are awaiting tank, vault, pumps and control panel components expected to arrive the week of October 23, 2017. Project activities should re-start towards the end of October and TxDOT anticipates the project will be completed before Thanksgiving.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Sandra Menjivar-Suddeath, Director, Internal Audit  
Agenda Item: 4.D.  
Subject: Internal Audit Division Status

RECOMMENDATION  
None.

PURPOSE AND EXECUTIVE SUMMARY  
The status update provides information on current Internal Audit Division (IAD) activities. The October 2017 status update is made up of three parts: fiscal year (FY) 2018 Audit Plan Status, External Coordination Items, and Internal Audit Division hiring.

FINANCIAL IMPACT  
None.

BACKGROUND AND DISCUSSION  
At each board meeting, the IAD provides a status on current activities done.

FY 2018 Audit Plan Status  
The IAD is currently working on five internal engagements:

- TxDMV Fund tables and Process & Handling Fees Audit
- Open Records Audit
- Fraud, Waste, and Abuse Risk Assessment Advisory Service
- FY 2018 Internal Audit Follow-Up
- FY 2017 Annual Internal Audit Report

Except for the FY 2017 Annual Internal Audit Report, the current engagements are in the planning or fieldwork phase and final results will be provided in a upcoming board meeting. The FY 2017 Annual Internal Audit Report (report) summarizes the activities done by the IAD in the previous fiscal year and the report will be provided to the Governor’s Office, the Legislative Budget Board, the Sunset Advisory Committee, and the State Auditor's Office (SAO) on November 1, 2017, as required by the Texas Internal Auditing Act.

The report requirements, including form and content, are prescribed by the SAO. For FY 2017 (September 1, 2016 – August 31, 2017), the SAO required all reports to have the following information:

- **Compliance with Texas Government Code, Section 2102.015**: A summary on when the FY 2018 annual audit plan and the annual audit report for FY 2017 was posted on the TxDMV webpage and a summary of FY 2017 audit recommendations and current implementation status.

- **Internal Audit Plan for FY 2017**: A summary of the planned FY 2017 audits, including the report number, date issue, report title, and if the planned audits were completed. Any deviations from the audit plan were also included.
• **Consulting Service and Nonaudit Service Completed**: A summary of consulting (advisory services) and any nonaudit services performed in FY 2017 by the internal audit function.

• **External Quality Assurance Review (Peer Review)**: A summary of the most recent Peer Review findings and conclusions.

• **Internal Audit Plan for FY 2018**: A copy of the approved FY 2018 Audit Plan.

• **External Audit Services Procured in FY 2017**: A summary of external audits that occurred in FY 2017.

• **Reporting Suspected Fraud and Abuse**: A summary of how the Department complies with the fraud reporting requirements in the General Appropriation Act.

**External Coordination Items**
In October 2017, the TxDMV provided the SAO with the SAO Fraud Hotline Coordination Letter for referrals received during the third quarter of FY 2017. In addition, the Texas Department of Public Safety, the Texas Comptroller of Public Accounts, and the State Office of Risk Management are auditing and reviewing the Department.

**Internal Audit Hiring**
The Internal Audit Division is currently hiring two internal auditors.
Internal Audit Division August Status Update

Status of Fiscal Year (FY) 2018 Internal Audit Plan

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>TxDMV Fund tables and Process &amp; Handling Fees Audit</td>
<td>An audit to determine if appropriate revenue is being deposited appropriately to the TxDMV Fund as well as whether appropriate amounts of revenue are being transferred to counties per agency rule.</td>
<td>Fieldwork Anticipated release date: January 2018</td>
</tr>
<tr>
<td>Open Records Audit</td>
<td>An audit to determine if open records request, also known as Public Information Requests (PIRs) are handled consistently and in accordance with state law. In addition, the audit is reviewing whether the PIRs cost are appropriate.</td>
<td>Fieldwork Anticipated release date: January 2018</td>
</tr>
<tr>
<td>Fraud, Waste, and Abuse Risk Assessment Advisory Service</td>
<td>An advisory service to identify and rank fraud, waste, and abuse risks for the department.</td>
<td>Planning Anticipated release date: August 2018</td>
</tr>
<tr>
<td>FY 2018 Internal Audit Follow-Up</td>
<td>This project verifies if outstanding audit recommendations have been fully implemented. Currently, the IAD is reviewing internal recommendations that had implementation due dates in the first quarter (September – December 2017) of the fiscal year.</td>
<td>Fieldwork Anticipated release date: August 2018</td>
</tr>
<tr>
<td>FY 2017 Annual Internal Audit Report</td>
<td>This required report summarizes the internal audit activities conducted in FY 2017. See next page for final report.</td>
<td>Completed</td>
</tr>
</tbody>
</table>

External Coordination Items

1. On October 4, the TxDMV provided the State Auditor’s Office (SAO) with the SAO Fraud Hotline Coordination Letter for referrals received during the fourth quarter of FY 2017. The letter included the official agency response to five referrals.

2. On October 12, the Texas Department of Public Safety performed an audit to ensure compliance with the technical aspects of the FBI CJIS Division’s policies and regulations.

3. On October 17, the IAD Director conducted a training session on combatting fraud to the Texas Association of County Auditors.

4. The Texas Comptroller of Public Accounts will conducting a routine post-payment audit in November 2017. The audit objective is to ensure that the Department’s payroll, purchase, procurement and travel expenditures comply with state laws and regulations.

5. The State Office of Risk Management will be conducting a Risk Management Program Review of TxDMV in November 2017.

Internal Audit Hiring

The auditor II and III positions were posted in September 2017 and top candidates were interviewed during the first week of October. Positions anticipated to be filled by November 2017.
Fiscal Year 2017 Annual Audit Report
18-01

Internal Audit Division
October 2017
Table of Contents

Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site ................................................................. 1
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External Quality Assurance Review (Peer Review) .............................................................. 7
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External Audit Services Procured in Fiscal Year 2017 ........................................................ 15
Reporting Suspected Fraud and Abuse .......................................................................................... 16
## Fiscal Year 2017 Annual Internal Audit Report, 18-01
### Executive Summary

<table>
<thead>
<tr>
<th>BACKGROUND</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>On an annual basis, the Internal Audit Division (IAD) submits its internal audit report to statutorily required parties. The parties that receive a copy of this report include the Sunset Commission, State Auditor's Office, Legislative Budget Board, and the Governor's Office. In addition, the report is posted on the Texas Department of Motor Vehicles (TxDMV) website.</td>
<td>In fiscal year (FY) 2017, the IAD finalized five audits and two advisory services. These audits and advisory services were either carry forward engagements from the IAD’s FY 2016 audit plan or were identified as high-risk areas in the FY 2017 audit plan. The FY 2017 audit plan was revised toward the end of the fiscal year when an audit was removed from the plan and another audit was added. Specifically, the Texas Department of Motor Vehicles (TxDMV) Fund Tables audit was removed and the Payment Card Industry (PCI) Compliance was added to the plan. All audits on the FY 2017 revised plan were finished and no audits or advisory services were carried forward to the FY 2018 audit plan.</td>
</tr>
<tr>
<td>The report provides information on the assurance (audit) services, consulting services, and other activities that were conducted in fiscal year 2017 by the IAD.</td>
<td>The FY 2018 audit plan, which was approved by the TxDMV Board on August 17, 2017, consists of several items including 12 engagements, other internal audit duties, and two contingency audits. These items listed in the audit plan were identified using a risk-based methodology and cover risk related to expenditure transfers, capital budget controls, other limitations or restrictions in the General Appropriation Act, contract management, and information technology risks.</td>
</tr>
<tr>
<td>The report is developed using the guidelines set forth by the State Auditor’s Office.</td>
<td>As required in the guidelines set forth by the State Auditor’s Office, this report includes information on the external reviews coordinated by the IAD as well as a brief description of actions taken by TxDMV to comply with the fraud reporting and investigation coordination requirements.</td>
</tr>
</tbody>
</table>
Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site

The Internal Auditing Act, Texas Government Code §2102.015 requires that within 30 days of approval, an entity should post its audit plan and internal audit annual report on its internet web site. The Texas Department of Motor Vehicles (TxDMV) Board approved the Fiscal Year 2018 Internal Audit Plan on August 17, 2017, and the TxDMV web master posted the plan to the web site on August 17, 2017. Similarly, the TxDMV Board approved the Fiscal Year 2017 Annual Internal Audit Report on October 19, 2017 and the TxDMV web master will post the report on the TxDMV website in October 2017. These reports may be found at http://www.txdmv.gov/reports-and-data.

Internal Audit Recommendation and Implementation Status

Government Code §2102.015 also requires an entity to post a summary of any concerns resulting from the audit plan or annual report and actions taken to address those issues. To address these requirements, the Internal Audit Division (IAD) summarized fiscal year 2017 audits results and the agency’s progress in implementing any corrective action needed in the table below.

<table>
<thead>
<tr>
<th>Audit Report Number and Name</th>
<th>Audit Summary</th>
<th>Implementation Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-03 An Audit on the Efficiency of the Texas International Registration Plan Compliance Audit Process</td>
<td>The IAD reviewed the International Registration Plan (IRP) Audit Compliance Section within the Motor Carrier Division (MCD). The IRP allows licensed commercial vehicles that engage in interstate operations to obtain registration credentials in one jurisdiction. The IRP Audit Compliance Section conducts audits to ensure proper payment is given to all states for commercial vehicles that are registered in Texas. The IAD identified areas of improvement related to reviewing audits, developing an annual audit plan, and creating an electronic process for conducting and storing audit documentation. The IAD issued six audit recommendations to address the identified issues.</td>
<td>The TxDMV is actively working on audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by December 2017.</td>
</tr>
<tr>
<td>16-04 An Audit of Texas Department of Motor Vehicles' Internal Controls Related to the Driver's Privacy Protection Act</td>
<td>The IAD found that TxDMV is compliant with the state Motor Vehicle Records Act (Act) and the Driver’s Privacy Protection Act (DPPA). Although no findings were issued related to compliance with the Act or DPPA, the IAD identified opportunities for the TxDMV to strengthen processes that protect customers’ personal information from inappropriate use. The IAD issued five audit recommendations to address the identified issues.</td>
<td>The TxDMV is actively working on audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by July 2018.</td>
</tr>
<tr>
<td>Audit Report Number and Name</td>
<td>Audit Summary</td>
<td>Implementation Status</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>16-05 An Audit of Oversize/Overweight Permitting</td>
<td>The IAD found that MCD had processes for issuing Oversize/Overweight permits that were working as intended to provide timely and accurate route restriction updates to the motor carriers and the traveling public. Route restrictions were entered within hours of the restriction request being submitted. MCD successfully implemented multiple controls in its Permit Restriction Application process to ensure public safety. The IAD did not issue any recommendations in this report.</td>
<td>Not Applicable.</td>
</tr>
<tr>
<td>17-02 Registration of Titling System (RTS) Refactoring and Single Sticker Post-Implementation Review</td>
<td>The IAD found that the Cognos enterprise reporting application, which replaced the Registration and Titling System (RTS) legacy report tool, is pulling data accurately according to its design. However, users were skeptical of Cognos data reliability and completeness, leading them to spend additional time and effort verifying Cognos report output to RTS source data to ensure reports’ accuracy. In addition, user training did not cover the differences in data processing between the RTS reporting tool and the Cognos reporting application. The training provided consisted of tutorials on the mechanics of the user interface for application navigation and generating reports. The IAD issued two audit recommendations to address the identified issues.</td>
<td>The TxDMV is addressing the audit recommendations issued in the report. The TxDMV anticipates implementing all recommendations by August 2018.</td>
</tr>
<tr>
<td>17-05 Fiscal Year 2017 Internal Audit Follow-Up</td>
<td>IAD verified the implementation status of 125 internal audit recommendations that had a completion date before January 1, 2017 or had no assigned completion date. IAD found that the TxDMV had fully implemented 106 (85%) recommendations and had partially implemented 15 (12%) recommendations. For the partially implemented recommendations, divisions provided updated responses (if needed) and new completion dates. In addition, the IAD determined that four (3%) recommendations were deemed no longer applicable because of changes to the program, division, or function.</td>
<td>The TxDMV is actively working on addressing the recommendations found to be partially implemented. The TxDMV anticipates implementing all recommendations by December 2018.</td>
</tr>
<tr>
<td>Audit Report Number and Name</td>
<td>Audit Summary</td>
<td>Implementation Status</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>17-07 Payment Card Industry (PCI) Compliance with Credit Card Information Storage</td>
<td>The TxDMV accepts customers’ credit cards for some transactions. To be able to accept credit cards, the TxDMV attests to the Payment Card Industry (PCI) Security Standards Council that credit card information obtained is being safeguarded. The IAD issued seven audit recommendations to address issues identified in the audit.</td>
<td>The TxDMV is actively working on addressing the recommendations issued in this audit. The TxDMV anticipates that all audit recommendations will be implemented by January 2018.</td>
</tr>
</tbody>
</table>
Internal Audit Plan for Fiscal Year 2017

The status of the fiscal year (FY) 2017 audit plan engagements are outlined below.

<table>
<thead>
<tr>
<th>Report Title</th>
<th>Report Number</th>
<th>Release Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>An Audit of Oversize/Overweight Permitting</td>
<td>16-05</td>
<td>November 2016</td>
</tr>
<tr>
<td>Fiscal Year 2016 Annual Internal Audit Report</td>
<td>17-01</td>
<td>November 2016</td>
</tr>
<tr>
<td>Registration of Titling System (RTS) Refactoring and Single Sticker Post-</td>
<td>17-02</td>
<td>May 2017</td>
</tr>
<tr>
<td>Implementation Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology Services (ITS) Division - Application Services Section</td>
<td>17-03</td>
<td>May 2017</td>
</tr>
<tr>
<td>Organizational Review Advisory Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal Year 2017 Internal Audit Follow-Up</td>
<td>17-05</td>
<td>August 2017</td>
</tr>
<tr>
<td>Continuous Monitoring of Vehicle Registration and Title Transactions Advisory</td>
<td>17-06</td>
<td>August 20171</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment Card Industry (PCI) Compliance with Credit Card Information Storage</td>
<td>17-07</td>
<td>August 20172</td>
</tr>
<tr>
<td>Fiscal Year 2018 Internal Audit Plan</td>
<td>17-08</td>
<td>August 2017</td>
</tr>
</tbody>
</table>

Internal Audit Plan Deviation

The TxDMV Board approved changes to the *TxDMV Internal Audit Plan for Fiscal Year 2017* (audit plan). Specifically, the Board approved the removal of the TxDMV Fund tables and Process & Handling Fees audit and the addition of the Payment Card Industry (PCI) Compliance with Credit Card Information Storage audit to the audit plan on June 1, 2017.

1 The report was released to TxDMV Management in August 2017; however, it was not presented to the TxDMV Board until October 2017.
2 The report was released to TxDMV Management in August 2017; however, it was not presented to the TxDMV Board until October 2017.
Consulting Services and Nonaudit Services Completed

Consulting Services

The Internal Audit Division conducted two advisory services, or consulting services, during FY 2017. The advisory services related to assessing the organization of the Information Technology Services (ITS) Division – Application Services Section and facilitating the development of the Fraud Data Dashboard. Information on each advisory service are documented below.

Information Technology Services (ITS) Division – Application Services Section Organizational Review

In May 2017, the IAD issued its advisory service for the ITS Division named “Information Technology Services (ITS) Division – Application Services Section Organizational Review Advisory Service”. The objectives of the advisory service were the following:

- To determine whether planned IT resource time allocation aligned with actual time expended.
- To determine whether employee responsibilities align with employee skills.
- To determine whether time allocation within the system is sufficient.

The Internal Audit Division determined that an over allocation of ITS Division resources had occurred due to project capacity planning and limited cross-training. ITS Division resources, however, had sufficient skill set and knowledge for their assigned duties. The IAD made three recommendations to address the issues identified in the advisory service:

- Schedule cross-training and adjust resource allocation according to expanded resource skill sets.
- Develop a process for communicating when a project resource will be unavailable to finish project assignments or may be significantly delayed.
- Communicate resource allocation adjustment or reassignment to all parties timely, including hours and task progress.

The TxDMV is actively working on implementing the audit recommendations.

Continuous Monitoring of Vehicle Registration and Title Transactions Advisory Service

In August 2017, the IAD finalized its advisory service for the Vehicle Titles and Registration Division. The advisory service was named “Continuous Monitoring Capabilities – Confidential Advisory Service”. The objectives of the advisory service were the following:

- To identify high-risk fraudulent activities that may warrant monitoring.
- To identify reports that could be developed and used to detect potential fraudulent transactions.
- To identify the frequency of monitoring the reports.
- To identify potential thresholds for transactions that could indicate fraud risk.
- To identify data analytical tools.
The IAD identified several reports that could be used for monitoring high-risk fraudulent activities of title and registration transactions and identified baseline transaction thresholds for certain suspicious transaction activities. The IAD also researched data analytics tools and platforms that could conduct the necessary analysis for fraud detection and, potentially, fraud prevention. The IAD identified seven data analytics tools that met management requirements related to usability, cost, and supportability. No recommendations were made in the report as all information presented was for informational purposes.

Nonaudit Services

In addition to the consulting engagement conducted in FY 2017, the IAD is an advisor on the TxDMV Executive Steering Committees and Governance Committee for technology and capital projects. In the committees, IAD provides risk perspective and does not design, implement, or make code modifications to hardware and software systems.
External Quality Assurance Review (Peer Review)

IAD underwent an external quality assurance review (peer review) in March 2015 and plans to undergo another peer review in fiscal year 2018. Representatives of the State Agency Internal Audit Forum performed the peer review in accordance with its peer review policies and procedures effective February 2013. On April 1, 2015, the Internal Audit Division received a rating of “pass” out of three possible ratings: pass, pass with deficiencies, or fail. The report noted one opportunity for improvement; the opportunity and the Audit Director’s response is as follows:

Opportunity for Improvement:

In evaluating the impact of technology on the Agency’s future resource needs, consideration should be given to additional audit resources whose primary expertise and responsibility is auditing technology, including the complexities of contracts required for technology projects.

Director’s Response:

The Director agrees with the above opportunity for improvement. Current staff will take steps to increase their technology skills and knowledge through professional development. If an audit requires technical skills the audit team does not possess, the Division will request approval to hire a temporary contract IT auditor. Also, the Internal Audit Division will seek an auditor with information technology experience when it has a vacancy or if additional resources are assigned to the Division.

See the following page for the peer review opinion and certificate, excerpted from the TxDMV Internal Audit Division External Quality Assurance Review – April 2015.
TEXAS DEPARTMENT OF MOTOR VEHICLES
INTERNAL AUDIT DIVISION
EXTERNAL QUALITY ASSURANCE REVIEW - April 2015

OVERALL OPINION

Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Texas Department of Motor Vehicles (TxDMV) Internal Audit Division receives a rating of “pass” and is in compliance with the Institute of Internal Auditors (IIA) International Professional Practices Framework (effective January 1, 2013) and Code of Ethics, the United States Government Accountability Office (GAO) Government Auditing Standards (December 2011 Revision), and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102). This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function.

We found that the Internal Audit Division is independent, objective, and able to render impartial and unbiased judgments on the audit work performed. The staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely.

The Internal Audit Division is well managed internally. In addition, the Division has effective relationships with the Board and is well respected and supported by management. Surveys and interviews conducted during the quality assurance review indicate that management considers Internal Audit a useful part of the overall agency operations and finds that the audit process and report recommendations add value and help improve the Agency’s operations.

ACKNOWLEDGEMENTS

We appreciate the courtesy and cooperation extended to us by the Internal Audit Director, Internal Audit staff, the Chairman of the Board and Finance and Audit Committee Chairman, the Executive Director, and the senior managers who participated in the interview process. We would also like to thank each person who completed surveys for the quality assurance review. The feedback from the surveys and the interviews provided valuable information regarding the operations of the Internal Audit Division and its relationship with management.

Hector Lozano
Senior Internal Auditor
Texas Department of Family and Protective Services
SALAF Peer Review Team Leader

Luis Solis
Audit Manager
Texas Workforce Commission
SALAF Peer Review Team Member
The Internal Audit Division
of the Texas Department of Motor Vehicles
Receives a rating of
Pass

In compliance with the Institute of Internal Auditors' International Professional Practices Framework, Government Auditing Standards, and the Texas Internal Auditing Act

This opinion is based on a quality assessment review conducted by members of the Texas State Agency Internal Audit Forum during the period of February 2015 through March 2015. The review was based on the methodology developed by the Texas State Agency Internal Audit Forum

Hector Lozano, CPA
Senior Internal Auditor
Texas Department of Family and Protective Services

Lulu Soffy, CGAP, CRA
Audit Manager
Texas Workforce Commission

TxDMV Board Meeting - October 19, 2017
The TxDMV Board approved the Fiscal Year 2018 Internal Audit Plan on August 17, 2017 and the engagements are listed below with information on the hours allocated to each engagement, the engagement background information, and the preliminary objectives (if necessary).

<table>
<thead>
<tr>
<th>Engagement Topic</th>
<th>Background and Preliminary Objective(s)</th>
</tr>
</thead>
</table>
| 1. TxDMV Fund tables and Process & Handling Fee 800 hours | **Background:** In FY 2017, the TxDMV changed its method of finance from the General Revenue Fund (Fund 1) to the TxDMV Fund (Fund 10) for most of its operations. With the change, most of the TxDMV expenditures and revenues, including revenues produced from the Process & Handling Fees, are recorded in Fund 10. As of April 2017, $93.2 million of revenue had been deposited to the TxDMV Fund since the beginning of FY2017.  
**Preliminary Objective(s):**  
- To determine whether appropriate revenues, including motor vehicle registration fees, are deposited to the TxDMV fund appropriately  
- To determine whether appropriate amounts of revenue are transferred to counties per agency rule |
| 2. Inventory 1000 hours                               | **Background:** Capitalized and controlled assets (e.g., printers, computers, cameras, vehicles) are located throughout the state, including at Tax Assessor-Collectors’ offices, Full Service Deputies’ locations, and TxDMV’s Regional Service Centers. In FY2017, the TxDMV had over 8,300 capitalized and control assets that had an initial cost of $11.9 million. In addition, the TxDMV upgraded assets located at Tax Assessor-Collectors’ offices in FY2017.  
**Preliminary Objective(s):**  
- To determine if an adequate process exists to accurately and completely track assets  
- To determine if an adequate process exists to safeguard assets  
- To determine whether appropriate access controls exist to safeguard assets  
- To determine if the department is in compliance with statutory requirements |
<p>| 3. eLicensing 1000 hours                              | <strong>Background:</strong> eLicensing has changed how the TxDMV processes and handles motor vehicle licenses and complaints. eLicensing allows motor vehicle dealers, salvage dealers, and industry licensees to apply, renew, or amend their license online. In addition, it allows customers to submit complaints about motor vehicle issues online. |</p>
<table>
<thead>
<tr>
<th>Engagement Topic</th>
<th>Background and Preliminary Objective(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preliminary Objective(s):</strong></td>
<td></td>
</tr>
<tr>
<td>• To determine if eLicensing is achieving desired outcomes related to faster services to customers</td>
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<tr>
<td>• To review the adequacy of access controls within eLicensing</td>
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<tr>
<td>• To determine eLicensing’s impact on the licensing process</td>
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</tr>
<tr>
<td>4. Open Records</td>
<td><strong>Background:</strong> An estimated 20,000 open records requests, or Public Information Requests (PIRs), were received in FY2017. Although the PIRs are routed through the Office of General Counsel, each division is responsible for coordinating and providing the information for the PIRs. In addition, a new application, FOIAXpress, is used for handling PIRs.</td>
</tr>
<tr>
<td>500 hours</td>
<td><strong>Preliminary Objective(s):</strong></td>
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<tr>
<td>• To determine if PIRs are handled consistently throughout the department</td>
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<tr>
<td>• To determine whether costs for PIRs are appropriate</td>
<td></td>
</tr>
<tr>
<td>• To determine if PIRs are handled in accordance with state laws</td>
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</tr>
<tr>
<td>5. Fraud, Waste, and Abuse Risk Assessment</td>
<td><strong>Background:</strong> The TxDMV has focused on identifying and managing fraud, waste, and abuse risks; however, a risk assessment has not been fully developed to determine which fraud, waste, and abuse risks are the highest risks for the department and how those risks should be mitigated. This advisory service will be a yearlong project to identify fraud, waste, and abuse risks for the department, to rank those risks, and to help the department develop mitigation responses to those risks.</td>
</tr>
<tr>
<td>300 hours</td>
<td><strong>Preliminary Objective(s):</strong></td>
</tr>
<tr>
<td>• To determine which fraud, waste, and abuse risks are the highest risks for the department and how those risks should be mitigated. This advisory service will be a yearlong project to identify fraud, waste, and abuse risks for the department, to rank those risks, and to help the department develop mitigation responses to those risks.</td>
<td></td>
</tr>
<tr>
<td>6. Payment Card Industry (PCI) Compliance</td>
<td><strong>Background:</strong> Customers’ credit cards are accepted for some of the department’s transactions. To be able to accept credit cards, the TxDMV has to attest to the Payment Card Industry (PCI) Security Standards Council that the credit card information obtained from transactions are being safeguarded and the department is meeting the twelve PCI requirements. The requirements range from installing and maintaining a firewall to maintaining an information security policy. In addition, the IAD conducted a preliminary PCI Compliance audit in FY2017.</td>
</tr>
<tr>
<td>350 hours</td>
<td><strong>Preliminary Objective(s):</strong></td>
</tr>
<tr>
<td>• To determine whether TxDMV is compliant with certain aspects of PCI</td>
<td></td>
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<tr>
<td>• To determine the implementation status of previously issued PCI audit recommendations</td>
<td></td>
</tr>
<tr>
<td>Engagement Topic</td>
<td>Background and Preliminary Objective(s)</td>
</tr>
<tr>
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<td>----------------------------------------</td>
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</tbody>
</table>
| **7. Travel and Training**<br>500 hours | **Background:** In FY2017, the TxDMV budgeted $375,000 for in-state and out-of-state travel and $290,000 in training. In addition, the 85th Legislature showed concern on the appropriateness of travel and training done by state agencies.  

**Preliminary Objective(s):**  
- To determine if training requests have the appropriate approvals and justifications  
- To determine if travel requests have the appropriate approvals and justifications  
- To determine if a process exists to ensure travel and training requests are appropriate and meet the needs of the department  
- To evaluate how TxDMV’s handling of board member travel compares with other state agencies  
- To determine if travel and training are in compliance with state law and guidance |
| **8. Social Media**<br>350 hours | **Background:** Social media (e.g., Twitter, Facebook, Instagram) is used by both public and private sector entities to connect with customers and provide more on-demand help/services. However, on-demand communication with customers carries risk to the department’s brand if the messages do not align with the department’s strategic goals and vision. The TxDMV uses Twitter and Facebook to communicate with customers. The TxDMV receives about sixty-four and posts six to twelve social media messages/comments a month on its primary accounts.  

**Preliminary Objective(s):**  
- To determine if the department’s social media policies and processes have been sufficiently developed to protect the department’s brand |
| **9. Management or Board Request**<br>300 hours | **Background:** Time has been allotted for a special request or a review of a new or emerging risk for the department. If no request is received, one of the audits from the contingent audit list will be conducted (see page 7). |
| **10. FY2018 Internal Audit Follow-Up**<br>50 hours | **Background:** This project would verify if outstanding internal and external audit recommendations have been fully implemented. Quarterly reporting will be provided as well as an annual report.  

**Preliminary Objective(s):**  
- To determine if internal and external recommendations have been fully implemented |
<table>
<thead>
<tr>
<th>Engagement Topic</th>
<th>Background and Preliminary Objective(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11. Fiscal Year 2019 Internal Audit Plan</strong>&lt;br&gt;100 hours</td>
<td><strong>Background:</strong> The annual audit plan is prepared using risk assessment techniques to identify individual audits to be conducted during the year. The TxDMV Board must review and approve the annual audit plan as required by Government Code.</td>
</tr>
<tr>
<td><strong>12. Fiscal Year 2017 Annual Internal Audit Report</strong>&lt;br&gt;30 hours</td>
<td><strong>Background:</strong> A summary of internal audit activities, including the status of the FY2017 audit plan, non-audit services provided, and external audit services procured; and the FY2018 audit plan. Government Code requires this annual report be submitted before November 1 to the TxDMV Board, the Governor, the Legislative Budget Board, the State Auditor’s Office, and the Sunset Advisory Commission.</td>
</tr>
</tbody>
</table>

In addition to conducting engagements, the IAD has other duties that it performs each fiscal year. The other duties include conducting quality control on issued audit and advisory service reports, preparing and facilitating the required Peer Review, working on Anti-Fraud, Waste, and Abuse Items, and providing ad hoc advisory services to the department. The table below summarizes the other Internal Audit Duties and the hours allocated to each item. In addition, the table provides information on the total budgeted hours for the IAD activities, including hours allocated to engagements and hours to other duties.

### Other Internal Audit Duties

1. Coordinating with external auditors and reviewers (30 hours)
2. Working on Anti-Fraud, Waste, and Abuse Items (450 hours)
3. Conducting an annual Quality Assurance and Improvement Program as required by auditing standards (50 hours)
4. Coordinating the required Peer Review (180 hours)
5. Advising the agency’s Governance Team and Executive Steering Committees (200 hours)
6. Providing ad hoc advisory services or consultations (250 hours)

| Total Budgeted Hours on Required Reports, Audits, and Advisory Service: | 5,280 |
| Total Budgeted Hours on Other Internal Audit Division Duties: | 1,160 |
| Total Budgeted Hours for Reports and Division Duties in FY 2018: | 6,440 |
Contingency Audits

The TxDMV Board approved the following contingency audits that may be done during FY 2018. Hours and objectives have not been developed for these audits.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Service Centers</td>
<td>Background: The Regional Service Centers (RSCs) play an integral role in serving the TxDMV customers located throughout the state of Texas. Each RSC has a regional manager that manages the RSC and an assistant chief that oversees the RSC. This audit would review the monitoring done to ensure the RSCs are meeting the department’s objectives and the customer needs.</td>
</tr>
<tr>
<td>Lemon Law Investigation and Resolution Process</td>
<td>Background: The lemon law resolution process was transferred from the State Office of Administrative Hearings (SOAH) to the department when HB 1692 (83rd Texas Legislature, Reg. Session) passed. As of January 2014, the Office of Administrative Hearings, with help from the Enforcement Division, has been in charge of handling lemon law investigations and resolutions. This audit would review if expected outcomes have been achieved and if there are any improvements to the process to help customers receive resolution faster.</td>
</tr>
</tbody>
</table>

Methodology

The audit plan was developed using a risk-based methodology including input from several sources, including the TxDMV Board and management. The IAD also analyzed department information and reviewed internal audit and industry publications to identify and rank potential audit topics by risk. Projects’ risk rankings were developed using the following factors:

- Revenue or expense impact
- Asset or liability impact
- Operation effectiveness and efficiency impact
- Law or regulation impact
- Brand or reputation impact
- Degree of change in the program, function, or process
- Degree of complexity
- Degree of centralization

The State Auditor’s Office (SAO) guidelines for the Internal Audit Plan for Fiscal Year 2018, request that the IAD indicate which projects in the audit plan address expenditure transfers, capital budget controls, or any other limitation or restrictions in the General Appropriation Act, contract management, and information technology risks. The proposed audits that address these topics are the following:

- TxDMV Fund Tables and Process & Handling Fees, eLicensing, and PCI Compliance will address information technology risks.
- TxDMV Fund tables and Process & Handling Fees, Open Records, Inventory, and eLicensing will address expenditure transfers and capital budget controls.
- Inventory, eLicensing, and Open Records will address contract management.
External Audit Services Procured in Fiscal Year 2017

The IAD assisted in the following external audit reviews during fiscal year 2017.

<table>
<thead>
<tr>
<th>Report Title</th>
<th>Provider’s Name</th>
<th>Report Number and Released Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Report on State Agency Reporting Requirements for Local Governments</td>
<td>State Auditor’s Office</td>
<td>17-026 February 2017</td>
</tr>
<tr>
<td>An Audit Report on Complaint Processing at the Department of Motor Vehicles</td>
<td>State Auditor’s Office</td>
<td>17-036 May 2017</td>
</tr>
</tbody>
</table>
Reporting Suspected Fraud and Abuse

Fraud Reporting Requirements

To comply with fraud reporting requirements in the General Appropriations Act (85th Legislature, Article IX, Section 7.09), the TxDMV has taken the following actions:

- Provides information on the home page of the TxDMV website (www.txdmv.gov) on how to report suspected fraud, waste, and abuse directly to the State Auditor’s Office (SAO)
- Includes in the agency’s Human Resources Manual information on how to report suspected fraud involving state funds to the SAO. Employees are directed by agency policy to report any suspected incidents of fraud to their manager, the Internal Audit Director, and the SAO.
- Provides a link on the Internal Audit Division’s Intranet page to the SAO fraud hotline website

The Internal Audit Division also participates in the TxDMV Anti-Fraud, Waste, and Abuse Working Group. The working group is composed of several divisions that are involved in preventing or identifying fraud and is chaired by the Executive Director.

Investigation Coordination Requirements

The IAD coordinates compliance with Texas Government Code, Section 321.022 (Coordination of Investigations) by submitting a quarterly report to the State Auditor’s Office on the disposition of allegations received.

The IAD also evaluates all instances of fraud, waste, or abuse reported to the IAD to determine appropriate action. If the Internal Audit Director has reasonable cause to believe that fraudulent or unlawful conduct has occurred in relation to the operation of the TxDMV, the Director will work with appropriate parties and notify the SAO.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Caroline Love  
Agenda Item: 5  
Subject: 85th Legislative Implementation

PURPOSE AND EXECUTIVE SUMMARY
This briefing is part of a continued effort to provide the board with update on Texas Department of Motor Vehicles (TxDMV) implementation activities as they relate to legislation passed by the 85th Legislature, Regular Session.

FINANCIAL IMPACT
None.

BACKGROUND AND DISCUSSION
The briefing includes the status of implementation efforts. Key dates related to the legislative session and effective dates for bills enacted will be included. The Government and Strategic Communications Division will be providing regular updates throughout the 2018-2019 biennium on the status of implementation efforts.
85th Legislative Implementation

Agenda Item 5

October 19, 2017
The 85th Texas State Legislative Session began on January 10, 2017 which started the 140 day process for elected officials to consider changes to state statutes. The legislature adjourned Sine Die on May 29, 2017 and the Governor’s opportunity to sign legislation, allow legislation to become law without signature, or veto legislation ended on June 18, 2017.

As outlined in previous meetings, the Texas Department of Motor Vehicles (TxDMV) Board is charged with considering opportunities to improve the operations of the department and recommending statutory changes to the Texas Legislature under Texas Transportation Code, Section 1001.025. TxDMV’s Government and Strategic Communications Division worked with all the department’s divisions and offices to identify statutory changes the board could recommend. Those changes were also evaluated by stakeholders.

The TxDMV Board adopted a set of legislative recommendations in November 2016. These recommendations were then presented to the Office of the Governor, Lt. Governor, and Speaker; as well as the chairs of the Senate and House Transportation Committees for further consideration during the session. Several of those recommendations were passed by the legislature. This report includes an update on implementation efforts of those measures as well as efforts related to other legislation passing with an impact on department operations and activities.

A. Implementation of TxDMV Board Recommendations to the 85th Legislature

During the August 17 TxDMV Board meeting an update was provided regarding the passage of Board recommended legislation and implementation status. This item focuses on the status of continued implementation efforts including proposed amendments to, and the adoption of new, Administrative Rules.

I. Registration Code Changes: SB 2075 by Rodriguez (House Sponsor: Pickett)
Summary: SB 2075 contains several clean up items, as well as further defining when a county tax assessor-collector office’s transactions can be performed by a different county to allow for continuity of services for customers. This legislation allows for printed receipts from online vehicle registration renewal transactions to serve as proof of registration for 30 days (to allow the actual sticker time to be received through the mail). There are also changes resulting from an internal audit recommendation associated with county remittance of registration fees to the state to align the statute with current process and adjust time frames accordingly.

Implementation: The TxDMV Board will consider the proposal of amendments to Chapter 217.54 of the Texas Administrative Code enabling the registration of fleet vehicles at their October 19 meeting.

II. Motor Carrier Registration & Enforcement Changes: HB 3254 by Phillips (Senate Sponsor: Nichols)

Summary: The legislation includes many of the recommendations from the 84th Legislative Session to promote greater efficiency and safety of the motoring public in TxDMV operations as it relates to the motor carrier industry and regulation of the industry. The language covers enforcement of chameleon carriers (i.e., a carrier who changes names or operates under various aliases to continue operations without remedying previous penalties or sanctions, often related to safety), provisions related to renewals and re-application of registration for motor carriers; a requirement for household goods movers to file all tariffs (i.e., what the mover charges a consumer) with the TxDMV rather than just the current requirement of only tariffs for moves between municipalities; and other clarifications.

Implementation: Efforts to implement HB 3254 remain underway within the department.

III. Title Act Changes: SB 2076 by Sen. Rodriguez (House Sponsor: Pickett)

Summary: The legislation changes statute to allow the “Certified Copy of Original Title” (CCO) to serve as the only valid proof of ownership and other various clarifications to statute. This also includes new recommendations changing statute to reference and conform to the appropriate Code of Federal Regulations.
regarding odometer disclosure statement requirements, establishes a process to provide for Vehicle Identification Number (VIN) inspections, and further cleans up references to trailer dimensions and definitions of salvage vehicles. In addition, language was added requiring TxDMV to partner with the Texas Department of Public Safety (TxDPS) on a study of elements related to the titling, registration and inspection of vehicles with any recommendations due to the legislature by December 2018.

- **Implementation**: At the October 19 meeting of the TxDMV Board, rules will be proposed in Chapter 217 of the Texas Administrative Code updating the changes to the titling process. Additionally, the board will consider the adoption of rules implementing the VIN inspection process through amendments to 217.141, 217.142, and 217.143 and the adoption of Chapter 217.144 establishing an Identification Number Inspection in the Texas Administration. TxDMV and TxDPS staff met in August to discuss the requirements of the study and began the process of developing the report outlined in the bill. Other implementation efforts remain ongoing.

**IV. Lemon Law: HB 2070 by Smithee (Senate Sponsor: Watson)**

- **Summary**: The legislation provides for statutory clarifications and simplifies how vehicles can qualify for Lemon Law status. The TxDMV Board will consider the proposal to amend Chapter 215.210 of Texas Administrative Code at the October 19 meeting. HB 2070 and the proposed amendments to Administrative Code will help Texas statutes reflect practices adopted in other states.

- **Implementation**: Efforts to implement HB 2070 remain underway.

**V. Seized Disabled Parking Placard Process: HB 1790 by Pickett (Senate Sponsor: Rodriguez)**

- **Summary**: The bill clarifies TxDMV’s role when disabled parking placards are seized by law enforcement and eliminates outdated practices.

- **Implementation**: Staff has implemented the efforts associated with this legislation.

**VI. Notification to Demolish Vehicle Process Changes: HB 3131 by Martinez (Senate Sponsor: Rodriguez)**
• **Summary:** This legislation removes a redundant requirement that the department must send notice to an applicant who has been identified as the owner of a vehicle. This legislation was based upon feedback from the industry and stakeholders.

• **Implementation:** Staff continues to work on implementation and offer guidance to counties related to this legislation.

VII. **TxDMV Own/Control Real Property: SB 1349 by Watson/HB 3689 by Pickett**

• **Summary:** The department continued to work closely with the Office of the Governor and the Texas Department of Transportation (TxDOT) to identify a solution for housing TxDMV headquarters operations. The legislation allows TxDMV to accept property from TxDOT, and for TxDMV to maintain, improve and have control over such property. The transfer from TxDOT would apply only to the Camp Hubbard location in Austin, where TxDMV headquarters is currently housed.

• **Implementation:** This legislation is effective and TxDMV will continue to coordinate closely with TxDOT on the continued implementation of this legislation.

B. Implementation of Other 85th Legislative Items

Several other pieces of legislation passed by the 85th Legislature will have an impact on TxDMV operations. These include, but are not limited to:

• **HB 561** by Murphy allows for the use of small vehicles by delivery and logistics companies in residential communities to provide for more efficient package delivery services. This bill amends current law relating to the operation of certain vehicles used for package delivery and authorizes a $25 license plate fee for such small vehicles. The TxDMV Board will consider the adoption of amendments to 217.45 and 217.182 to implement this legislation at the October 19 meeting.

• **HB 1247** by Pickett outlines the notification requirements applicable to a vehicle storage facility in possession of an impounded vehicle registered in another state. This bill requires a vehicle storage facility operator to send the notice to an address obtained from the applicable governmental or private entity that has access to the relevant vehicle information and identifies the circumstances under which the
operator may provide notice by publication. Guidance has been provided to counties on these new requirements and this legislation has been implemented.

- **SB 1062** by Perry allows for vehicle title transfer documentation to be processed either electronically or by paper. The legislation also references the appropriate federal regulations regarding odometer disclosure statements, which is also reflected in SB 2076 by Rodriguez. The effective date of this legislation is January 1, 2018 to allow for associated programming and implementation efforts.

- **HB 1959** by Thompson requires the department to conduct a study that identifies and assesses alternative procedures for commercial vehicle registration, licensing, and permitting. In addition it authorizes TxDMV to collaborate with another state agency or a research division of an institution of higher education in Texas to conduct the study. The study is due to the legislature by December 2021. If the study provides that a pilot program would be feasible, such a program could be conducted with the corresponding report due to the legislature by December 2022. TxDMV and TxDPS staff have met to discuss partnering on this study, and efforts are underway to begin the study process.

- **HB 2663** by Pickett allows for counties to issue a replacement vehicle registration sticker without a fee if it is determined by the county that the renewed sticker was not received by the customer via mail, either through an online or mail-in renewal transaction. Guidance was provided to counties on this item and has been implemented.

- **HB 4102** by Neave provides an opportunity for individuals to voluntarily contribute to a grant program at the time of vehicle registration to help fund the testing of evidence collected in relation to sexual assaults or other sex offenses and authorizes voluntary contributions by TxDPS. Language was added allowing for opportunities to voluntarily contribute to the Ending Homelessness Fund at the time of vehicle registration as well. Implementation efforts remain underway.

- **SB 1524** by Nichols provides for overweight shipment of sealed containers from production facilities proximate to the ports of entry. The legislation creates a permit authorizing the movement of a sealed intermodal shipping container moving in international transportation not more than thirty miles from an applicable port of
entry. The $6,000 permit fee is distributed to the State Highway Fund and local entities to compensate for road damage, including 4% ($240) of every permit being deposited to the TxDMV Fund to cover the costs of issuing the permit. Implementation efforts are underway as the department coordinates with the Texas Department of Transportation (TxDOT) on routing requirements.

- **SB 1001** by Larry Taylor allows for trailers up to 7,500 pounds gross vehicle weight rating to be exempt from state safety inspection requirements. This is an increase from the previous 4,500 pounds gross vehicle weight rating exemption and will require programming updates. Trailers qualifying for this exemption must still pay any fees associated with the state safety inspection and those fees are collected at the time of registration while verifying a passing state inspection will no longer be required. Implementation efforts remain underway.

- **SB 1383** by Perry creates a permit authorizing the movement of fluid milk by a truck-tractor and semitrailer combination that, in addition to other criteria, is not heavier than 90,000 pounds.

- **HB 2319** by Paddie creates a permit allowing the movement of sealed ocean cargo shipping containers on specific roadways in Northeast Texas. Implementation efforts remain underway, and the department continues to coordinate with the TxDOT on the route for these loads.

- **HB 3215** by Goldman allows a business that owns any number of vehicles to be auctioned off by a licensed auctioneer without that business being considered to be engaging in business as a dealer.

- **SB 1952** by Hughes allows out-of-state licensed dealers to buy, sell, or exchange at public auctions antique and special vehicles without having to be licensed in Texas.

- **SB 1052** by Hughes was amended late in the session to include HB 3163 by Button which changes the definition of “vehicle lessor” so that titling the vehicle in the lessor’s name is not required. This change makes the distinction between a “vehicle lessor” and a “vehicle lease facilitator” almost non-existent and the practical effects of the change are likely to be insignificant.
• **HB 91** by White requires all state agencies that review criminal history as part of the eligibility requirements for an occupational license to study those requirements and report to legislature by December 1, 2018 on any recommendations the agency has to keep, modify, or repeal the requirement. The department must perform this review and report on the licenses it issues to dealers under Occupations Code 2301 & 2302 and under Transportation Code 503. Lastly, though not related exclusively to dealers, any state agency that pursues a regulatory action against an entity, such as an administrative sanction or license revocation, is now liable for damages, attorney’s fees, and costs if a court determines that the agency action was frivolous.

• **SB 869** by Huffman creates a new process for vehicle owners to designate a beneficiary to receive legal title to a vehicle upon the owner’s death. The department is working with stakeholders who pushed for this change to design the process in such a way as to make implementation and understanding of this new process as easy as possible for both county tax assessor-collector staff and the public. Implementation efforts remain underway.

• **SB 1501** by Zaffirini made several changes to the law regarding how vehicle storage facilities notify vehicle owners and lienholders before the facility can foreclose on a storage lien.

• **HB 1793** by Pickett exempts commercial motor vehicles registered in Texas or under IRP that have a valid safety inspection in compliance with federal standards and not domiciled in the state from state safety inspection requirements. Vehicles qualifying for this exemption must still pay any fees associated with the state inspection and those fees are collected at the time of registration while verifying a state inspection at the time of registration will no longer be required.

• **HB 897** by Ashby as filed expanded an existing sales tax exemption for religious motor vehicles to cover trailers used for religious purposes. The bill amended late in the session to also exempt vehicles owned by open enrolment charter schools. Exempt registration was also granted to vehicles owned by charter schools.
C. Specialty and Military License Plates

In addition, eleven pieces of legislation passed by the 85th Legislature created forty-four new specialty license plates. Of these, seven bills relate to special military plates creating forty such new plates or additional options for existing plates. The remaining four are the new “Back the Blue”, Star of Texas Award recipient, Blessed are the Peacemakers, and justices of the peace specialty license plates. The majority of these plates were available by September 1, 2017.

The Government and Strategic Communications Division will continue to provide regular updates on legislative implementation efforts.
To: Texas Department of Motor Vehicles Board  
From: Judy Sandberg, Enterprise Project Management Office Director  
Agenda Item: 6 Projects and Operations  
Subject: Enterprise Projects Update

RECOMMENDATION
This is a briefing only and no decisions or actions are requested.

PURPOSE AND EXECUTIVE SUMMARY
The purpose of this briefing is to provide an update on enterprise projects. The report includes:

- A new Portfolio Dashboard
- A list of FY18/19 Projects
- A list of Closed Projects.

FINANCIAL IMPACT
All open and closed projects are within budget.

BACKGROUND AND DISCUSSION

1. Application Migration Server Infrastructure Transformation (AMSIT) ended on time by 8/31/2017 and is closed.
2. webDealer is on target to end by 04/30/2018.

In addition to Refactored RTS and webDealer, the FY18/19 Projects Portfolio includes new projects which were listed as initiatives in TxDMV’s Legislative Appropriations Request (LAR). The following new projects were initiated and are now in the planning stage:

1. webLien
2. Call Center Upgrade
3. Kiosk Pilot
4. E-Renewals
5. Fraud Data Dashboard
6. Enterprise Reporting
7. External Web Site Renovation
TxDMV Board Meeting
Enterprise Projects Update

October 19, 2017
TxDMV Portfolio Dashboard

FY17 Portfolio Overall Project Trend

FY17 Portfolio Project Schedule Trend

FY17 Portfolio Project Budget Trend

AMSIT Project % Complete
- Work Complete %
- Duration Complete %
  - PSD 01/01/16
  - PED 09/30/17
- Budget %

RTS Project % Complete
- Work Complete %
- Duration Complete %
  - PSD 08/01/13
  - PED 12/31/18
- Budget %

webDEALER % Project Complete
- Work Complete %
- Duration Complete %
  - PSD 09/01/12
  - PED 04/30/18
- Budget %

Projects Closed by Fiscal Year

TxDMV Board Meeting - October 19, 2017
TxDMV Portfolio Dashboard

F18/19 Project Budgets = $7,698,929

- Enterprise Reporting, $500,000
- eRenewal, $500,000
- Fraud Data Dashboard, $500,000
- Kiosk Pilot, $500,000
- Mobile App, $500,000
- RTS, $932,642
- webLein, $2,514,732
- webDealer, $293,555

TxDMV Board Meeting - October 19, 2017
## TxDMV FY18/19 Projects Portfolio

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Sponsor</th>
<th>External Cost</th>
<th>Purpose</th>
<th>Benefit to Public</th>
<th>Benefit to Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority Group 1</strong></td>
<td></td>
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</tr>
<tr>
<td>RTS Refactoring</td>
<td>Whitney Brewster, Executive Sponsor</td>
<td>$900K</td>
<td>refreshes RTS technology by modernizing the core RTS system and providing business intelligence reporting capabilities.</td>
<td>Improved data quality. Improved customer service through system improvements.</td>
<td>System modernization improves Agency's agility for implementing system improvements required by changes in statute, rules, and/or policy and by continuous quality improvement in Agency processes.</td>
</tr>
<tr>
<td>webDealer eTags</td>
<td>Jeremiah Kuntz, Executive Sponsor</td>
<td>$263K</td>
<td>Allows a vehicle title to be created, stored and transferred in electronic form, improving the accuracy of the titling process.</td>
<td>Reduce costs and time required for titling and registration services from motor vehicle sales.</td>
<td>Improve tracking and management of registration and titling from motor vehicle sales. Reduce operating costs.</td>
</tr>
<tr>
<td>webLIEN</td>
<td>Jeremiah Kuntz, Executive Sponsor</td>
<td>$2.5M</td>
<td>Provide lien holders with a self-service web-enabled alternative to the existing Electronic Lien and Title (ELT) application for the addition or removal of liens by adding a new application to the webDealer suite called webLien.</td>
<td>Indirect benefit from dealer to dealer lien changes.</td>
<td>Improve tracking and management of registration and titling from motor vehicle sales. Reduce operating costs.</td>
</tr>
</tbody>
</table>
## TxDMV FY18/19 Portfolio

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Priority Group 2</strong></td>
<td></td>
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<tr>
<td>Kiosk Pilot</td>
<td>$500K</td>
<td>Pilot a few self-service kiosks at remote locations that will provide TxDMV customers an option to purchase and to print vehicle registration renewal stickers.</td>
<td>Improve customer service delivery. Reduce customer wait times.</td>
<td>Increase efficiency/effectiveness of motor vehicle registration process.</td>
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<tr>
<td>Eric Obermier, Executive Sponsor</td>
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<tr>
<td>Fraud Data Dashboard</td>
<td>$500K</td>
<td>Mine existing RTS data to produce enhanced reports that will help identify trends which may indicate Fraud and/or the need for further investigation.</td>
<td>Build public trust and improve the quality of customer service.</td>
<td>Use automation to help identify trends for possible investigation. Increase efficiency and effectiveness by using automation to help identify trends for potential fraud.</td>
</tr>
<tr>
<td>David Duncan, Executive Sponsor</td>
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<tr>
<td>Call Center Upgrade</td>
<td>$900K</td>
<td>Upgrade existing telephony system to enhance customer service and provide quality monitoring and workforce management services.</td>
<td>Improve customer service delivery.</td>
<td>Increase call center efficiency and effectiveness.</td>
</tr>
<tr>
<td>Ginny Booton, Executive Sponsor</td>
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<tr>
<td>e-Renewals</td>
<td>$500K</td>
<td>Provide TxDMV Customers the option to receive renewal notices electronically.</td>
<td>Improve customer experience and convenience.</td>
<td>Reduce printing/mailing costs. Increase efficiency/effectiveness of motor vehicle registration process.</td>
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</tbody>
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## TxDMV FY18/19 Portfolio

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority Group 3</strong></td>
<td></td>
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<tr>
<td>Enterprise Reporting</td>
<td>$500K</td>
<td>Develop a data roadmap (strategy) and a technology framework to</td>
<td>Increase information that is published and readily available to the public.</td>
<td>Increase Agency efficiency and reports quality by using automation to mine data</td>
</tr>
<tr>
<td>Linda Flores, Executive</td>
<td></td>
<td>improve the ability to mine, store and report on existing data and</td>
<td></td>
<td>across multiple sources and reduce or eliminate manual data collection.</td>
</tr>
<tr>
<td>Sponsor</td>
<td></td>
<td>information.</td>
<td></td>
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<tr>
<td>External WebSite Renovation</td>
<td>$500K</td>
<td>Improve the public website’s appearance, functionality, and usability.</td>
<td>Provide a personal and engaging customer experience.</td>
<td>Increase efficiency/effectiveness of information delivery.</td>
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<tr>
<td>Caroline Love, Executive</td>
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<tr>
<td>Sponsor</td>
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</tr>
<tr>
<td>Mobil App - MCD</td>
<td>$300K</td>
<td>Develop a mobile app for the Texas International Registration Program</td>
<td>Improve safety notification and monitoring.</td>
<td>Gradual elimination of paper filing of various registration transactions.</td>
</tr>
<tr>
<td>Jimmy Archer, Executive</td>
<td></td>
<td>(TxIRP) for Multi-Year Fleet Registration, Token Trailer and recently</td>
<td>Continuously improve customer usability of public web site.</td>
<td>Improve customer service through continuous process improvement.</td>
</tr>
<tr>
<td>Sponsor</td>
<td></td>
<td>proposed TxIRP registration enhancement programs.</td>
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</tbody>
</table>
Closed Projects

- AMSIT
- County Equipment Refresh
- eLICENSING
- Physical Security Project
- P&H
- Single Sticker I & II
- RTS Name Parsing
- CAPPS Finance and HR
- Consolidated Call Center
- Regional Offices Telecommunications
- FileNet
- Temp Permit
- Active Directory
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Vehicle Titles and Registration Division  
Agenda Item: 7  
Subject: Specialty Plate Design

RECOMMENDATION  
The Vehicle Titles and Registration Division seeks board approval or denial of two plate designs submitted for consideration. One design is from a nonprofit organization (non-vendor). The other is a design from the marketing vendor, My Plates. (This design may look familiar. My Plates made minor modifications to the Texas general issue license plate issued from 2000 to 2009.)

PURPOSE AND EXECUTIVE SUMMARY  
Statutory authority for the board to approve non-vendor specialty plates is in Transportation Code, Section 504.801. Statutory authority for the board to approve vendor specialty license plates and invite the public’s comment on proposed vendor plate designs is in Texas Transportation Code, Section(s) 504.851 (g) and (g-1) (i). The board’s approval criteria is clarified in Administrative Code(s), §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.52, Marketing of Specialty License Plates through a Private Vendor.

The renewed vendor contract specifies (paragraph #11, Inventory Management Controls) that following the board’s contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval in order for the plate to be produced. (Equally, existing plates must maintain 200 registered in order to stay in the program.) My Plates’ procedure is to first offer a plate to the public to register their interest. Following the board’s contingent approval, My Plates then offers a plate online for prepaid orders. My Plates confirms when 200 prepaid orders are achieved. (Since the contract with My Plates was renewed in March 2014, the board has contingently approved 18 vendor plates. Of the 18, six did not achieve the required 200 commitments and were not produced.)

The TxDMV’s procedure is to invite comments on all proposed plates ahead of the board’s review. The department’s intent is to determine if there are any unforeseen public concerns about a plate design. The department publishes a ten-day “like/dislike/comment-by-email” survey, called an eView, on its website. Although the survey counts the public’s “likes” and “dislikes,” it is unscientific and not used as an indicator of a plate’s popularity. The vendor’s OU plate, for example, received thousands of eView “dislikes” in 2010 (presumably because of college football rivalry) and has since sold over 1,500 plates.

Both plate designs were presented to the public in a September 2017 eView. The public’s comments are summarized below.

Quail:  
No negative comments were received; 593 people liked this design, and 93 did not.

Texas 2000:  
Four negative comments were received; 387 people liked this design, and 173 did not.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division

Agenda Item: **8 (New trailer size and rule language cleanup)**  
Subject: Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §§217.3, 217.4, 217.82, and 217.84

**RECOMMENDATION**

Approve adoption of amendments for publication in the *Texas Register*.

**PURPOSE AND EXECUTIVE SUMMARY**

The purpose of the amendments is to implement portions of Senate Bill 2076, 85th Legislature, Regular Session, 2017 and to update punctuation throughout.

**FINANCIAL IMPACT**

There will be no fiscal implications related to the amendments.

**BACKGROUND AND DISCUSSION**

The amendments:

- update the maximum width and length for a travel trailer;
- clarify titling requirements for a trailer or semitrailer with a gross weight of 4,000 pounds or less;
- remove a clause related to manufactured homes that is incorrect and unnecessary;
- clarify where an applicant may apply for title;
- update requirements for an application for a nonrepairable or salvage vehicle title; and
- remove the hyphen from “non-repairable” throughout the rules for consistency with statute.

The proposal was published in the *Texas Register* on September 8, 2017. The comment period closed on October 9, 2017. No comments were received.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the *Texas Register*; and
- an effective date of November 19, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO 43 TAC SECTIONS 217.3, 217.4, 217.82, AND 217.84 RELATING TO VEHICLE TITLES AND REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter A, Motor Vehicle Titles, §217.3, Motor Vehicle Titles, and §217.4, Initial Application for Title; and Subchapter D, Non-repairable and Salvage Motor Vehicles, §217.82, Definitions, and §217.84, Application for Non-repairable or Salvage Vehicle Title.

The preamble and the amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

________________________________________
Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: ___________________________ Date Passed: October 19, 2017
The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter A, Motor Vehicle Titles, §217.3, Motor Vehicle Titles, and §217.4, Initial Application for Title; and Subchapter D, Non-repairable and Salvage Motor Vehicles, §217.82, Definitions, and §217.84, Application for Non-repairable or Salvage Vehicle Title. Sections 217.4, 217.82, and 217.84 are adopted without changes to the proposed text as published in the September 8, 2017, issue of the Texas Register (42 TexReg 4596). These rules will not be republished. Section 217.3 is adopted with changes to published text and will be republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §217.3 update the maximum width and length for a travel trailer as authorized by Senate Bill (SB) 2076, 85th Legislature, Regular Session, 2017, which was effective September 1, 2017. An amendment also clarifies that if a trailer or semitrailer having a gross weight of 4,000 pounds or less has been titled previously, it must be titled by any subsequent owner.
Proposed amendments to §217.3(4)(C)(i) updated the maximum width and length for manufactured homes, which are defined in Occupations Code, §1201.003(12). This proposed amendment is incorrect and in conflict with the statute. On further review, clause (i) is unnecessary and inconsistent with the purpose of the subparagraph. As such, this amendment will be adopted with changes by deleting §217.3(4)(C)(i) and re-numbering the succeeding clauses. This amendment makes no substantive changes.

Amendments to §217.4 implement a portion of SB 2076 regarding place of application for title when motor vehicle ownership is transferred and the county tax assessor-collector's office of the county in which the owner resides is closed or may be closed for a protracted period of time as defined by the department.

Amendments to §217.82(13) define a nonrepairable motor vehicle by reference to the statutory definition.

Amendments to §217.84(b)(2) implement a portion of SB 2076 regarding the description of a motor vehicle included in an application for a nonrepairable or salvage vehicle title. Amendments to §217.84(b) also delete the paragraph (7) language
because the information is no longer necessary in an application for a nonrepairable or salvage vehicle title and renumber the remaining paragraphs accordingly.

Other amendments update the references to "nonrepairable" motor vehicles to be consistent with statute by deleting the unnecessary hyphen.

COMMENTS

No comments on the proposed amendments were received.

STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §501.0041, which provides the department may adopt rules to administer Transportation Code, Chapter 501, Certificate of Title Act.

CROSS REFERENCE TO STATUTE

Transportation Code, Chapters 501 and 502.
Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

SUBCHAPTER A. MOTOR VEHICLE TITLES

§217.3. Motor Vehicle Titles.

Unless otherwise exempted by law or this chapter, the owner of any motor vehicle that is required to be registered in accordance with Transportation Code, Chapter 502, shall apply for a Texas title in accordance with Transportation Code, Chapter 501.

(1) Motorcycles, motor-driven cycles, autocycles, and mopeds.

   (A) The title requirements of a motorcycle, motor-driven cycle, autocycle, and moped are the same requirements prescribed for any motor vehicle.

   (B) A vehicle that meets the criteria for a moped and has been certified as a moped by the Department of Public Safety will be registered and titled as a moped. If the vehicle does not appear on the list of certified mopeds published by that agency, the vehicle will be treated as a motorcycle for title and registration purposes.

(2) Farm vehicles.

   (A) The term "motor vehicle" does not apply to implements of husbandry, which may not be titled.

   (B) Farm tractors owned by agencies exempt from registration fees in accordance with Transportation Code,
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration  

§502.453, are required to be titled and registered with "Exempt" license plates issued in accordance with Transportation Code, §502.451.

(C) Farm tractors used as road tractors to mow rights of way or used to move commodities over the highway for hire are required to be registered and titled.

(D) Farm semitrailers with a gross weight of more than 4,000 pounds that are registered in accordance with Transportation Code, §502.146, may be issued a Texas title.

(3) Neighborhood electric vehicles. The title requirements of a neighborhood electric vehicle (NEV) are the same requirements prescribed for any motor vehicle.

(4) Trailers, semitrailers, and house trailers. Owners of trailers and semitrailers shall apply for and receive a Texas title for any stand alone (full) trailer, including homemade or shopmade full trailers, or any semitrailer having a gross weight in excess of 4,000 pounds. Owners of trailers and semitrailers having a gross weight of 4,000 pounds or less may apply for and receive a Texas title. If a trailer or semitrailer having a gross weight of 4,000 pounds or less has been titled previously, any subsequent owner shall apply for a Texas title for the trailer or semitrailer. House trailer-type vehicles must meet the criteria outlined in subparagraph (C) of this paragraph to

10/19/17 Amendments  
Exhibit B
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration

be titled.

(A) The rated carrying capacity will not be less than one-third of its empty weight.

(B) Mobile office trailers, mobile oil field laboratories, and mobile oil field bunkhouses are not designed as dwellings, but are classified as commercial semitrailers and must be registered and titled as commercial semitrailers if operated on the public streets and highways.

(C) House trailer-type vehicles and camper trailers must meet the following criteria in order to be titled.

[(i) A house trailer-type vehicle designed for living quarters and that is eight body feet or more in width and 40 feet or more in length (not including the hitch), is classified as a manufactured home or mobile home and is not eligible for a Texas title under Transportation Code, Chapter 501.]

[(i) A house trailer-type vehicle that is less than eight feet six inches in width or less than 45 feet in length is classified as a travel trailer and shall be registered and titled.]

[(ii) A camper trailer shall be titled as a house trailer and shall be registered with travel trailer license plates.]

10/19/17 Amendments  Exhibit B
(iii) [iv] A recreational park model type trailer that is primarily designed as temporary living quarters for recreational, camping or seasonal use, is built on a single chassis, and is 400 square feet or less when measured at the largest horizontal projection when in the set up mode shall be titled as a house trailer and may be issued travel trailer license plates.

(5) Assembled vehicles.

(A) An assembled vehicle is a vehicle assembled from the three basic component parts (motor, frame, and body), except that a motorcycle must have a frame and motor, and a trailer or travel trailer will have no motor, and that is:

(i) assembled from new or used materials and parts by someone not regulated as a motor vehicle manufacturer;

(ii) altered or modified to the extent that it no longer reflects the original manufacturer's configuration;

or

(iii) assembled from a kit even if a Manufacturer's Certificate of Origin or Manufacturer's Statement of Origin is provided.

(B) A newly assembled vehicle, for which a title has never been issued in this jurisdiction or any other, may be titled if:
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration  

(i) it is assembled and completed with a  
body, motor, and frame, except that a motorcycle must have a  
frame and motor, and a trailer or travel trailer will have no  
motor;

(ii) it is not created from different  
vehicle classes, (as established by the Federal Highway  
Administration, except as provided by subparagraph (C) of this  
paragraph), that were never engineered or manufactured to be  
combined with one another;

(iii) it has all safety components required  
by federal law during the year of assembly, unless the vehicle  
qualifies and is registered as a custom vehicle or street rod in  
accordance with Transportation Code, §504.501;

(iv) it is not a vehicle described by  
paragraph (6) of this section;

(v) for a vehicle assembled with a body,  
motor, and frame, the applicant provides proof, on a form  
prescribed by the department, of a safety inspection performed  
by an Automotive Service Excellence (ASE) technician with valid  
certification as a Certified Master Automobile and Light Truck  
Technician, certifying that the vehicle:  

(I) is structurally stable;  

(II) meets the necessary conditions to
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration

be operated safely on the roadway; and

(III) is equipped and operational with all equipment required by statute or rule as a condition of sale during the year the vehicle was assembled unless it is being inspected pursuant to Subchapter G of this chapter;

(vi) for a vehicle assembled with a body, motor, and frame, the applicant submits a copy of the Certified Master Automobile and Light Truck Technician's ASE certification;

(vii) the applicant submits a Rebuilt Vehicle Statement; and

(viii) the applicant submits the following to establish the vehicle's vehicle identification number:

(I) an Application for Assigned or Reassigned Number, and Notice of Assigned Number or Installation of Reassigned Vehicle Identification Number, on forms prescribed by the department; or

(II) acceptable proof, as established by the department, of a vehicle identification number assigned by the manufacturer of the component part by which the vehicle will be identified.

(C) Component parts from the following vehicle classes may be interchanged with one another or used in the
Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

creation of an assembled vehicle:

(i) 2-axle, 4-tire passenger cars;

(ii) 2-axle, 4 tire pickups, panels and vans;

(iii) 6-tire dually pickups, of which the rear tires are dual tires.

(D) The ASE inspection for a newly assembled vehicle required under subparagraph (B) of this paragraph is in addition to the inspection required by Transportation Code, Chapter 548, except a vehicle that qualifies and is registered as a custom vehicle or street rod in accordance with Transportation Code, §504.501, is exempt from the inspection required under Transportation Code, Chapter 548, for the duration the vehicle is registered as such.

(E) An assembled vehicle which has previously been titled and/or registered in this or any other jurisdiction is subject to subparagraph (B) (i) - (iv) of this paragraph, but is not subject to subparagraph (B) (v) - (viii); however, it is subject to the inspection required by Transportation Code, Chapter 548, except a vehicle that qualifies and is registered as a custom vehicle or street rod in accordance with Transportation Code, §504.501.

(F) An assembled vehicle will be titled using the
year it was assembled as the model year and "ASSEMBLED" or "ASVE" as the make of the vehicle unless the body of the vehicle is established to the department's satisfaction to be an original body from a particular year and make. An assembled vehicle utilizing an original body may be titled by the year and the make of the original body but must reflect a "RECONSTRUCTED" remark. An assembled vehicle not utilizing an original body may obtain a title with a "REPLICA" remark featuring the year and make of the replica if the vehicle resembles a prior model year vehicle. This subparagraph applies regardless of how the vehicle's model year or make was previously identified in this or any other jurisdiction.

(6) Not Eligible for Title. The following are not eligible for a Texas title regardless of the vehicle's previous title and/or registration in this or any other jurisdiction:

(A) vehicles that are missing or are stripped of their motor, frame, or body, to the extent that it materially alters the manufacturer's original design or makes the vehicle unsafe for on-road operation as determined by the department;

(B) vehicles designed or determined by the department to be a dune buggy;

(C) vehicles designed or determined by the department to be for on-track racing, unless such vehicles meet
Federal Motor Vehicle Safety Standards (FMVSS) for on-road use and are reported to the National Highway Traffic Safety Administration;

(D) vehicles designed or determined by the department to be for off-road use only, unless specifically defined as a "motor vehicle" in Transportation Code, Chapter 501; or

(E) vehicles assembled, built, constructed, rebuilt, or reconstructed in any manner with:

(i) a body or frame from a vehicle which is a "nonrepairable motor vehicle" as that term is defined in Transportation Code, §501.091(9); or

(ii) a motor or engine from a vehicle which is flood damaged, water damaged, or any other term which may reasonably establish the vehicle from which the motor or engine was obtained is a loss due to a water related event.

§217.4. Initial Application for Title.

(a) Time for application. A person must apply for the title not later than the 30th day after the date of assignment, except:

(1) in a seller-financed sale, the title must be applied for not later than the 45th day after the date the motor
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vehicle is delivered to the purchaser;  

(2) a member of the armed forces or a member of a  
reserve component of the United States, a member of the Texas  
National Guard or of the National Guard of another state serving  
on active duty, must apply not later than the 60th day after the  
date of assignment of ownership; or  

(3) as otherwise provided by Transportation Code,  

Chapter 501.  

(b) Place of application. Except as otherwise provided by  

Transportation Code, Chapters 501 and 502, and by §217.84(a) of  
this title (relating to Application for Nonrepairable or Salvage  
Vehicle Title), when [When] motor vehicle ownership is  
transferred, a title application must be filed with:  

(1) the county tax assessor-collector in the county in  
which the applicant resides or in the county in which the motor  
vehicle was purchased or encumbered, as selected by the  
applicant; or[, except:]  

(2) the county tax assessor-collector of a county who  
is willing to accept the application if the county tax assessor-  
collector’s office of the county in which the owner resides is  
closed for more than one week or if the department is notified  
that the county tax assessor-collector’s office may be closed  
for more than one week.
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[(1) as provided by Transportation Code, Chapters 501 and 502 and by §217.84(a) of this title (relating to Application for Non-repairable or Salvage Vehicle Title);]  

[(2) if a county has been declared a disaster area, the resident may apply at the closest unaffected county if the affected county tax assessor-collector estimates the county offices will be inoperable for a protracted period; or]  

[(3) if the county tax assessor-collector office in the county in which the owner resides is closed for more than one week, the resident may apply to the county tax assessor-collector in a county that borders the closed county if the adjacent county agrees to accept the application.]  

(c) Information to be included on application. An applicant for an initial title must file an application on a form prescribed by the department. The form will at a minimum require the:  

(1) motor vehicle description including, but not limited to, the motor vehicle:  

(A) year;  

(B) make;  

(C) identification number;  

(D) body style; and  

(E) empty weight;
(2) license plate number, if the motor vehicle is subject to registration under Transportation Code, Chapter 502;

(3) odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements;

(4) previous owner's legal name and complete mailing address, if available;

(5) legal name as stated on the identification presented and complete address of the applicant;

(6) name and mailing address of any lienholder and the date of lien, if applicable;

(7) signature of the seller of the motor vehicle or the seller's authorized agent and the date the title application was signed; and

(8) signature of the applicant or the applicant's authorized agent and the date the title application was signed.

(d) Accompanying documentation. The title application must be supported by, at a minimum, the following documents:

(1) evidence of vehicle ownership, as described in §217.5 of this title (relating to Evidence of Motor Vehicle Ownership);

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the
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1 purchaser, if applicable;

2 (3) proof of financial responsibility in the

3 applicant's name, as required by Transportation Code, §502.046,

4 unless otherwise exempted by law;

5 (4) an identification certificate if required by

6 Transportation Code, Chapter 548, and Transportation Code,

7 §501.030, and if the vehicle is being titled and registered, or

8 registered only;

9 (5) a release of any liens, provided that if any liens

10 are not released, they will be carried forward on the new title

11 application with the following limitations:

12 (A) A lien recorded on out-of-state evidence as

13 described in §217.5 cannot be carried forward to a Texas title

14 when there is a transfer of ownership, unless a release of lien

15 or authorization from the lienholder is attached; and

16 (B) A lien recorded on out-of-state evidence as

17 described in §217.5 is not required to be released when there is

18 no transfer of ownership from an out-of-state title and the same

19 lienholder is being recorded on the Texas application as is

20 recorded on the out-of-state title; and

21 (6) any documents required by §217.9 of this title

22 (relating to Bonded Titles).
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1 SUBCHAPTER D. NONREPAIRABLE [NON-REPAIRABLE] AND
SALVAGE MOTOR VEHICLES

3 §217.82. Definitions.
4 The following words and terms, when used in this subchapter,
5 shall have the following meanings, unless the context clearly
6 indicates otherwise.
7
(1) Casual sale--The sale by a salvage vehicle dealer,
8 insurance company, or salvage pool operator of not more than
9 five nonrepairable [non-repairable] or salvage motor vehicles to
10 the same person during a calendar year. The term does not
11 include a sale to a salvage vehicle dealer or the sale of an
12 export-only motor vehicle to a person who is not a resident of
13 the United States.
14
(2) Certificate of title--A written instrument that
15 may be issued solely by and under the authority of the
16 department and that reflects the transferor, transferee, vehicle
17 description, license plate and lien information, and rights of
18 survivorship agreement as specified in Subchapter A of this
19 chapter or as required by the department.
20
(3) Application for Title--A form prescribed by the
21 director of the department's Vehicle Titles and Registration
22 Division that reflects the information required by the
23 department to create a motor vehicle title record.
(4) Damage--Sudden damage to a motor vehicle caused by the motor vehicle being wrecked, burned, flooded, or stripped of major component parts. The term does not include gradual damage from any cause, sudden damage caused by hail, or any damage caused only to the exterior paint of the motor vehicle.

(5) Date of sale--The date of the transfer of possession of a specific vehicle from a seller to a purchaser.

(6) Department--The Texas Department of Motor Vehicles.

(7) Export-only sale--The sale of a nonrepairable [non-repairable] or salvage motor vehicle, by a salvage vehicle dealer, including a salvage pool operator acting as agent for an insurance company, or a governmental entity, to a person who resides outside the United States.

(8) Flood damage--A title remark that is initially indicated on a nonrepairable [non-repairable] or salvage vehicle title to denote that the damage to the vehicle was caused exclusively by flood and that is carried forward on subsequent title issuance.

(9) Insurance company--A person authorized to write automobile insurance in this state or an out-of-state insurance company that pays a loss claim for a motor vehicle in this state.
(10) Manufacturer's certificate of origin--A form prescribed by the department showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser, whether importer, distributor, dealer, or owner, and when presented with an application for title, showing, on appropriate forms prescribed by the department, each subsequent transfer between distributor and dealer, dealer and dealer, and dealer and owner.

(11) Metal recycler--A person who:

(A) is predominately engaged in the business of obtaining ferrous or nonferrous metal that has served its original economic purpose to convert the metal, or sell the metal for conversion, into raw material products consisting of prepared grades and having an existing or potential economic value;

(B) has a facility to convert ferrous or nonferrous metal into raw material products consisting of prepared grades and having an existing or potential economic value, by a method other than the exclusive use of hand tools, including the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metal; and

(C) sells or purchases the ferrous or nonferrous
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metal solely for use as raw material in the production of new
products.

(12) Motor vehicle--A vehicle described by
Transportation Code, §501.002(17).

(13) Nonrepairable [Non-repairable] motor vehicle--A
motor vehicle as defined by Transportation Code, §501.091(9).[
regardless of the year model, that is wrecked, damaged, or
burned to the extent that the only residual value of the motor
vehicle is as a source of parts or scrap metal, or that comes
into this state under a title or other ownership document that
indicates that the motor vehicle is non-repairable, junked, or
for parts or dismantling only.]

(14) Nonrepairable [Non-repairable] vehicle title--A
document that evidences ownership of a nonrepairable [non-
repairable] motor vehicle.

(15) Out-of-state buyer--A person licensed in an
automotive business by another state or jurisdiction if the
department has listed the holders of such a license as permitted
purchasers of salvage motor vehicles or nonrepairable [non-
repairable] motor vehicles based on substantially similar
licensing requirements and on whether salvage vehicle dealers
licensed in Texas are permitted to purchase salvage motor
vehicles or nonrepairable [non-repairable] motor vehicles in the
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other state or jurisdiction.

(16) Out-of-state ownership document--A negotiable document issued by another jurisdiction that the department considers sufficient to prove ownership of a nonrepairable or salvage motor vehicle and to support issuance of a comparable Texas certificate of title for the motor vehicle. The term does not include a title issued by the department, including a:

(A) regular certificate of title;

(B) nonrepairable vehicle title;

(C) salvage vehicle title;

(D) salvage certificate;

(E) Certificate of Authority to Demolish a Motor Vehicle; or

(F) any other ownership document issued by the department.

(17) Person--An individual, partnership, corporation, trust, association, or other private legal entity.

(18) Rebuilt salvage certificate of title--A regular certificate of title evidencing ownership of a nonrepairable motor vehicle that was issued a nonrepairable vehicle title prior to September 1, 2003, or salvage motor vehicle that has been rebuilt.
(19) Salvage motor vehicle--A motor vehicle, regardless of the year model:

(A) that is:

(i) damaged or is missing a major component part to the extent that the cost of repairs exceeds the actual cash value of the motor vehicle immediately before the damage; or

(ii) damaged and comes into this state under an out-of-state ownership document that states on its face "accident damage," "flood damage," "inoperable," "rebuildable," "salvageable," or similar notation, and is not an out-of-state ownership document with a "rebuilt," "prior salvage," or similar notation, or a nonrepairable motor vehicle; and

(B) does not include:

(i) a motor vehicle for which an insurance company has paid a claim for repairing hail damage, or theft, unless the motor vehicle was damaged during the theft and before recovery to the extent that the cost of repair exceeds the actual cash value of the motor vehicle immediately before the damage;

(ii) the cost of materials or labor for repaintining the motor vehicle; or

(iii) sales tax on the total cost of
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repairs.

(20) Salvage vehicle dealer--A person engaged in this state in the business of acquiring, selling, dismantling, repairing, rebuilding, reconstructing, or otherwise dealing in nonrepairable [non-repairable] motor vehicles or salvage motor vehicles or used parts, including a person who is in the business of a salvage vehicle dealer, regardless of whether the person holds a license issued by the department to engage in the business. The term does not include a person who casually repairs, rebuilds, or reconstructs fewer than three salvage motor vehicles in the same calendar year.

(21) Salvage vehicle title--A document issued by the department that evidences ownership of a salvage motor vehicle.

§217.84. Application for Nonrepairable [Non-repairable] or Salvage Vehicle Title.

(a) Place of application. The owner of a nonrepairable [non-repairable] or salvage motor vehicle who is required to obtain or voluntarily chooses to obtain a nonrepairable [non-repairable] or salvage vehicle title, as provided by §217.83 of this title (relating to Requirement for Non-repairable or Salvage Vehicle Title), shall apply for a nonrepairable [non-repairable] or salvage vehicle title by submitting an
application, the required accompanying documentation, and the statutory fee to the department.

(b) Information on application. An applicant for a nonrepairable or salvage vehicle title shall submit an application on a form prescribed by the department. A completed form, in addition to any other information required by the department, must include:

(1) the name and current address of the owner;

(2) a description of the motor vehicle, including the model year, make, body style, and vehicle identification number; [motor vehicle's model year, make, model, identification number, body style, manufacturer's rated carrying capacity in tons for commercial vehicles, and empty weight;]

(3) a statement describing whether the motor vehicle is a nonrepairable or salvage motor vehicle;

and

(A) was the subject of a total loss claim paid by an insurance company under Transportation Code, §501.1001 or §501.1002;

(B) is a self-insured motor vehicle under Transportation Code, §501.091;

(C) is an export-only motor vehicle under Transportation Code, §501.099;
(D) was sold, transferred, or released to the owner or former owner of the motor vehicle; or (E) was sold, transferred, or released to a buyer at casual sale by a salvage vehicle dealer, insurance company, or salvage pool operator;

(4) whether the damage was caused exclusively by flood;

(5) a description of the damage to the motor vehicle;

(6) the odometer reading and brand, or the word "exempt" if the motor vehicle is exempt from federal and state odometer disclosure requirements, if the motor vehicle is a salvage motor vehicle;

[(7) the name, address, and city and state of residence of the previous owner;]

(7) the name and mailing address of any lienholder and the date of lien, as provided by subsection (e) of this section; and

(8) the signature of the applicant or the applicant's authorized agent and the date the certificate of title application was signed.

(c) Accompanying documentation. A nonrepairable or salvage vehicle title application must be supported, at a minimum, by:
(1) evidence of ownership, as described by subsection (d)(1) or (3) of this section, if the applicant is an insurance company that is unable to locate one or more of the owners; 

(2) an odometer disclosure statement properly executed by the seller of the motor vehicle and acknowledged by the purchaser, if the motor vehicle is less than 10 model years old and the motor vehicle is a salvage motor vehicle; and 

(3) a release of any liens.

(d) Evidence of nonrepairable [non-repairable] or salvage motor vehicle ownership.

(1) Evidence of nonrepairable [non-repairable] or salvage motor vehicle ownership properly assigned to the applicant must accompany the application for a nonrepairable [non-repairable] or salvage vehicle title, except as provided by paragraph (2) of this subsection. Evidence must include documentation sufficient to show ownership to the nonrepairable [non-repairable] or salvage motor vehicle, such as:

(A) a Texas Certificate of Title;

(B) a certified copy of a Texas Certificate of Title;

(C) a manufacturer's certificate of origin;

(D) a Texas Salvage Certificate;

(E) a nonrepairable [non-repairable] vehicle
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1 title;

2 (F) a salvage vehicle title;

3 (G) a comparable ownership document issued by another jurisdiction, except that if the applicant is an insurance company, evidence must be provided indicating that the insurance company is:

4 (i) licensed to do business in Texas; or

5 (ii) not licensed to do business in Texas, but has paid a loss claim for the motor vehicle in this state;

6 or

7 (H) a photocopy of the inventory receipt or a title and registration verification evidencing surrender to the department of the negotiable evidence of ownership for a motor vehicle as provided by §217.86 of this title (relating to Dismantling, Scrapping, or Destruction of Motor Vehicles), and if the evidence of ownership surrendered was from another jurisdiction, a photocopy of the front and back of the surrendered evidence of ownership.

9 (2) An insurance company that acquires ownership or possession of a nonrepairable or salvage motor vehicle through payment of a claim may apply for a nonrepairable or salvage vehicle title to be issued in the insurance company's name without obtaining an ownership document
or if it received an ownership document without the proper assignment of the owner if the company is unable to obtain a title from the owner, in accordance with paragraph (1) of this subsection, and the application is not made earlier than the 30th day after the date of payment of the claim. The application must also include:

(A) a statement that the insurance company has provided at least two written notices to the owner and any lienholder attempting to obtain the title or proper assignment of title for the motor vehicle;

(B) a copy of a document:

(i) indicating that payment has been made, including an electronic check, canceled check, or screen print from the insurance company's database that identifies the type of payment method; and

(ii) reflecting the vehicle identification number, vehicle owner names, name of the person to whom payment was made if different from vehicle owners, payment amount, and date payment was issued; and

(C) any unassigned or improperly assigned title in the insurance company's possession.

(3) An insurance company that acquires, through payment of a claim, ownership or possession of a salvage motor vehicle or if it received an ownership document without the proper assignment of the owner if the company is unable to obtain a title from the owner, in accordance with paragraph (1) of this subsection, and the application is not made earlier than the 30th day after the date of payment of the claim. The application must also include:

(A) a statement that the insurance company has provided at least two written notices to the owner and any lienholder attempting to obtain the title or proper assignment of title for the motor vehicle;

(B) a copy of a document:

(i) indicating that payment has been made, including an electronic check, canceled check, or screen print from the insurance company's database that identifies the type of payment method; and

(ii) reflecting the vehicle identification number, vehicle owner names, name of the person to whom payment was made if different from vehicle owners, payment amount, and date payment was issued; and

(C) any unassigned or improperly assigned title in the insurance company's possession.
vehicle or nonrepairable [non-repairable] motor vehicle covered by an out-of-state ownership document may obtain a salvage vehicle title or nonrepairable [non-repairable] vehicle title in accordance with paragraph (1) or (2) of this subsection if:

(A) the motor vehicle was damaged, stolen, or recovered in this state; or

(B) the motor vehicle owner from whom the company acquired ownership resides in this state.

(4) A salvage pool operator may apply for title in the name of the salvage pool operator by providing to the department:

(A) documentation from the insurance company that:

(i) the salvage pool operator, on request of an insurance company, was asked to take possession of the motor vehicle subject to an insurance claim and the insurance company subsequently denied coverage or did not take ownership of the vehicle; and

(ii) the name and address of the owner of the motor vehicle and the lienholder, if any; and

(B) proof that the salvage pool operator, before the 31st day after receiving the information from the insurance company, sent a notice to the owner and any lienholder informing
them that:  

(i) the motor vehicle must be removed from  
the location specified in the notice not later than the 30th day  
after the date the notice is mailed; and  
(ii) if the motor vehicle is not removed  
within the time specified in the notice, the salvage pool  
operator will sell the motor vehicle and retain from the  
proceeds any costs actually incurred by the operator in  
obtaining, handling, and disposing of the motor vehicle, except  
for charges:  

(I) that have been or are subject to  
being reimbursed by a third party; and  
(II) for storage or impoundment of the  

motor vehicle.  

(5) Proof of notice under this subsection consists of:  

(A) the validated receipts for registered or  
certified mail and return receipt or an electronic certified  
mail receipt, including signature receipt; and  

(B) any unopened certified letters returned by  
the post office as unclaimed, undeliverable, or with no  
forwarding address.  

(e) Recordation of lien on nonrepairable [non-repairable]  
and salvage vehicle titles. If the motor vehicle is a salvage
motor vehicle, a new lien or a currently recorded lien may be recorded on the salvage vehicle title. If the motor vehicle is a nonrepairable [non-repairable] motor vehicle, only a currently recorded lien may be recorded on the nonrepairable [non-repairable] vehicle title.

(f) Issuance. Upon receipt of a completed nonrepairable [non-repairable] or salvage vehicle title application, accompanied by the statutory application fee and the required documentation, the department will, before the sixth business day after the date of receipt, issue a nonrepairable [non-repairable] or salvage vehicle title, as appropriate.

(1) If the condition of salvage is caused exclusively by flood, a "Flood Damage" notation will be reflected on the face of the document and will be carried forward upon subsequent title issuance.

(2) If a lien is recorded on a nonrepairable [non-repairable] or salvage vehicle title, the vehicle title will be mailed to the lienholder. For proof of ownership purposes, the owner will be mailed a receipt or printout of the newly established motor vehicle record, indicating a lien has been recorded.

(3) A nonrepairable [non-repairable] vehicle title will state on its face that the motor vehicle may:
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1  (A) not be repaired, rebuilt, or reconstructed;
2  (B) not be issued a regular certificate of title
3  or registered in this state;
4  (C) not be operated on a public highway; and
5  (D) may only be used as a source for used parts
6  or scrap metal.
RECOMMENDATION

Approve adoption of amendments for publication in the Texas Register.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of these amendments is to implement House Bill 561, 85th Legislature, Regular Session, 2017, which added Transportation Code, §551.452, License Plates for Package Delivery Vehicles, to require the department to issue a license plate for a vehicle operated by a motor carrier for the purpose of picking up and delivering mail, parcels, and packages.

FINANCIAL IMPACT

There will be minimal fiscal implications related to the amendments. The fee for a package delivery license plate will be $25 plus a $4.75 processing and handling fee. The department determined that the fee for a package delivery plate should be $25, based on the expected demand and cost of producing the plate. There will be minimal adverse economic effects on small businesses or micro-businesses to the extent they purchase any package delivery license plates.

BACKGROUND AND DISCUSSION

The amendments add:

- §217.45(c)(3)(B) - "package delivery vehicle" to the list of vehicles that are issued one plate.
- §217.45(k) - new subsection, package delivery, to establish the procedure and requirements to issue a "Package Delivery" license plate. The amendments include a department fee of $25 for each plate issued.
- §217.182(6) - new paragraph (6) to include issuance of a "package delivery vehicle" plate to the list of transactions defined as a registration transaction for purposes of the processing and handling fee.

The proposal was published in the Texas Register on September 8, 2017. The comment period closed on October 9, 2017. No comments were received.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the Texas Register; and
- an effective date of November 19, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO 43 TAC SECTIONS 217.45 AND 217.182 RELATING TO VEHICLE TITLES AND REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices; and Subchapter I, Fees, §217.182, Registration Transaction.

The preamble and the amendments are attached to this resolution as Exhibits A-B and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

__________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

__________________________________________
Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: ___________________________ Date Passed: October 19, 2017
Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts 
amendments to Chapter 217, Vehicle Titles and Registration, 
Subchapter B, Motor Vehicle Registration, §217.45, Specialty 
License Plates, Symbols, Tabs, and Other Devices; and Subchapter 
I, Fees, §217.182, Registration Transaction, without changes in 
the proposed text as published in the September 8, 2017, issue 
of the Texas Register (42 TexReg 4603). The rules will not be 
republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §217.45 and §217.182 implement House Bill 561, 
85th Legislature, Regular Session, 2017, which added 
Transportation Code, §551.452, License Plates for Package 
Delivery Vehicles, authorizing the department to issue a license 
plate for a vehicle operated by a motor carrier for the purpose 
of picking up and delivering mail, parcels, and packages.

The amendments add "Package Delivery" to §217.45(c)(3)(B) to the 
list of vehicles that are issued one plate.

The amendments add §217.45(k), package delivery vehicle, to 
establish the procedure and requirements to issue a "Package
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Delivery" license plate. The amendments include a department fee of $25 for each plate issued.

The amendments add §217.182(6) to include issuance of a package delivery plate to the list of transactions defined as a registration transaction for purposes of the processing and handling fee.

COMMENTS

No comments on the proposed amendments were received.

STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §504.0011, which authorizes the board to adopt rules to implement and administer Transportation Code, Chapter 504; and Transportation Code, §551.452(b), which requires the department by rule to establish a procedure to issue license plates to be used only for operation in accordance with Transportation Code, Chapter 551, Subchapter G, Package
Delivery Vehicles. The amendment to §217.182 is authorized by Transportation Code, §502.1911, which directs the department to collect a fee to cover the expenses of collecting registration fees for issuance of a license plate.

CROSS REFERENCE TO STATUTE

Transportation Code, Chapters 502, 551, and 663, and §643.001.
SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

§217.45. Specialty License Plates, Symbols, Tabs, and Other Devices.

(a) Purpose and Scope. Transportation Code, Chapters 504 and 551 charge the department with providing specialty license plates, symbols, tabs, and other devices. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of specialty license plates, symbols, tabs, and other devices, through the county tax assessor-collectors, and establishes application fees, expiration dates, and registration periods for certain specialty license plates. This section does not apply to military license plates except as provided by §217.43 of this title (relating to Military Specialty License Plates).

(b) Initial application for specialty license plates, symbols, tabs, or other devices.

(1) Application Process.

(A) Procedure. An owner of a vehicle registered as specified in this subchapter who wishes to apply for a specialty license plate, symbol, tab, or other device must do so on a form prescribed by the director.

(B) Form requirements. The application form shall at a
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minimum require the name and complete address of the applicant.

(2) Fees and Documentation.

(A) The application must be accompanied by the prescribed registration fee, unless exempted by statute.

(B) The application must be accompanied by the statutorily prescribed specialty license plate fee. If a registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device will be aligned with the registration period and the specialty plate fee will be adjusted to yield the appropriate fee. If the statutory annual fee for a specialty license plate is $5 or less, it will not be prorated.

(C) Specialty license plate fees will not be refunded after an application is submitted and the department has approved issuance of the license plate.

(D) The application must be accompanied by prescribed local fees or other fees that are collected in conjunction with registering a vehicle, with the exception of vehicles bearing license plates that are exempt by statute from these fees.

(E) The application must include evidence of eligibility for any specialty license plates. The evidence of eligibility may include, but is not limited to:

(i) an official document issued by a governmental
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1 entity; or

(ii) a letter issued by a governmental entity on that agency's letterhead.

(F) Initial applications for license plates for display on Exhibition Vehicles must include a photograph of the completed vehicle.

(3) Place of application. Applications for specialty license plates may be made directly to the county tax assessor-collector, except that applications for the following license plates must be made directly to the department:

(A) County Judge;

(B) Federal Administrative Law Judge;

(C) State Judge;

(D) State Official;

(E) U.S. Congress--House;

(F) U.S. Congress--Senate; and

(G) U.S. Judge.

(4) Gift plates.

(A) A person may purchase general distribution specialty license plates as a gift for another person if the purchaser submits an application for the specialty license plates that provides:

(i) the name and address of the person who will
receive the plates; and

(ii) the vehicle identification number of the vehicle on which the plates will be displayed.

(B) To be valid for use on a motor vehicle, the recipient of the plates must file an application with the county tax assessor-collector and pay the statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502 and this subchapter.

(c) Initial issuance of specialty license plates, symbols, tabs, or other devices.

(1) Issuance. On receipt of a completed initial application for registration, accompanied by the prescribed documentation and fees, the department will issue specialty license plates, symbols, tabs, or other devices to be displayed on the vehicle for which the license plates, symbols, tabs, or other devices were issued for the current registration period. If the vehicle for which the specialty license plates, symbols, tabs, or other devices are issued is currently registered, the owner must surrender the license plates currently displayed on the vehicle, along with the corresponding license receipt, before the specialty license plates may be issued.

(2) Classic Motor Vehicles, Classic Travel Trailers, Custom Vehicles, Street Rods, and Exhibition Vehicles.

10/19/17 Amendments Exhibit B
(A) License plates. Texas license plates that were issued the same year as the model year of a Classic Motor Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may be displayed on that vehicle under Transportation Code, §504.501 and §504.502, unless:

   (i) the license plate's original use was restricted by statute to another vehicle type;
   (ii) the license plate is a qualifying plate type that originally required the owner to meet one or more eligibility requirements; or
   (iii) the alpha numeric pattern is already in use on another vehicle.

(B) Validation stickers and tabs. The department will issue validation stickers and tabs for display on license plates that are displayed as provided by subparagraph (A) of this paragraph.

(3) Number of plates issued.

   (A) Two plates. Unless otherwise listed in subparagraph (B) of this paragraph, two specialty license plates, each bearing the same license plate number, will be issued per vehicle.
   (B) One plate. One license plate will be issued per vehicle for all motorcycles and for the following specialty
license plates:

(i) Antique Vehicle (includes Antique Auto, Antique Truck, Antique Motorcycle, and Antique Bus);
(ii) Classic Travel Trailer;
(iii) Rental Trailer;
(iv) Travel Trailer;
(v) Cotton Vehicle;
(vi) Disaster Relief;
(vii) Forestry Vehicle;
(viii) Golf Cart;
(ix) Log Loader; [and]
(x) Military Vehicle; [and]
(xi) Package Delivery Vehicle.

(C) Registration number. The identification number assigned by the military may be approved as the registration number instead of displaying Military Vehicle license plates on a former military vehicle.

(4) Assignment of plates.

(A) Title holder. Unless otherwise exempted by law or this section, the vehicle on which specialty license plates, symbols, tabs, or other devices is to be displayed shall be titled in the name of the person to whom the specialty license plates, symbols, tabs, or other devices is assigned, or a title
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application shall be filed in that person's name at the time the specialty license plates, symbols, tabs, or other devices are issued.

(B) Non-owner vehicle. If the vehicle is titled in a name other than that of the applicant, the applicant must provide evidence of having the legal right of possession and control of the vehicle.

(C) Leased vehicle. In the case of a leased vehicle, the applicant must provide a copy of the lease agreement verifying that the applicant currently leases the vehicle.

(5) Classification of neighborhood electric vehicles. The registration classification of a neighborhood electric vehicle, as defined by §217.3(3) of this title (relating to Motor Vehicle Titles) will be determined by whether it is designed as a 4-wheeled truck or a 4-wheeled passenger vehicle.

(6) Number of vehicles. An owner may obtain specialty license plates, symbols, tabs, or other devices for an unlimited number of vehicles, unless the statute limits the number of vehicles for which the specialty license plate may be issued.

(7) Personalized plate numbers.

(A) Issuance. The department will issue a personalized license plate number subject to the exceptions set forth in this paragraph.
(B) Character limit. A personalized license plate number may contain no more than six alpha or numeric characters or a combination of characters. Depending upon the specialty license plate design and vehicle class, the number of characters may vary. Spaces, hyphens, periods, hearts, stars, the International Symbol of Access, or silhouettes of the state of Texas may be used in conjunction with the license plate number.

(C) Personalized plates not approved. A personalized license plate number will not be approved by the executive director if the alpha-numeric pattern:

(i) conflicts with the department's current or proposed regular license plate numbering system;

(ii) would violate §217.27 of this title (relating to Vehicle Registration Insignia), as determined by the executive director; or

(iii) is currently issued to another owner.

(D) Classifications of vehicles eligible for personalized plates. Unless otherwise listed in subparagraph (E) of this paragraph, personalized plates are available for all classifications of vehicles.

(E) Categories of plates for which personalized plates are not available. Personalized license plate numbers are not available for display on the following specialty license plates:
(i) Amateur Radio (other than the official call letters of the vehicle owner);

(ii) Antique Motorcycle;

(iii) Antique Vehicle (includes Antique Auto, Antique Truck, and Antique Bus);

(iv) Apportioned;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Farm Trailer (except Go Texan II);

(viii) Farm Truck (except Go Texan II);

(ix) Farm Truck Tractor (except Go Texan II);

(x) Fertilizer;

(xi) Forestry Vehicle;

(xii) Log Loader;

(xiii) Machinery;

(xiv) Permit;

(xv) Rental Trailer;

(xvi) Soil Conservation; and

(xvii) Texas Guard.

(F) Fee. Unless specified by statute, a personalized license plate fee of $40 will be charged in addition to any prescribed specialty license plate fee.

(G) Priority. Once a personalized license plate number
has been assigned to an applicant, the owner shall have priority
to that number for succeeding years if a timely renewal
application is submitted to the county tax assessor-collector
each year in accordance with subsection (d) of this section.

(d) Specialty license plate renewal.

(1) Renewal deadline. If a personalized license plate is
not renewed within 60 days after its expiration date, a
subsequent renewal application will be treated as an application
for new personalized license plates.

(2) Length of validation. With the following exceptions,
all specialty license plates, symbols, tabs, or other devices
shall be valid for 12 months from the month of issuance or for a
prorated period of at least 12 months coinciding with the
expiration of registration.

(A) Five-year period. Antique Vehicle (includes Antique
Auto, Antique Truck, and Antique Bus) and Antique Motorcycle
license plates, Antique tabs, and registration numbers are
issued for a five-year period.

(B) Seven-year period. Foreign Organization license
plates and registration numbers are issued for a seven-year
period.

(C) March expiration dates. The registration for Cotton
Vehicle and Disaster Relief license plates expires each March
31.  

(D) June expiration dates. The registration for the Honorary Consul license plate expires each June 30.

(E) September expiration dates. The registration for the Log Loader license plate expires each September 30.

(F) December expiration dates. The registration for the following license plates expires each December 31:

(i) County Judge;

(ii) Federal Administrative Law Judge;

(iii) State Judge;

(iv) State Official;

(v) U.S. Congress--House;

(vi) U.S. Congress--Senate; and

(vii) U.S. Judge.

(G) Except as otherwise provided in this paragraph, if a vehicle's registration period is other than 12 months, the expiration date of the specialty license plate, symbol, tab, or other device will be set to align it with the expiration of registration.

(3) Renewal.

(A) Renewal notice. Approximately 60 days before the expiration date of a specialty license plate, symbol, tab, or other device, the department will send each owner a renewal notice.
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notice that includes the amount of the specialty plate fee and the registration fee.

(B) Return of notice. The owner must return the fee and any prescribed documentation to the tax assessor-collector of the county in which the owner resides, except that the owner of a vehicle with one of the following license plates must return the documentation and specialty license plate fee, if applicable, directly to the department and submit the registration fee to the county tax assessor-collector:

(i) County Judge;
(ii) Federal Administrative Law Judge;
(iii) State Judge;
(iv) State Official;
(v) U.S. Congress--House;
(vi) U.S. Congress--Senate; and
(vii) U.S. Judge.

(C) Expired plate numbers. The department will retain a specialty license plate number for 60 days after the expiration date of the plates if the plates are not renewed on or before their expiration date. After 60 days the number may be reissued to a new applicant. All specialty license plate renewals received after the expiration of the 60 days will be treated as new applications.
(D) Issuance of validation insignia. On receipt of a completed license plate renewal application and prescribed documentation, the department will issue registration validation insignia as specified in §217.27 unless this section or other law requires the issuance of new license plates to the owner.

(E) Lost or destroyed renewal notices. If a renewal notice is lost, destroyed, or not received by the vehicle owner, the specialty license plates, symbol, tab, or other device may be renewed if the owner provides acceptable personal identification along with the appropriate fees and documentation. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Transfer of specialty license plates.

(1) Transfer between vehicles.

(A) Transferable between vehicles. The owner of a vehicle with specialty license plates, symbols, tabs, or other devices may transfer the specialty plates between vehicles by filing an application through the county tax assessor-collector if the vehicle to which the plates are transferred:

   (i) is titled or leased in the owner's name; and

   (ii) meets the vehicle classification requirements for that particular specialty license plate, symbol, tab, or
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1 other device.

2 (B) Non-transferable between vehicles. The following
3 specialty license plates, symbols, tabs, or other devices are
4 non-transferable between vehicles:
5
6 (i) Antique Vehicle license plates (includes Antique
7 Auto, Antique Truck, and Antique Bus), Antique Motorcycle
8 license plates, and Antique tabs;
9
10 (ii) Classic Auto, Classic Truck, Classic Motorcycle, Classic
11 Travel Trailer, Street Rod, and Custom Vehicle license
12 plates;
13
14 (iii) Forestry Vehicle license plates; and
15
16 (iv) Log Loader license plates.
17
18 (C) New specialty license plates. If the department
19 creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation
20 whether the license plate may be transferred between vehicles.
21
22 (2) Transfer between owners.
23
24 (A) Non-transferable between owners. Specialty license
25 plates, symbols, tabs, or other devices issued under
26 Transportation Code, Chapter 504, Subchapters C, E, and F are
27 not transferable from one person to another except as
28 specifically permitted by statute.
29
30 (B) New specialty license plates. If the department
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creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between owners.

(3) Simultaneous transfer between owners and vehicles. Specialty license plates, symbols, tabs, or other devices are transferable between owners and vehicles simultaneously only if the owners and vehicles meet all the requirements in both paragraphs (1) and (2) of this subsection.

(f) Replacement.

(1) Application. When specialty license plates, symbols, tabs, or other devices are lost, stolen, or mutilated, the owner shall apply directly to the county tax assessor-collector for the issuance of replacements, except that Log Loader license plates must be reapplied for and accompanied by the prescribed fees and documentation.

(2) Temporary registration insignia. If the specialty license plate, symbol, tab, or other device is lost, destroyed, or mutilated to such an extent that it is unusable, and if issuance of a replacement license plate would require that it be remanufactured, the owner must pay the statutory replacement fee, and the department will issue a temporary tag for interim use. The owner's new specialty license plate number will be shown on the temporary tag unless it is a personalized license
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plate, in which case the same personalized license plate number will be shown.

(3) Stolen specialty license plates.

(A) The department or county tax assessor-collector will not approve the issuance of replacement license plates with the same personalized license plate number if the department's records indicate either the vehicle displaying the personalized license plates or the license plates are reported as stolen to law enforcement. The owner will be directed to contact the department for another personalized plate choice.

(B) The owner may select a different personalized number to be issued at no charge with the same expiration as the stolen specialty plate. On recovery of the stolen vehicle or license plates, the department will issue, at the owner's or applicant's request, replacement license plates, bearing the same personalized number as those that were stolen.

(g) License plates created after January 1, 1999. In accordance with Transportation Code, §504.702, the department will begin to issue specialty license plates authorized by a law enacted after January 1, 1999, only if the sponsoring entity for that license plate submits the following items before the fifth anniversary of the effective date of the law.

(1) The sponsoring entity must submit a written
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application. The application must be on a form approved by the
director and include, at a minimum:

(A) the name of the license plate;
(B) the name and address of the sponsoring entity;
(C) the name and telephone number of a person
authorized to act for the sponsoring entity; and
(D) the deposit.

(2) A sponsoring entity is not an agent of the department
and does not act for the department in any matter, and the
department does not assume any responsibility for fees or
applications collected by a sponsoring entity.

(h) Assignment procedures for state, federal, and county
officials.

(1) State Officials. State Official license plates
contain the distinguishing prefix "SO." Members of the state
legislature may be issued up to three sets of State Official
specialty license plates with the distinguishing prefix "SO," or
up to three sets of State Official specialty license plates that
depict the state capitol, and do not display the distinguishing
prefix "SO." An application by a member of the state
legislature, for a State Official specialty license plate, must
specify the same specialty license plate design for each
applicable vehicle. State Official license plates are assigned
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in the following order:

(A) Governor;
(B) Lieutenant Governor;
(C) Speaker of the House;
(D) Attorney General;
(E) Comptroller;
(F) Land Commissioner;
(G) Agriculture Commissioner;
(H) Secretary of State;
(I) Railroad Commission Presiding Officer followed by the remaining members based on their seniority;
(J) Supreme Court Chief Justice followed by the remaining justices based on their seniority;
(K) Criminal Court of Appeals Presiding Judge followed by the remaining judges based on their seniority;
(L) Members of the State Legislature, with Senators assigned in order of district number followed by Representatives assigned in order of district number, except that in the event of redistricting, license plates will be reassigned; and
(M) Board of Education Presiding Officer followed by the remaining members assigned in district number order, except that in the event of redistricting, license plates will be reassigned.
(2) Members of the U.S. Congress.

(A) U.S. Senate license plates contain the prefix "Senate" and are assigned by seniority; and

(B) U.S. House license plates contain the prefix "House" and are assigned in order of district number, except that in the event of redistricting, license plates will be reassigned.

(3) Federal Judge.

(A) Federal Judge license plates contain the prefix "USA" and are assigned on a seniority basis within each court in the following order:

(i) Judges of the Fifth Circuit Court of Appeals;

(ii) Judges of the United States District Courts;

(iii) United States Bankruptcy Judges; and

(iv) United States Magistrates.

(B) Federal Administrative Law Judge plates contain the prefix "US" and are assigned in the order in which applications are received.

(C) A federal judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive federal judge plates. A federal judge who retired after August 31, 2003, is not eligible for U.S. Judge license plates.
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1  (4) State Judge.

2  (A) State Judge license plates contain the prefix "TX"
3  and are assigned sequentially in the following order:
4  
5     (i) Appellate District Courts;
6     (ii) Presiding Judges of Administrative Regions;
7     (iii) Judicial District Courts;
8     (iv) Criminal District Courts; and
9     (v) Family District Courts and County Statutory
10  Courts.

11  (B) A particular alpha-numeric combination will always
12  be assigned to a judge of the same court to which it was
13  originally assigned.

14  (C) A state judge who retired on or before August 31,
15  2003, and who held license plates expiring in March 2004 may
16  continue to receive state judge plates. A state judge who
17  retired after August 31, 2003, is not eligible for State Judge
18  license plates.

19  (5) County Judge license plates contain the prefix "CJ"
20  and are assigned by county number.

21  (6) In the event of redistricting or other plate
22  reallocation, the department may allow a state official to
23  retain that official's plate number if the official has had the
24  number for five or more consecutive years.
(i) Development of new specialty license plates.

(1) Procedure. The following procedure governs the process of authorizing new specialty license plates under Transportation Code, §504.801, whether the new license plate originated as a result of an application or as a department initiative.

(2) Applications for the creation of new specialty license plates. An applicant for the creation of a new specialty license plate, other than a vendor specialty plate under §217.52 of this title (relating to Marketing of Specialty License Plates through a Private Vendor), must submit a written application on a form approved by the executive director. The application must include:

(A) the applicant's name, address, telephone number, and other identifying information as directed on the form;

(B) certification on Internal Revenue Service letterhead stating that the applicant is a not-for-profit entity;

(C) a draft design of the specialty license plate;

(D) projected sales of the plate, including an explanation of how the projected figure was established;

(E) a marketing plan for the plate, including a description of the target market;
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(F) a licensing agreement from the appropriate third
party for any intellectual property design or design element;

(G) a letter from the executive director of the
sponsoring state agency stating that the agency agrees to
receive and distribute revenue from the sale of the specialty
license plate and that the use of the funds will not violate a
statute or constitutional provision; and

(H) other information necessary for the board to reach
a decision regarding approval of the requested specialty plate.

(3) Review process. The board:

(A) will not consider incomplete applications;

(B) may request additional information from an
applicant if necessary for a decision; and

(C) will consider specialty license plate applications
that are restricted by law to certain individuals or groups of
individuals (qualifying plates) using the same procedures as
applications submitted for plates that are available to everyone
(non-qualifying plates).

(4) Request for additional information. If the board
determines that additional information is needed, the applicant
must return the requested information not later than the
requested due date. If the additional information is not
received by that date, the board will return the application as
incomplete unless the board:

(A) determines that the additional requested information is not critical for consideration and approval of the application; and

(B) approves the application, pending receipt of the additional information by a specified due date.

(5) Board decision. The board's decision will be based on:

(A) compliance with Transportation Code, §504.801;

(B) the proposed license plate design, including:

(i) whether the design appears to meet the legibility and reflectivity standards established by the department;

(ii) whether the design meets the standards established by the department for uniqueness;

(iii) other information provided during the application process;

(iv) the criteria designated in §217.27 as applied to the design; and

(v) whether a design is similar enough to an existing plate design that it may compete with the existing plate sales; and

(C) the applicant's ability to comply with Transportation Code, §504.702 relating to the required deposit
(6) Public comment on proposed design. All proposed plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed plate designs will be posted in accordance with Office of the Secretary of State meeting notice requirements. Notice of each license plate design will be posted on the department's Internet website to receive public comment at least 25 days in advance of the meeting at which it will be considered. The department will notify all other specialty plate organizations and the sponsoring agencies who administer specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted in writing through the mechanism provided on the department's Internet website for submission of comments. Written comments are welcome and must be received by the department at least 10 days in advance of the meeting. Public comment will be received at the board's meeting.

(7) Final approval.

(A) Approval. The board will approve or disapprove the specialty license plate application based on all of the
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1 information provided pursuant to this subchapter at an open
2 meeting.

3 (B) Application not approved. If the application is not
4 approved under subparagraph (A) of this paragraph, the applicant
5 may submit a new application and supporting documentation for
6 the design to be considered again by the board if:
7
8 (i) the applicant has additional, required
9 documentation; or
10
11 (ii) the design has been altered to an acceptable
12 degree.

13 (8) Issuance of specialty plates.
14
15 (A) If the specialty license plate is approved, the
16 applicant must comply with Transportation Code, §504.702 before
17 any further processing of the license plate.
18
19 (B) Approval of the plate does not guarantee that the
20 submitted draft plate design will be used. The board has final
21 approval authority of all specialty license plate designs and
22 may adjust or reconfigure the submitted draft design to comply
23 with the format or license plate specifications.
24
25 (C) If the board, in consultation with the applicant,
26 adjusts or reconfigures the design, the adjusted or reconfigured
27 design will not be posted on the department's website for
28 additional comments.
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(9) Redesign of specialty license plate.

(A) Upon receipt of a written request from the applicant, the department will allow redesign of a specialty license plate.

(B) A request for a redesign must meet all application requirements and proceed through the approval process of a new specialty plate as required by this subsection.

(C) An approved license plate redesign does not require the deposit required by Transportation Code, §504.702, but the applicant must pay a redesign cost to cover administrative expenses.

(j) Golf carts.

(1) A county tax assessor-collector may issue golf cart license plates as long as the requirements under Transportation Code, §551.403 or §551.404 are met.

(2) A county tax assessor-collector may only issue golf cart license plates to residents or property owners of the issuing county.

(3) A golf cart license plate may not be used as a registration insignia, and a golf cart may not be registered for operation on a public highway.

(4) The license plate fee for a golf cart license plate is $10.
(k) Package delivery vehicle.

(1) A county tax assessor-collector may issue package delivery license plates as long as the requirements under Transportation Code, §§551.453, 551.454, and 551.455 are met.

(2) The license plate fee for a package delivery license plate is $25.

§217.182. Registration Transaction.

As used in this subchapter, a registration transaction is a registration or registration renewal under Transportation Code, Chapter 502, or a transaction to issue the following:

(1) a registration, registration renewal, or permit issued under Transportation Code, Chapter 502, Subchapter C (Special Registrations);

(2) a license plate issued under Transportation Code, §502.146;

(3) a temporary additional weight permit under Transportation Code, §502.434;

(4) a license plate or license plate sticker under Transportation Code, §§504.501, 504.502, 504.506, or 504.507;

(5) a golf cart plate under Transportation Code, §551.402; or
(6) a package delivery vehicle plate under Transportation Code, §551.452.
To:        Texas Department of Motor Vehicles (TxDMV) Board  
From:        Jeremiah Kuntz, Director, Vehicle Titles and Registration Division  
Agenda Item:  10 (VIN inspections)  
Subject:  Adoption of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §§217.141-217.143  
New, §217.144, Identification Number Inspection

RECOMMENDATION

Approve adoption of amendments and new section for publication in the Texas Register.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments and new section is to broaden the purpose and the scope of the subchapter and to implement SB 2076, 85th Legislature, Regular Session, 2017, which added Transportation Code, §501.0321, Identification Number Inspection.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments and new section.

BACKGROUND AND DISCUSSION

The amendments and new section include:

- **217.141, Purpose and Scope** – broadens the purpose and scope of the subchapter to include the confirmation of the identity of any motor vehicle and clarify the department approved training programs which if successfully completed qualify a person to conduct identification number inspections.

- **217.142, Definitions** – adds the definition for “altered from the manufacturer's original design;” clarifies the definitions for "custom vehicle" and "street rod;" and renumbers the definitions.

- **217.143, Inspection Requirements** – amends the section name to "Custom Vehicle and Street Rod Inspection Requirements" to clarify the types of vehicles this section pertains to; and clarifies language pertaining to when a specific piece of equipment may be required on a custom vehicle or street rod.

- **217.144, Identification Number Inspection** – implements SB 2076 by adding this new section to identify the approved training programs which if successfully completed qualify a person to conduct identification number inspections.

The proposal was published by permission of the Chair in the Texas Register for public comment on July 21, 2017 to allow the department to adopt rules as close as possible to the September 1, 2017 effective date of the new statutory language. The comment period closed on August 21, 2017. The department received the attached comments from W. (Bill) Smith, Chief, Special Investigations Unit, Tax Assessor-Collector and Voter Registrar Office, Harris County; Doug Clements, Commander, South Plains Auto Theft Task Force; Stan Davis; Fred Lohmann, National Insurance Crime Bureau (NICB); Ricardo Porras, Jr., Auto Theft Task Force, Program Director/Unit Commander, El Paso Police Department; Scott Ellis, DPS-CID (Legacy MVTS); and Ismael Gomez Auto Theft Unit, Reserve Investigator, San Patricio County Sheriff’s Office. [Copies of the case law referenced in Mr. Lohmann’s comments are available upon request.]

The commenters expressed concerns that the proposed new §217.144 allows inexperienced non-law enforcement employees and/or department personnel to perform VIN inspections. The department agrees with the commenters that only properly
trained individuals should be authorized to conduct VIN inspections. However, no changes have been made to the rule since the rule does not expand who is authorized to conduct VIN inspections. SB 2076, as enacted by the legislature, sets forth the persons who may perform the VIN inspections. The department will engage stakeholders on this issue in the near future and may return to the board for further rulemaking.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:

- publication of the adoption in the November 10, 2017 issue of the Texas Register; and
- an effective date of November 19, 2017.
Thanks for the opportunity to review and respond to the proposed rule pertaining to VIN Inspections and the execution of 68-A forms.

Personally, and as another interested person, and as having worked auto theft for over 30 years, I feel this is a bad and improper rule being proposed.

The inspection of vehicle’s true identities should remain as a duty of only certified, commissioned, motor vehicle theft investigators assigned to auto theft units and/or task forces that have completed the DPS Auto Theft training, part 1 and 2, the ABTPA Auto Theft Training with DPS suggested courses for Part 1 and 2, and NICB Auto Theft Advanced Training for Auto Theft Investigators assigned to Auto Theft Units and/or Auto Theft Task Forces. It took a long time to narrow the requirements of those that are qualified to perform the complete task of properly identifying vehicles which may involve more than a simple visual inspection that previously had been done because even though, even though they were certified officers, were not assigned to auto theft units or task forces and lacked the in-depth knowledge and expertise to properly identify altered vehicles. Simply attending a couple of training classes for training credits/hours does not qualify the attendees for the task of properly identifying vehicles, as officers from Patrol divisions, Constables, Fire Marshalls etc., while they are commissioned, certified peace officers, and do the jobs assigned to them well, they do not work full time in auto theft and would find it hard to keep abreast of new trends in altering, stolen vehicles and the identification of such and don’t have the equipment in many cases to properly identify the true identities of vehicles. Having these officers and even Department of Motor Vehicles Field Investigators, as non-law enforcement personnel, to be assigned the task of identifying the true identities of motor vehicles would be unfair to them, to their Agencies, as the liability for the misidentification of motor vehicles would fall directly upon, and for the citizens that would be provided the false belief that their vehicle had been correctly identified only to learn later when a full time auto theft investigator identifies the vehicle as being altered, stolen, then seized, after an inspection was done by person not qualified to perform an inspection properly, which very well may occur, if this proposed rule is allowed to pass, and the inspections aren’t limited to full time, certified, commissioned officers assigned to auto theft units and/or task forces.

It should also be noted and requested that great care be exercised that there are no actions taken by this proposed that would have unqualified persons have access to any confidential information which would jeopardize any case law currently in effect to protect the
information used by full time, certified, commissioned auto theft investigators.

Thank you for allowing me the opportunity to respond to your call for input and to express my personal opinion to what I consider a very important matter for all those professional auto theft investigators working auto theft day in and day out.

Respectfully submitted,

W. (Bill) Smith
Chief, Special Investigations Unit
Office of Ann Harris Bennett
Tax-Assessor Collector & Voter Registrar
Phone: 713-274-8313
Email: william.smith@tax.hctx.net
Ref to the proposed rule change

I have the same reservations that Bill Smith mentioned. These inspections should only be performed by certified, commissioned, motor vehicle theft investigators assigned to Auto Theft Units or Auto Theft Task Forces. Also 217.144 (3) provides the training program as an Auto Theft Course provided by NICB, but does not mention intermediate or advanced or parts 1 and 2. This could be interpreted to include the small 3 day course taught with a focus on patrol officers which does not provide adequate training.

This could open the door for agencies to send an officer to any of the listed schools and begin performing 68A inspections. Officers not assigned to one of the Auto Theft Units or Task Forces do not have the necessary resources or expertise to perform these inspections properly. This rule change would revert us back to the 90’s when any commissioned officer could perform VIN inspections. I personally have recovered stolen/ altered vehicles where unqualified officers had completed these inspections causing TXDOT to issue Certificates of Title. One vehicle in particular had been operating a number of years under a bad title while coming into contact with Law Enforcement on a regular bases. The vehicle passed Law Enforcement scrutiny because it had a title.

If this rule goes into effect without limiting these inspections to Professional Auto Theft Investigators, it will not be long until the criminals figure out where to take their altered or cloned vehicles where they will pass inspection. The original victim and the innocent purchaser will both continue to be victims and these types of auto theft operations will increase.

Thanks for your consideration in these issues.

Doug Clements
Commander, South Plains Auto Theft Task Force
In order to clarify my previous opposition to the current wording on the proposed rule of “person”, it would seem more definitive to define the “person” as a law enforcement officer or an employee of NICB under 501.0321, (c) (1), and (c) (4) of the new, amended statute. Again, I still feel I must state that my personal opinion remains that, I disagree with (c) (2) and (c) (3) because they would allow a non-law enforcement officer conduct the inspections.

§217.144. Identification Number Inspection.

In addition to any other requirement specified by Transportation Code, §501.0321, a person is qualified to perform an inspection under §501.032, Transportation Code, if that person has completed one of the following training programs:

(1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Automobile Burglary and Theft Prevention Authority;

(2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or

(3) Auto Theft Course provided by the National Insurance Crime Bureau.

Sec. 501.0321. IDENTIFICATION NUMBER INSPECTION. (a) An inspection required under Section 501.032 must verify, as applicable, the identity of:

(1) a motor vehicle;

(2) a trailer or semitrailer;

(3) a frame, body, or motor of a motor vehicle; or

(4) an item of equipment not required to be titled but that may be registered under Chapter 502 or issued licensed plates under Chapter 504.
(b) An inspection under this section may not rely solely on the public identification number to verify the identity.

(c) An inspection under this section may be performed only by a person who has successfully completed an appropriate training program as determined by department rule and is:

1. an auto theft investigator who is a law enforcement officer of this state or a political subdivision of this state;

2. a person working under the direct supervision of a person described by subdivision (1);

3. an employee of the department authorized by the department to perform an inspection under this section; or

4. an employee of the National Insurance Crime Bureau authorized by the department to perform an inspection under this section.

Thank you for the opportunity to try to clarify my personal position on this issue.

W. (Bill) Smith
Chief, Special Investigations Unit Office
of Ann Harris Bennett
Tax-Assessor Collector & Voter Registrar
Phone: 713-274-8313
Email: william.smith@tax.hctx.net
I have concern that civilians or even some law enforcement personnel who have completed the prescribed training courses will not have sufficient experience to conduct 68A inspections. The training only provides a very limited amount of training to conduct these inspections. Often these inspections require a great deal of experience to properly identify a vehicle. My opinion is to refrain from allowing civilians without prior LE experience in auto theft investigations to conduct 68A inspections.
From: PLoehmann@nicb.org
To: AHaskins@nicb.org; jthompson@thompsoncoe.com; jfitzgerald@nicb.org
Cc: Wilson, Bryan
Subject: FW: 170719 OGC DRAFT2 217 VIN Inspect Rule-Proposed and SB 2076
Date: Thursday, July 13, 2017 2:35:40 PM
Attachments: image004.png
image001.png
SVIN Case Law (2).zip
Importance: High

All,

I agree with Bill Smith. If DMV were to allow for employees of the department to conduct the inspections, they would be doing so without the most important tool necessary to accurately perform the inspection, NICB’s SVIN.

SVIN access is authorized for NICB and law enforcement personnel as described in C1, C2, C4. DMV investigators are not law enforcement personnel. We must also protect existing case law that NICB and law enforcement utilize during prosecutions that allow us to not disclose SVIN locations to the public.

Also note that NICB’s 3 day Basic Auto Theft Course is now an acceptable level of training to conduct the inspections. I use the 3 day school as the “minimum” level of acceptable auto theft training for SVIN access.

I believe that C4 is adequate to protect NICB from another individual subscribing to enhanced VIN Search and claiming he is a “Member of the NICB” which is how the rule was previously worded. This you will recall prevented the Tarrant County DA from prosecuting the individual for the more than 100+ unauthorized 68A inspections he conducted on altered government documents.

Lastly, we will need to ensure that our recommendations once decided are relayed to DMV in an expedited fashion.

Will Jay be doing this or shall I do so once we are firm on the recommendations?

Fred
As per your request to submit this comment to the TxDMV posting of the rules as required under SB2076 to preserve the status quo by authorizing only auto theft task force law enforcement officers, DPS, and NICB agents on 68-A inspections related to VIN assignment and reassignment on authorization to perform VIN inspections, I am stating for the record the following:

I personally want to request that the current process of inspecting and verifying the true VIN of vehicles and vehicle parts remains authorized only for auto theft investigators task force members, DPS, and NICB agents to perform a confidential VIN inspection and complete a 68-A; and ISO and S-VIN are available only to auto theft task force law enforcement officers, DPS, and NICB agents that meet the education requirements provided through the three trainings (NICB, DPS, and ABTPA) listed in the proposed rule since under SB2076, Sec. 501.0321 (b) states “An inspection under this section may not rely solely on the public identification number to verify the identity.” This indicates that the intent of an inspection is to accurately and correctly verify the true identification of a vehicle and/or vehicle parts, therefore that inspection should only be performed by auto theft investigators task force members, DPS, and NICB agents as current policy and procedures dictate and should be kept as they are now.

Thank you again for the opportunity to present my comments and input to the TxDMV Board.

Respectfully submitted,

W. (Bill) Smith
Chief, Special Investigations Unit
Office of Ann Harris Bennett
Tax-Assessor Collector & Voter Registrar
Phone: 713-274-8313
Email: william.smith@tax.hctx.net
Greetings,

I completely agree with Chief Smith’s assessment and recommendation of ONLY allowing auto theft task force law enforcement officers, DPS, and NICB agents that meet the education requirements provided through NICB, DPS, and ABTPA trainings to complete a confidential VIN inspection (68-A form).

Lt. Ricardo “Rick” Porras, Jr.
Auto Theft Task Force
Program
Director/Unit
Commander El
Paso Police
Department
(915) 212-4400 Office
(915) 892-4339 Cell
1800@elpasotexas.gov
§217.144. Identification Number Inspection.

In addition to any other requirement specified by Transportation Code, §501.0321, a person is qualified to perform an inspection under §501.032, Transportation Code, if that person has completed one of the following training programs:

1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Automobile Burglary and Theft Prevention Authority;

2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or

3) Auto Theft Course provided by the National Insurance Crime Bureau.

DPS does not offer/teach Part 1 and 2 classes and there are very few legacy Auto Theft Investigators left with the Department. DPS has now started basic CID auto theft class but the new agents are not receiving the training that was once provided. These new agents should not be completing 68-A forms.

I have attended and assisted with teaching classes sponsored by NICB. These classes are very basic and officers attending do not receive the training that would qualify them as auto theft investigators. NICB allows uniform officers to attend who are not assigned to auto theft
units. NICB also allow civilian insurance investigators and vendors to attend these classes.

Only Auto Theft Investigators that have previously attended DPS Part 1 & 2, or the new classes taught by the ATBTPA should be allowed to complete the 68-A.

SA Scott Ellis DPS-CID (Legacy MVTS)

Conroe, Texas 281-960-9350
See attachments: If this is the wrong email address, please forward to the right person.

--

ISMAEL GOMEZ
DPS Legacy Auto Theft Investigator
Reserve Investigator for
San Patricio County SO
Auto Theft Unit Sinton, TX
PROPOSED CHANGES

Texas Department of Motor Vehicles

Chapter 217, Vehicle Titles and Registration

1 §217.144. Identification Number Inspection.

In addition to any other requirement specified by Transportation Code,

2 §501.0321, a person is qualified to perform an inspection under

3 §501.032, Transportation Code, if that person has completed ONE of the

4 following training programs:

5 (1) Intermediate or Advanced Motor Vehicle Burglary and Theft

6 Investigator Training provided by the Texas Automobile Burglary and

7 Theft Prevention Authority;

8 (2) Auto Theft School (Parts 1 and 2) provided by the Texas

9 Department of Public Safety; or

10 (3) Auto Theft Course provided by the National Insurance

11 Crime Bureau.

RESPONSE To the Texas Department of Motor Vehicles

Chapter 217.144 Changes

The problems with this section:

1. Investigators need to attend at least ABTPA Part 1 Auto theft Schools which addresses VIN Inspections along with other auto theft courses. It would be even better if investigators could attend ABTPA Part II however for 68A inspections ABTPA Part I is sufficient. Remember this schools is ONLY for Auto Theft Investigators whether it’s Task Force or a Law Enforcement Agency that has an auto theft unit.

2. Texas Dep. Of Public Safety has STOPPED conducting Auto Theft Schools Part 1 and Part II and if they do, it only for DPS personnel ONLY: No outside agencies:::

3. NICB provides 3 days school for ANY LAW ENFORCEMENT personnel, whether they are in the patrol division, or investigation division (CID), or for some auto theft investigators that take this school as a refresher course. This is a GENERAL school for ANY commissioned personnel or insurance investigators/ or adjusters that like to attend. This school does NOT address specific auto theft courses as DPS Part I and Part II did or ABTPA courses that are now being offered in lieu of DPS Auto Theft Schools. According to section 217.44 of this code, any commissioned personnel that attends ONE of these courses, will be able to conduct the 68A inspections which I STRONGLY DISAGREE. The only course that should be considered for 68A INSPECTIONS for right now is the ABTPA Part I and Part II.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTIONS 217.141-217.143 AND NEW §217.144
RELATING TO INSPECTIONS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 217, Vehicle Titles and Registration, Subchapter G, Inspections, §217.141, Purpose and Scope, §217.142, Definitions, and §217.143, Inspection Requirements; and new §217.144, Identification Number Inspection.

The preamble and the amendments and new section are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rules are adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

________________________________________
Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: ___________________________ Date Passed:  October 19, 2017
The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 217, Vehicle Titles and Registration, Subchapter G, Inspections, §217.141, Purpose and Scope; §217.142, Definitions; and §217.143, Inspection Requirements. The department also adopts new §217.144, Identification Number Inspection. Sections 217.142 and 217.443 are adopted without changes to the proposed text as published in the July 21, 2017, issue of the Texas Register (42 TexReg 3633). These rules will not be republished. Section 217.141 is adopted with changes to clarify the purpose and scope; and §217.144 is adopted with changes to correct the citation to Transportation Code, §501.0321, which defines the educational requirements for a person to perform inspections under §501.032. These rules will be republished.

EXPLANATION OF ADOPTED AMENDMENTS AND NEW SECTION

Amendments to §217.141 broaden the purpose and scope of the subchapter, clarifying that it prescribes not only the policies and procedures related to inspection of street rods and custom vehicles, but also to accurately confirm the identity of any motor vehicle; and clarify the department approved training programs which if successfully completed qualify a person to
conduct identification number inspections.

Amendments to §217.142 add a definition for “altered from the manufacturer’s original design,” and clarify the definitions of “custom vehicle” and “street rod” by referring to the statutory definitions in Transportation Code, §504.501. The amendments also result in a renumbering of the definitions.

Amendments to §217.143 change the section name to “Custom Vehicle and Street Rod Inspection Requirements” to clarify that this section pertains only to the inspection requirements for those types of vehicles. The amendments also clarify language pertaining to when a specific piece of equipment may be required on a custom vehicle or street rod.

New §217.144, Identification Number Inspection, implements a portion of Senate Bill 2076, 85th Legislature, Regular Session, 2017, which added Transportation Code, §501.0321, Identification Number Inspection. Section 501.0321(c) specifies that an inspection under the section may be performed only by a person who has successfully completed an appropriate training program as determined by department rule and who is one of the listed categories of persons authorized to conduct such inspections.
The purpose of this new section is to ensure properly trained auto theft investigators currently authorized to conduct identification number inspections are able to continue doing so and identify the training available to individuals authorized to conduct identification number inspections in Senate Bill 2076. Section 217.144 specifies that a person is qualified to perform an identification number inspection if the person has completed (1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Auto Burglary and Theft Prevention Authority; (2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or (3) the Auto Theft Course provided by the National Insurance Crime Bureau.

SB 2076 also created an alternative identification number inspection to be established by department rule. The department intends to work with stakeholders to establish this process and identify transactions subject to this inspection type prior to proposing a new rule.

COMMENTS
The department received comments from W. (Bill) Smith, Chief, Special Investigations Unit, Tax Assessor-Collector and Voter
COMMENTs: Several commenters expressed concerns that the department’s proposed rule §217.144 allows inexperienced non-law enforcement employees and/or department personnel to perform VIN inspections pursuant to §501.032, Transportation Code. The commenters believe that only experienced auto theft investigator taskforce members, Texas Department of Public Safety (DPS), and NICB agents are qualified to conduct the VIN inspections, and therefore, the department by rule should not expand the types of persons who may conduct VIN inspections.

RESPONSE: The department agrees with the commenters that only properly trained individuals should be authorized to conduct VIN inspections. However, no changes have been made to the rule since the rule does not expand who is authorized to conduct VIN inspections. In enacting SB 2076, 85th Texas Legislature,
Regular Session, the Texas Legislature amended Chapter 501, Transportation Code, by adding new §501.0321(c)(1-4) which sets forth the persons who the Legislature believes, if qualified, may perform the VIN inspections pursuant to §501.032, Transportation Code.

In subsection §501.0321(c), the Legislature provided that an inspection under this section may be performed only by a person who has successfully completed an appropriate training program as determined by department rule. Those persons who successfully complete one of the appropriate training programs would be considered as qualified to conduct VIN inspections in Texas.

Thus, in furtherance of §501.0321(c), the department's sole purpose in proposing new rule §217.144 is to establish the appropriate training programs contemplated by statute. The new statute, not the department's proposed new rule, sets forth those persons who, if qualified, may conduct VIN inspections.

It is not the department’s intent to erode the integrity of current VIN inspection processes, and the language of the proposed rule will not affect that existing system. Currently,
the department does not have commissioned auto theft investigators, nor are there plans to provide training for department employees to conduct VIN inspections at this time. The department appreciates the concerns expressed by its law enforcement stakeholders. The department will continue to work with all stakeholders before expanding training to ensure that those persons contemplated under the statute are appropriately trained and that proper safeguards are in place to maintain the integrity of VIN inspections in Texas.

STATUTORY AUTHORITY

The amendments and new section are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and duties of the department; and more specifically, Transportation Code, §501.0321.

CROSS REFERENCE TO STATUTE

Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

SUBCHAPTER G. INSPECTIONS

§217.141. Purpose and Scope.

This subchapter prescribes the policies and procedures necessary [It is the policy of the Texas Department of Motor Vehicles] to protect the public by requiring inspection of street rods and custom vehicles, accurately identify the identity of a motor vehicle, and provides department approved training programs which if successfully completed qualify a person to conduct vehicle identification number inspections.

§217.142. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) "Altered from the manufacturer's original design" as that term is used in §504.501(f), Transportation Code, is defined as the removal, addition, or substitution of at least one major component part, except that an engine, frame, and body or cab must be replaced if removed.

(2) "Custom vehicle" has the meaning assigned by §504.501(f)(1), Transportation Code. means a motor vehicle, or a reproduction thereof, that is:

[(A) at least 25 years old and of a model year]
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration  

10/19/17 Amendments and New Section Exhibit B

after 1948 or a model year after 1948 that resembles a vehicle 25 years or older; and]

[(B) materially altered or modified by the removal, addition or substitution of at least one major component part.]

(3)[(2)] "Major component part" has the meaning assigned by §501.091, Transportation Code.

(4)[(3)] "Street rod" has the meaning assigned by §504.501(f)(2), Transportation Code.[means a motor vehicle:]

[(A) manufactured before 1949, or after 1948 to resemble a vehicle manufactured before 1949; and]

[(B) that has been materially altered or modified by the removal, addition or substitution of at least one major component part.]

§217.143. Custom Vehicle and Street Rod Inspection Requirements.

(a) On initial registration, including registration at the time of title transfer, of a custom vehicle or street rod, the applicant must provide proof, on a form provided by the department, of a safety inspection performed by an Automotive Service Excellence (ASE) technician with valid certification as a Certified Master Automobile and Light Truck Technician.

(b) The inspection must certify that the vehicle:
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration

(1) is structurally stable;  
(2) meets the necessary conditions to be operated safely on the roadway; and  
(3) is equipped and operational with all equipment required by statute as a condition of sale during the year the vehicle was manufactured or resembles.

(c) A custom vehicle or street rod is not required to be equipped with a specific piece of equipment unless the specific piece of equipment was required by statute as a condition of sale during the year listed as the replica model year on the certificate of title.

§217.144. Identification Number Inspection.  
In addition to any other requirement specified by Transportation Code, §501.0321, a person is qualified to perform an inspection under §501.0321, Transportation Code, if that person has completed one of the following training programs:

(1) Intermediate or Advanced Motor Vehicle Burglary and Theft Investigator Training provided by the Texas Automobile Burglary and Theft Prevention Authority;

(2) Auto Theft School (Parts 1 and 2) provided by the Texas Department of Public Safety; or

(3) Auto Theft Course provided by the National
Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1 Insurance Crime Bureau.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Corrie Thompson, Interim Director, Enforcement Division  
Agenda Item: 11 (Relating to claims filed with household goods carriers)  
Subject: Adoption of Rule under Title 43, Texas Administrative Code, Chapter 218, Motor Carriers, Amendments, §218.61, Claims

RECOMMENDATION

Approve adoption of amendments for publication in the Texas Register.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of these amendments is to increase the protection for consumers, and to modify the language for consistency and clarity.

An amendment eliminates the exception to the requirement for a household goods carrier to issue an acknowledgment letter to its consumer who files a claim, if the claim has not been resolved within 20 days after the household goods carrier or its agent receives the claim. The current exception allows a household goods carrier to initiate communication with the claimant regarding the claim in lieu of sending the acknowledgment letter. Some household goods carriers are “initiating communication” by leaving a voice mail that says they called about the claim, without mentioning the information that must be included in an acknowledgment letter. The acknowledgment letter contains important information to educate the consumer about the consumer’s rights, the department’s toll-free consumer helpline, the claims process, and deadlines regarding the claims process.

FINANCIAL IMPACT

There will be no fiscal implications related to the amendments.

BACKGROUND AND DISCUSSION

The proposal was published in the Texas Register for public comment on June 23, 2017. The comment period closed on July 24, 2017. The department received one comment from the Southwest Movers Association, stating that any amendments to §218.61 should have input from the Household Goods Rules Advisory Committee before moving forward.

Transportation Code, §643.155 states the Household Goods Rules Advisory Committee shall examine the rules adopted by the department under Transportation Code, §643.153(a) and (b) to make recommendations on modernizing and streamlining the rules. The proposed amendments to §218.61 primarily deal with the issue of consumer protection. Also, the department spoke to the executive director of the Southwest Movers Association about the amendments to §218.61, which the association was able to discuss at a recent meeting held by the association.

If the board adopts the amendments during its October 19, 2017, open meeting, staff anticipates:
  • publication of the adoption in the November 10, 2017 issue of the Texas Register; and
  • an effective date of November 19, 2017.
June 29, 2017

Mr. David Duncan, General Counsel
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, Texas 78731

RE: Proposed 43 TAC §218.61

Dear Mr. Duncan:

The Southwest Movers Association has concerns regarding the proposed changes to 43 TAC §218.61 regarding claims that were recently published in the Texas Register. Therefore, we request this proposal be withdrawn from consideration in order to give the Household Goods Advisory Committee an opportunity to discuss any possible changes to this rule.

The Rules Advisory Committee met less than a year ago and revised TAC §218.61. We feel any revisions now to those recent changes should have input from the Rules Committee before moving forward.

Southwest Movers Association and I stand ready to assist you in anything you may need.

Respectfully submitted,

John D. Esparza
Executive Director
Southwest Movers Association

Cc: Bill Harbeson
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING ADOPTION OF AMENDMENTS TO
43 TAC SECTION 218.61, CLAIMS

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to adopt amendments to Chapter 218, Motor Carriers, Subchapter E, Consumer Protection, §218.61, Claims.

The preamble and the amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rule is adopted.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

_________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

_________________________________________
Corrie Thompson, Interim Director
Enforcement Division

Order Number: _____________________ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017
Texas Department of Motor Vehicles  
Chapter 218, Motor Carriers

Adoption Preamble

The Texas Department of Motor Vehicles (department) adopts amendments to Chapter 218, Motor Carriers, Subchapter E, Consumer Protection, §218.61, Claims, without changes to the proposed text as published in the June 23, 2017, issue of the Texas Register (42 TexReg 3262). The rule will not be republished.

EXPLANATION OF ADOPTED AMENDMENTS

Amendments to §218.61 increase the protection for consumers and modify the language for consistency and clarity.

An amendment eliminates one of the two exceptions to the requirement for a household goods carrier to issue an acknowledgment letter to its consumer who files a claim. The acknowledgment letter includes important information to educate the consumer about the consumer’s rights, the department’s toll-free consumer helpline, the claims process, and deadlines regarding the claims process. The current exceptions to the requirement for the household goods carrier to issue the acknowledgment letter within 20 days after receipt of a claim are: 1) the claim has been resolved; and 2) the household goods carrier has initiated communication with the claimant regarding...
Texas Department of Motor Vehicles  
Chapter 218, Motor Carriers

the claim. An amendment eliminates the exception for initiating communication. What constitutes “initiating communication” is often difficult to define and does not ensure that the consumer receives necessary information to protect the consumer’s rights. For example, if the household goods carrier “initiates communication” by leaving a voice mail that says it called about the claim, this action provides no protection for the consumer and should not excuse providing the acknowledgment letter to the consumer.

COMMENT

The department received one comment from the Southwest Movers Association, stating that any amendments to §218.61 should have input from the Household Goods Rules Advisory Committee before moving forward.

RESPONSE TO COMMENT

Transportation Code, §643.155 states the Household Goods Rules Advisory Committee shall examine the rules adopted by the department under Transportation Code, §643.153(a) and (b) to make recommendations on modernizing and streamlining the rules. The proposed amendments to §218.61 primarily deal with the issue of consumer protection. Also, the department spoke to the
executive director of the Southwest Movers Association about the amendments to §218.61, which the association was able to discuss at a recent meeting held by the association.

STATUTORY AUTHORITY

The amendments are adopted under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; Transportation Code, §643.003, which authorizes the department to adopt rules to administer Transportation Code, Chapter 643; and more specifically, Transportation Code, §643.153(a), which requires the department to adopt rules to protect a consumer using the service of a motor carrier who is transporting household goods for compensation.

CROSS REFERENCE TO STATUTE

Transportation Code, Chapter 643.
§218.61. Claims.

(a) Filing of claims. A household goods carrier must act on all claims filed by a shipper on shipments of household goods according to this section.

(1) A claim must be filed in writing or by electronic format with the household goods carrier or the household goods carrier's agent whose name appears on the moving services contract. A claim is considered filed on the date the claim is received by the household goods carrier or its agent. A shipper must file a claim either in writing or by electronic format within 90 days:

(A) of delivery of the shipment to the final destination; or

(B) after a reasonable time for delivery has elapsed in the case of failure to make delivery.

(2) The claim must include enough facts to identify the shipment. The claim must also describe the type of claim and request a specific type of remedy.

(3) Shipping documents may be used as evidence to support a claim, but cannot be substituted for a written claim.

(4) A claim submitted by someone other than the owner of the household goods must be accompanied by a written
Texas Department of Motor Vehicles  
Chapter 218, Motor Carriers  

1 explanation of the claimant's interest in the claim.  

(b) Acknowledgment and disposition of filed claims.  

(1) A household goods carrier shall send an acknowledgment of the claim either in writing or by electronic format to the claimant within 20 days (excluding Sundays and nationally recognized holidays) after receipt of the claim by the carrier or its agent.  

(A) The claim acknowledgment shall include the statement, "Household goods carriers have 90 days from receipt of a claim to pay, decline to pay, or make a firm settlement offer, in writing, to a claimant. Questions or complaints concerning the household goods carrier's claims handling should be directed to the Texas Department of Motor Vehicles (TxDMV), Enforcement Division, via the toll-free consumer helpline as listed on the department's website. Additionally, a claimant has the right to request mediation from TxDMV within 30 days (excluding Sundays and nationally recognized holidays) after any portion of the claim is denied by the carrier, the carrier makes a firm settlement offer that is not acceptable to the claimant, or 90 days has elapsed since the carrier received the claim and the claim has not been resolved."

(B) The household goods carrier is not required to issue the acknowledgment letter prescribed in this subsection
Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 if the claim has been resolved [or the household goods carrier
2 has initiated communication regarding the claim with the
3 claimant] within 20 days (excluding Sundays and nationally
4 recognized holidays) after receipt of the claim. However, the
5 household goods carrier has the burden of proof regarding the
6 resolution of the claim [resolution or communication with the
7 claimant is the responsibility of the household goods carrier].

(2) After a thorough investigation of the facts, the
9 household goods carrier shall pay, decline to pay, or make a
10 firm settlement offer in writing to the claimant within 90 days
11 after receipt of the claim by the household goods carrier or its
12 household goods agent. The settlement offer or denial shall
13 state, "A claimant has the right to seek mediation through the
14 Texas Department of Motor Vehicles (TxDMV) within 30 days
15 (excluding Sundays and nationally recognized holidays) after any
16 portion of the claim is denied by the carrier, the carrier makes
17 a firm settlement offer that is not acceptable to the claimant,
18 or 90 days has elapsed since the carrier received the claim and
19 the claim has not been resolved."

(3) A household goods carrier must provide a copy of
21 the shipping documents to the shipper's insurance company upon
22 request. The carrier may assess a reasonable fee for this
23 service.
(c) Documenting loss or damage to household goods.

(1) Inspection. If a loss or damage claim is filed and the household goods carrier wishes to inspect the items, the carrier must complete any inspection as soon as possible, but no later than 30 calendar days, after receipt of the claim.

(2) Payment of shipping charges. Payment of shipping charges and payment of claims shall be handled separately, and one shall not be used to offset the other unless otherwise agreed upon by both the household goods carrier and claimant.

(d) Claim records. A household goods carrier shall maintain a record of every claim filed. Claim records shall be retained for two years as required by §218.32 of this title (relating to Motor Carrier Records). At a minimum, the following information on each claim shall be maintained in a systematic, orderly and easily retrievable manner:

(1) claim number (if assigned), date received, and amount of money or the requested remedy;

(2) number (if assigned) and date of the moving services contract;

(3) name of the claimant;

(4) date the carrier issued its claim acknowledgment letter;

(5) date and total amount paid on the claim or date
Texas Department of Motor Vehicles
Chapter 218, Motor Carriers

1 and reasons for disallowing the claim; and

2 (6) dates, time, and results of any mediation

3 coordinated by the department.
To: Texas Department of Motor Vehicles (TxDMV) Board Linda M.
From: Flores, CPA, Chief Financial Officer
Agenda Item: 12 (Relating to charges for public information)
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 209, Finance
New, §209.24, Charges for Public Information

RECOMMENDATION

Approval to publish the proposed new section in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the new section is to adopt the attorney general's rules relating to charges for public information.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed new section.

BACKGROUND AND DISCUSSION

The department is required to use rules adopted by the attorney general in determining the charges for providing copies of public information.

If the proposed new section approved by the board, staff anticipates publication of the proposed new section in the Texas Register on or about November 10, 2017. Comments on the proposed new section will be accepted until 5:00 p.m. on December 11, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED NEW 43 TAC SECTION 209.24, CHARGES FOR PUBLIC INFORMATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to add Chapter 209, Finance, Subchapter B, Payment of Fees for Department Goods and Services, new §209.24, Charges for Public Information.

The preamble and the proposed new section are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached proposed rule is authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

_________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

__________________________________________________________________________
Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: _________________  Date Passed:  October 19, 2017
Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes new Chapter 209, Finance, Subchapter B, Payment of Fees for Department Goods and Services, §209.24, Charges for Public Information.

EXPLANATION OF PROPOSED NEW SECTION

Government Code, §552.262 requires each governmental body to use the rules adopted by the attorney general in determining the charges for providing copies of public information. Proposed new §209.24 adopts the rules of the attorney general relating to charges for public information.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the new section as proposed is in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed new section.

Ms. Flores has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed new section.
PUBLIC BENEFIT AND COST

Ms. Flores has also determined that for each year of the first five years the new section is in effect, the public benefit anticipated as a result of enforcing or administering the new section will be transparency of department compliance with statutes and rules relating to charges for public information. There are no anticipated economic costs for persons required to comply with the new section as proposed. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed new section may be submitted to David D. Duncan, General Counsel, Texas Department of Motor
Texas Department of Motor Vehicles
Chapter 209, Finance

Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on December 11, 2017.

STATUTORY AUTHORITY

The new section is proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department.

CROSS REFERENCE TO STATUTE

Government Code, Chapter 552.
Texas Department of Motor Vehicles  
Chapter 209, Finance  

1 SUBCHAPTER B. PAYMENT OF FEES FOR DEPARTMENT GOODS AND SERVICES  

2 §209.24. Charges for Public Information.  

3 In accordance with Government Code, §552.262, the Texas  
4 Department of Motor Vehicles adopts the rules of the Office of  
5 the Attorney General relating to the Cost of Copies of Public  
6 Information at 1 TAC, §§70.1-70.12.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Linda M. Flores, CPA, Chief Financial Officer  
Agenda Item: 13 (Relating to the Historically Underutilized Business Program)  
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program Amendments, §210.22, Program

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to correct a citation to the Comptroller of Public Accounts' (Comptroller) historically underutilized businesses (HUB) rules.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

The department is required to adopt the Comptroller's rules related to administering Government Code, Chapter 2161, Historically Underutilized Businesses, Subchapters B and C, as the department's own rules.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.
RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO 43 TAC SECTION 210.22, RELATING TO THE HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program, §210.22, Program.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Linda M. Flores, Chief Financial Officer
Finance & Administrative Services

Order Number: ___________________ Date Passed: October 19, 2017
The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 210, Contract Management, Subchapter B, Historically Underutilized Business Program, §210.22, Program.

EXPLANATION OF PROPOSED AMENDMENTS
Amendments to §210.22 are proposed to correct a citation to the Comptroller of Public Accounts' historically underutilized businesses (HUB) rules.

FISCAL NOTE
Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

Ms. Flores has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST
Ms. Flores has also determined that for each year of the first
five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will be accuracy of the department’s rule. There are no anticipated economic costs for persons required to comply with the amendments as proposed. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner’s right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on December 11, 2017.
Texas Department of Motor Vehicles
Chapter 210, Contract Management

1 STATUTORY AUTHORITY

2 The amendments are proposed under Transportation Code,

3 §1002.001, which provides the board of the Texas Department of

4 Motor Vehicles with the authority to adopt rules that are

5 necessary and appropriate to implement the powers and the duties

6 of the department; and more specifically, Government Code,

7 §2161.003, which provides that a state agency shall adopt the

8 commission's rules under §2161.002, Commission Administration;

9 Comptroller Assistance, as the agency's own rules.

10

11 CROSS REFERENCE TO STATUTE

12 Government Code, Chapter 2161.
Texas Department of Motor Vehicles  
Chapter 210, Contract Management

1 SUBCHAPTER B. HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

2 §210.22. Program.

3 The board of the Texas Department of Motor Vehicles adopts the
4 rules of the Comptroller of Public Accounts relating to the
5 Historically Underutilized Business (HUB) Program at 34 TAC,
6 Part 1, Chapter 20, Subchapter D, Division 1 [B].
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Corrie Thompson, Interim Director, Enforcement Division  
Agenda Item: 14 (Compliance with order granting relief for warranty performance)  
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 215, Motor Vehicle Distribution Amendments, §215.210, Compliance with Order Granting Relief

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to make §215.210 consistent with Occupations Code, §2301.610 and to replace the acronym “OEM” with “original equipment manufacturer” because “OEM” is not defined in Chapter 215.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO 43 TAC SECTION 215.210, COMPLIANCE WITH ORDER GRANTING RELIEF

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 215, Motor Vehicle Distribution, Subchapter G, Warranty Performance Obligations, §215.210, Compliance with Order Granting Relief.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

Corrie Thompson, Interim Director
Enforcement Division

Order Number: _____________________  Date Passed:  October 19, 2017

TxDMV Board Meeting - October 19, 2017
Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

Proposed Preamble

The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 215, Motor Vehicle Distribution, Subchapter G, Warranty Performance Obligations, §215.210, Compliance with Order Granting Relief.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §215.210 to make it consistent with Occupations Code, §2301.610 and to replace the acronym “OEM” with “original equipment manufacturer” because “OEM” is not defined in Chapter 215.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

Corrie Thompson, Interim Director of the Enforcement Division, has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.
Texas Department of Motor Vehicles  
Chapter 215, Motor Vehicle Distribution

PUBLIC BENEFIT AND COST

Ms. Thompson has also determined that for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will be a rule that is consistent with the statute. There are no anticipated economic costs for persons required to comply with the proposed amendments. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 to rules@txdmv.gov. The deadline for receipt of comments is
2 5:00 p.m. on December 11, 2017.

3

4 STATUTORY AUTHORITY
5 The amendments are proposed under Transportation Code,
6 §1002.001, which provides the board of the Texas Department of
7 Motor Vehicles (board) with the authority to adopt rules that
8 are necessary and appropriate to implement the powers and the
9 duties of the department under the Transportation Code and
10 Occupation Code; and more specifically, Occupations Code,
11 §2301.602(b), which requires the board to adopt rules for the
12 enforcement and implementation of Subchapter M, Warranties:
13 Rights of Vehicle Owners.
14
15 CROSS REFERENCE TO STATUTE
16 Occupations Code, §2301.610.
SUBCHAPTER G. WARRANTY PERFORMANCE OBLIGATIONS


(a) Compliance with an order issued by the final order authority will be monitored by the department.

(b) A complainant is not bound by a final decision and order.

(c) If a complainant does not accept the final decision, the proceeding before the final order authority will be deemed concluded and the complaint file closed.

(d) If the complainant accepts the final decision, then the manufacturer, converter, or distributor, and the dealer to the extent of the dealer's responsibility, if any, shall immediately take such action as is necessary to implement the final decision and order.

(e) If a manufacturer, converter, or distributor replaces or repurchases a motor vehicle pursuant to an order issued by the final order authority, [reacquires a vehicle to settle a complaint filed under Occupations Code, §§2301.204 or §§2301.601 - 2301.613, or brings a motor vehicle into the State of Texas that has been reacquired to resolve a warranty claim in another jurisdiction,] then the manufacturer, converter, or distributor shall, prior to the resale of such motor vehicle, retitle the vehicle in Texas and shall:

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Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

(1) issue a disclosure statement on a form provided by or
approved by the department; and

(2) affix a department-approved disclosure label in a
conspicuous location in or on the motor vehicle.

(f) The disclosure statement and disclosure label required
under subsection (e) of this section shall accompany the motor
vehicle through the first retail purchase. No person or entity
holding a license or GDN issued by the department under
Occupations Code, Chapter 2301 or Transportation Code, Chapter
503 shall remove or cause the removal of the disclosure label
until delivery of the motor vehicle to the first retail
purchaser.

(g) A manufacturer, converter, or distributor shall provide
to the department the name, address, and telephone number of the
transferee to whom the manufacturer, distributor, or converter
transfers the motor vehicle on the disclosure statement within
60 days of each transfer. The selling dealer shall return the
completed disclosure statement to the department within 60 days
of the retail sale of a reacquired motor vehicle.

(h) The manufacturer, converter, or distributor must repair
the defect or condition in the motor vehicle that resulted in
the vehicle being reacquired and issue a basic warranty
excluding non-original equipment manufacturer [non-OEM] items or
Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1. accessories, for a minimum of 12 months or 12,000 miles,
2. whichever comes first. The warranty shall be provided to the
3. first retail purchaser of the motor vehicle.

   (i) In the event this section conflicts with the terms
5. contained in a cease and desist order, the terms of the cease
6. and desist order shall prevail.

   (j) The failure of any manufacturer, converter,
8. distributor, or dealer to comply with a final order issued by
9. the final order authority within the time period prescribed in
10. the order may subject the manufacturer, converter, distributor,
11. or dealer to formal action by the department, including the
12. assessment of civil penalties or other sanctions prescribed by
13. Occupations Code, Chapter 2301, for the failure to comply with
14. an order issued by the final order authority.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division  
Agenda Item: 15 (Amending registration expiration dates)  
Subject: Proposal of Rules under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §§217.43, 217.45, and 217.46

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to:

- Stagger various license plate expiration dates to coincide with programming changes to the department’s Registration and Title System (RTS);
- Add “Fertilizer” to the list of specialty plates for which the vehicle is issued one plate;
- Add “Golf Cart” and “Package Delivery” to the categories of plates for which personalized plates are not available and that are non-transferable between vehicles; and
- Make minor language clean-up and grammatical corrections.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

The amendments include:

- **§217.43** - removes the March 31 expiration date for Congressional Medal of Honor license plates and make the registration period for all military specialty license plates valid for 12 months from the month of issuance.
- **§217.45** - adds “Fertilizer” to the list of vehicles that are issued one plate; includes “Golf Cart” and “Package Delivery” to the categories of plates for which personalized plates are not available and that cannot be transferred; removes the March expiration date for Cotton Vehicle and Disaster Relief Plates, the June expiration date for Honorary Consul license plates, and the September expiration date for Log Loader license plates; makes the length of validation for these license plates 12 months from the month of issuance; and removes requirement that State Official license plates for members of the Railroad Commission be assigned first to the presiding officer followed by the remaining members based on their seniority.
- **§217.46** - removes the March expiration for City Bus license plates, combination license plates unless the vehicle with a combination license plate is part of a fleet under §217.54, and Motor Bus license plates; adds a hyphen to truck-tractor for consistency with statute and corrects a typographical error.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about December 8, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on January 8, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO 43 TAC SECTIONS 217.43, 217.45, AND 217.46, RELATING TO MOTOR VEHICLE REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.43, Military Specialty License Plates, §217.45, Specialty License Plates, Symbols, Tabs, and Other Devices, and §217.46, Commercial Vehicle Registration.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

_________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

_________________________________________
Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: _____________________    Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 217, Vehicle Titles and Registration,
4 Subchapter B, Motor Vehicle Registration, §217.43, Military
5 Specialty License Plates, §217.45, Specialty License Plates,
6 Symbols, Tabs, and Other Devices, and §217.46, Commercial
7 Vehicle Registration.

8

9 EXPLANATION OF PROPOSED AMENDMENTS

10 Amendments are proposed to stagger license plate expiration
11 dates to coincide with programming changes to the department’s
12 Registration and Title System (RTS).

13

14 Proposed amendments to §217.43 delete the March 31 expiration
15 date for Congressional Medal of Honor license plates and make
16 the registration period for all military specialty license
17 plates valid for 12 months from the month of issuance.

18

19 Proposed amendments to §217.45 add "Fertilizer" to the list of
20 specialty license plates for which the vehicle is issued one
21 plate. "Golf Cart" and "Package Delivery" are added to the
22 categories of plates for which personalized plates are not
23 available and that are non-transferable between vehicles. Also,

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TxDMV Board Meeting - October 19, 2017
amendments delete the March expiration date for Cotton Vehicle and Disaster Relief Plates, the June expiration date for Honorary Consul license plates, and the September expiration date for Log Loader license plates and renumber the subsections accordingly. With these amendments, the length of validation for these license plates will be 12 months from the month of issuance. A proposed amendment also deletes the requirement that State Official license plates for members of the Railroad Commission are assigned first to the presiding officer followed by the remaining members based on their seniority.

 Proposed amendments to §217.46 delete the March expiration for City Bus license plates, combination license plates unless the vehicle with a combination license plate is part of a fleet under §217.54, and Motor Bus license plates. Also, proposed amendments hyphenate truck-tractor to be consistent with statute. An amendment also corrects a grammatical error in the rule.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or
local governments as a result of enforcing or administering the proposed amendments.

Jeremiah Kuntz, Director of the Title and Registration Division, has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST

Mr. Kuntz has also determined that for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will be convenience for specialty license plate owners regarding plate expiration dates and consistency with statute. There are no anticipated economic costs for persons required to comply with the proposed amendments. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would
otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on January 8, 2017.

STATUTORY AUTHORITY

The amendments are proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §504.0011, which authorizes the board to adopt rules to implement and administer Transportation Code, Chapter 504, and Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502, Registration of Vehicles.
Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

1

2 CROSS REFERENCE TO STATUTE

3 Transportation Code, Chapters 502 and 504.
§217.43. Military Specialty License Plates.

(a) Purpose and Scope. Transportation Code, Chapter 504 authorizes the department to issue military specialty license plates. This section prescribes the policies and procedures for the application, issuance, and renewal of military specialty license plates.

(b) Classification and fees. The department will issue specialty plates for the military and charge fees as authorized by Transportation Code, §504.202 and Chapter 504, Subchapter D.

(c) Application. Applications for military specialty license plates must be made to the department and include evidence of eligibility. The evidence of eligibility may include, but is not limited to:

(1) an official document issued by a governmental entity;
(2) a letter issued by a governmental entity on that agency's letterhead;
(3) discharge papers;
(4) a death certificate; or
(5) an identification card issued by any branch of the military under the jurisdiction of the United States Department of Defense or the United States Department of Homeland Security indicating that the member is retired.
(d) Period. Military specialty license plates shall be valid for 12 months from the month of issuance or for a prorated period of at least 12 months coinciding with the expiration of registration and [The registration for Congressional Medal of Honor license plates expires each March 31. All other specialty plates for the military] may be replaced in accordance with §217.32 of this title (relating to Replacement of License Plates, Symbols, Tabs, and Other Devices).

(e) Assignment and Transfer. Military plates may not be assigned and may only be transferred to another vehicle owned by the same vehicle owner.

(f) Applicability. Section 217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices) applies to military plates, symbols, tabs, or other devices as to:

(1) what is considered one set of plates per vehicle as determined by vehicle type;

(2) issuance of validation tabs and insignia;

(3) stolen or replaced plates;

(4) payment of other applicable fees;

(5) personalization, except that Congressional Medal of Honor plates may not be personalized;

(6) renewal, except that the owner of a vehicle with
Congressional Medal of Honor license plates must return the documentation and specialty license plate fee, if any, directly to the department;

(7) refunds; and

(8) expiration.

§217.45. Specialty License Plates, Symbols, Tabs, and Other Devices.

(a) Purpose and Scope. Transportation Code, Chapters 504 and 551 charge the department with providing specialty license plates, symbols, tabs, and other devices. For the department to perform these duties efficiently and effectively, this section prescribes the policies and procedures for the application, issuance, and renewal of specialty license plates, symbols, tabs, and other devices, through the county tax assessor-collectors, and establishes application fees, expiration dates, and registration periods for certain specialty license plates. This section does not apply to military license plates except as provided by §217.43 of this title (relating to Military Specialty License Plates).

(b) Initial application for specialty license plates, symbols, tabs, or other devices.

(1) Application Process.
Texas Department of Motor Vehicles
Chapter 217, Vehicle Titles and Registration

(A) Procedure. An owner of a vehicle registered as specified in this subchapter who wishes to apply for a specialty license plate, symbol, tab, or other device must do so on a form prescribed by the director.

(B) Form requirements. The application form shall at a minimum require the name and complete address of the applicant.

(2) Fees and Documentation.

(A) The application must be accompanied by the prescribed registration fee, unless exempted by statute.

(B) The application must be accompanied by the statutorily prescribed specialty license plate fee. If a registration period is greater than 12 months, the expiration date of a specialty license plate, symbol, tab, or other device will be aligned with the registration period and the specialty plate fee will be adjusted to yield the appropriate fee. If the statutory annual fee for a specialty license plate is $5 or less, it will not be prorated.

(C) Specialty license plate fees will not be refunded after an application is submitted and the department has approved issuance of the license plate.

(D) The application must be accompanied by prescribed local fees or other fees that are collected in conjunction with registering a vehicle, with the exception of vehicles bearing...
Texas Department of Motor Vehicles  
Chapter 217, Vehicle Titles and Registration  

license plates that are exempt by statute from these fees. 1

(E) The application must include evidence of 2 eligibility for any specialty license plates. The evidence of eligibility may include, but is not limited to: 3

(i) an official document issued by a governmental entity; or 4

(ii) a letter issued by a governmental entity on that agency's letterhead. 5

(F) Initial applications for license plates for display on Exhibition Vehicles must include a photograph of the completed vehicle. 6

(3) Place of application. Applications for specialty license plates may be made directly to the county tax assessor-collector, except that applications for the following license plates must be made directly to the department: 7

(A) County Judge; 8

(B) Federal Administrative Law Judge; 9

(C) State Judge; 10

(D) State Official; 11

(E) U.S. Congress—House; 12

(F) U.S. Congress—Senate; and 13

(G) U.S. Judge. 14

(4) Gift plates.
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(A) A person may purchase general distribution specialty license plates as a gift for another person if the purchaser submits an application for the specialty license plates that provides:

(i) the name and address of the person who will receive the plates; and

(ii) the vehicle identification number of the vehicle on which the plates will be displayed.

(B) To be valid for use on a motor vehicle, the recipient of the plates must file an application with the county tax assessor-collector and pay the statutorily required registration fees in the amount as provided by Transportation Code, Chapter 502 and this subchapter.

(c) Initial issuance of specialty license plates, symbols, tabs, or other devices.

(1) Issuance. On receipt of a completed initial application for registration, accompanied by the prescribed documentation and fees, the department will issue specialty license plates, symbols, tabs, or other devices to be displayed on the vehicle for which the license plates, symbols, tabs, or other devices were issued for the current registration period. If the vehicle for which the specialty license plates, symbols, tabs, or other devices are issued is currently registered, the
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1 owner must surrender the license plates currently displayed on
2 the vehicle, along with the corresponding license receipt,
3 before the specialty license plates may be issued.
4
5 (2) Classic Motor Vehicles, Classic Travel Trailers,
6 Custom Vehicles, Street Rods, and Exhibition Vehicles.
7
8 (A) License plates. Texas license plates that were
9 issued the same year as the model year of a Classic Motor
10 Vehicle, Travel Trailer, Street Rod, or Exhibition Vehicle may
11 be displayed on that vehicle under Transportation Code, §504.501
12 and §504.502, unless:
13
14 (i) the license plate's original use was restricted
15 by statute to another vehicle type;
16
17 (ii) the license plate is a qualifying plate type
18 that originally required the owner to meet one or more
19 eligibility requirements; or
20
21 (iii) the alpha numeric pattern is already in use on
22 another vehicle.
23
24 (B) Validation stickers and tabs. The department will
25 issue validation stickers and tabs for display on license plates
26 that are displayed as provided by subparagraph (A) of this
27 paragraph.
28
29 (3) Number of plates issued.
30
31 (A) Two plates. Unless otherwise listed in subparagraph
(B) of this paragraph, two specialty license plates, each bearing the same license plate number, will be issued per vehicle.

(B) One plate. One license plate will be issued per vehicle for all motorcycles and for the following specialty license plates:

(i) Antique Vehicle (includes Antique Auto, Antique Truck, Antique Motorcycle, and Antique Bus);

(ii) Classic Travel Trailer;

(iii) Rental Trailer;

(iv) Travel Trailer;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Forestry Vehicle;

(viii) Golf Cart;

(ix) Log Loader;

(x) Military Vehicle; [and]

(xi) Package Delivery Vehicle; [and]

(xii) Fertilizer.

(C) Registration number. The identification number assigned by the military may be approved as the registration number instead of displaying Military Vehicle license plates on a former military vehicle.
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(4) Assignment of plates.  

(A) Title holder. Unless otherwise exempted by law or this section, the vehicle on which specialty license plates, symbols, tabs, or other devices is to be displayed shall be titled in the name of the person to whom the specialty license plates, symbols, tabs, or other devices is assigned, or a title application shall be filed in that person's name at the time the specialty license plates, symbols, tabs, or other devices are issued.  

(B) Non-owner vehicle. If the vehicle is titled in a name other than that of the applicant, the applicant must provide evidence of having the legal right of possession and control of the vehicle.  

(C) Leased vehicle. In the case of a leased vehicle, the applicant must provide a copy of the lease agreement verifying that the applicant currently leases the vehicle.  

(5) Classification of neighborhood electric vehicles. The registration classification of a neighborhood electric vehicle, as defined by §217.3(3) of this title (relating to Motor Vehicle Titles) will be determined by whether it is designed as a 4-wheeled truck or a 4-wheeled passenger vehicle.  

(6) Number of vehicles. An owner may obtain specialty license plates, symbols, tabs, or other devices for an unlimited
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1 number of vehicles, unless the statute limits the number of  
2 vehicles for which the specialty license plate may be issued.  
3  
   (7) Personalized plate numbers.  
4  
   (A) Issuance. The department will issue a personalized  
5 license plate number subject to the exceptions set forth in this  
6 paragraph.  
7  
   (B) Character limit. A personalized license plate  
8 number may contain no more than six alpha or numeric characters  
9 or a combination of characters. Depending upon the specialty  
10 license plate design and vehicle class, the number of characters  
11 may vary. Spaces, hyphens, periods, hearts, stars, the  
12 International Symbol of Access, or silhouettes of the state of  
13 Texas may be used in conjunction with the license plate number.  
14  
   (C) Personalized plates not approved. A personalized  
15 license plate number will not be approved by the executive  
16 director if the alpha-numeric pattern:  
17  
      (i) conflicts with the department's current or  
18 proposed regular license plate numbering system;  
19  
      (ii) would violate §217.27 of this title (relating to  
20 Vehicle Registration Insignia), as determined by the executive  
21 director; or  
22  
      (iii) is currently issued to another owner.  
23  
   (D) Classifications of vehicles eligible for
personalized plates. Unless otherwise listed in subparagraph (E) of this paragraph, personalized plates are available for all classifications of vehicles.

(E) Categories of plates for which personalized plates are not available. Personalized license plate numbers are not available for display on the following specialty license plates:

(i) Amateur Radio (other than the official call letters of the vehicle owner);

(ii) Antique Motorcycle;

(iii) Antique Vehicle (includes Antique Auto, Antique Truck, and Antique Bus);

(iv) Apportioned;

(v) Cotton Vehicle;

(vi) Disaster Relief;

(vii) Farm Trailer (except Go Texan II);

(viii) Farm Truck (except Go Texan II);

(ix) Farm Truck Tractor (except Go Texan II);

(x) Fertilizer;

(xi) Forestry Vehicle;

(xii) Log Loader;

(xiii) Machinery;

(xiv) Permit;

(xv) Rental Trailer;
(xvi) Soil Conservation; [and]
(xvii) Texas Guard[.]
(xviii) Golf Cart; and
(xix) Package Delivery Vehicle.

(F) Fee. Unless specified by statute, a personalized license plate fee of $40 will be charged in addition to any prescribed specialty license plate fee.

(G) Priority. Once a personalized license plate number has been assigned to an applicant, the owner shall have priority to that number for succeeding years if a timely renewal application is submitted to the county tax assessor-collector each year in accordance with subsection (d) of this section.

(d) Specialty license plate renewal.
(1) Renewal deadline. If a personalized license plate is not renewed within 60 days after its expiration date, a subsequent renewal application will be treated as an application for new personalized license plates.
(2) Length of validation. Except as provided by Transportation Code, §504.4061 or §504.502, [With the following exceptions,] all specialty license plates, symbols, tabs, or other devices shall be valid for 12 months from the month of issuance or for a prorated period of at least 12 months coinciding with the expiration of registration.

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(A) Five-year period. Antique Vehicle (includes Antique Auto, Antique Truck, and Antique Bus) and Antique Motorcycle license plates, Antique tabs, and registration numbers are issued for a five-year period.]

(B) Seven-year period. Foreign Organization license plates and registration numbers are issued for a seven-year period.]

(C) March expiration dates. The registration for Cotton Vehicle and Disaster Relief license plates expires each March 31.

(D) June expiration dates. The registration for the Honorary Consul license plate expires each June 30.

(E) September expiration dates. The registration for the Log Loader license plate expires each September 30.

(F) December expiration dates. The registration for the following license plates expires each December 31:

(i) County Judge;
(ii) Federal Administrative Law Judge;
(iii) State Judge;
(iv) State Official;
(v) U.S. Congress--House;
(vi) U.S. Congress--Senate; and
(vii) U.S. Judge.

[(G) Except as otherwise provided in this paragraph, if a vehicle's registration period is other than 12 months, the expiration date of the specialty license plate, symbol, tab, or other device will be set to align it with the expiration of registration.]

(3) Renewal.

(A) Renewal notice. Approximately 60 days before the expiration date of a specialty license plate, symbol, tab, or other device, the department will send each owner a renewal notice that includes the amount of the specialty plate fee and the registration fee.

(B) Return of notice. The owner must return the fee and any prescribed documentation to the tax assessor-collector of the county in which the owner resides, except that the owner of a vehicle with one of the following license plates must return the documentation and specialty license plate fee, if applicable, directly to the department and submit the registration fee to the county tax assessor-collector:

   (i) County Judge;

   (ii) Federal Administrative Law Judge;

   (iii) State Judge;

   (iv) State Official;
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(v) U.S. Congress--House;

(vi) U.S. Congress--Senate; and

(vii) U.S. Judge.

(C) Expired plate numbers. The department will retain a specialty license plate number for 60 days after the expiration date of the plates if the plates are not renewed on or before their expiration date. After 60 days the number may be reissued to a new applicant. All specialty license plate renewals received after the expiration of the 60 days will be treated as new applications.

(D) Issuance of validation insignia. On receipt of a completed license plate renewal application and prescribed documentation, the department will issue registration validation insignia as specified in §217.27 unless this section or other law requires the issuance of new license plates to the owner.

(E) Lost or destroyed renewal notices. If a renewal notice is lost, destroyed, or not received by the vehicle owner, the specialty license plates, symbol, tab, or other device may be renewed if the owner provides acceptable personal identification along with the appropriate fees and documentation. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.
(e) Transfer of specialty license plates.

(1) Transfer between vehicles.

(A) Transferable between vehicles. The owner of a vehicle with specialty license plates, symbols, tabs, or other devices may transfer the specialty plates between vehicles by filing an application through the county tax assessor-collector if the vehicle to which the plates are transferred:

   (i) is titled or leased in the owner's name; and

   (ii) meets the vehicle classification requirements for that particular specialty license plate, symbol, tab, or other device.

(B) Non-transferable between vehicles. The following specialty license plates, symbols, tabs, or other devices are non-transferable between vehicles:

   (i) Antique Vehicle license plates (includes Antique Auto, Antique Truck, and Antique Bus), Antique Motorcycle license plates, and Antique tabs;

   (ii) Classic Auto, Classic Truck, Classic Motorcycle, Classic Travel Trailer, Street Rod, and Custom Vehicle license plates;

   (iii) Forestry Vehicle license plates; [and]

   (iv) Log Loader license plates; [and]

   (v) Golf Cart; and
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(vi) Package Delivery Vehicle.

(C) New specialty license plates. If the department creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between vehicles.

(2) Transfer between owners.

(A) Non-transferable between owners. Specialty license plates, symbols, tabs, or other devices issued under Transportation Code, Chapter 504, Subchapters C, E, and F are not transferable from one person to another except as specifically permitted by statute.

(B) New specialty license plates. If the department creates a new specialty license plate under Transportation Code, §504.801, the department will specify at the time of creation whether the license plate may be transferred between owners.

(3) Simultaneous transfer between owners and vehicles. Specialty license plates, symbols, tabs, or other devices are transferable between owners and vehicles simultaneously only if the owners and vehicles meet all the requirements in both paragraphs (1) and (2) of this subsection.

(f) Replacement.

(1) Application. When specialty license plates, symbols, tabs, or other devices are lost, stolen, or mutilated, the owner
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shall apply directly to the county tax assessor-collector for the issuance of replacements, except that Log Loader license plates must be reapplied for and accompanied by the prescribed fees and documentation.

(2) Temporary registration insignia. If the specialty license plate, symbol, tab, or other device is lost, destroyed, or mutilated to such an extent that it is unusable, and if issuance of a replacement license plate would require that it be remanufactured, the owner must pay the statutory replacement fee, and the department will issue a temporary tag for interim use. The owner's new specialty license plate number will be shown on the temporary tag unless it is a personalized license plate, in which case the same personalized license plate number will be shown.

(3) Stolen specialty license plates.

(A) The department or county tax assessor-collector will not approve the issuance of replacement license plates with the same personalized license plate number if the department's records indicate either the vehicle displaying the personalized license plates or the license plates are reported as stolen to law enforcement. The owner will be directed to contact the department for another personalized plate choice.

(B) The owner may select a different personalized
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number to be issued at no charge with the same expiration as the 
stolen specialty plate. On recovery of the stolen vehicle or 
license plates, the department will issue, at the owner's or 
applicant's request, replacement license plates, bearing the 
same personalized number as those that were stolen.

(g) License plates created after January 1, 1999. In 
accordance with Transportation Code, §504.702, the department 
will begin to issue specialty license plates authorized by a law 
enacted after January 1, 1999, only if the sponsoring entity for 
that license plate submits the following items before the fifth 
anniversary of the effective date of the law.

(1) The sponsoring entity must submit a written 
application. The application must be on a form approved by the 
director and include, at a minimum:

(A) the name of the license plate;

(B) the name and address of the sponsoring entity;

(C) the name and telephone number of a person 
authorized to act for the sponsoring entity; and

(D) the deposit.

(2) A sponsoring entity is not an agent of the department 
and does not act for the department in any matter, and the 
department does not assume any responsibility for fees or 
applications collected by a sponsoring entity.
(h) Assignment procedures for state, federal, and county officials.

(1) State Officials. State Official license plates contain the distinguishing prefix "SO." Members of the state legislature may be issued up to three sets of State Official specialty license plates with the distinguishing prefix "SO," or up to three sets of State Official specialty license plates that depict the state capitol, and do not display the distinguishing prefix "SO." An application by a member of the state legislature, for a State Official specialty license plate, must specify the same specialty license plate design for each applicable vehicle. State Official license plates are assigned in the following order:

(A) Governor;
(B) Lieutenant Governor;
(C) Speaker of the House;
(D) Attorney General;
(E) Comptroller;
(F) Land Commissioner;
(G) Agriculture Commissioner;
(H) Secretary of State;
(I) Railroad Commission [Presiding Officer followed by the remaining members based on their seniority];
(J) Supreme Court Chief Justice followed by the remaining justices based on their seniority;

(K) Criminal Court of Appeals Presiding Judge followed by the remaining judges based on their seniority;

(L) Members of the State Legislature, with Senators assigned in order of district number followed by Representatives assigned in order of district number, except that in the event of redistricting, license plates will be reassigned; and

(M) Board of Education Presiding Officer followed by the remaining members assigned in district number order, except that in the event of redistricting, license plates will be reassigned.

(2) Members of the U.S. Congress.

(A) U.S. Senate license plates contain the prefix "Senate" and are assigned by seniority; and

(B) U.S. House license plates contain the prefix "House" and are assigned in order of district number, except that in the event of redistricting, license plates will be reassigned.

(3) Federal Judge.

(A) Federal Judge license plates contain the prefix "USA" and are assigned on a seniority basis within each court in the following order:
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(i) Judges of the Fifth Circuit Court of Appeals; 
(ii) Judges of the United States District Courts;  
(iii) United States Bankruptcy Judges; and  
(iv) United States Magistrates.

(B) Federal Administrative Law Judge plates contain the prefix "US" and are assigned in the order in which applications are received.

(C) A federal judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive federal judge plates. A federal judge who retired after August 31, 2003, is not eligible for U.S. Judge license plates.

(4) State Judge.  
(A) State Judge license plates contain the prefix "TX" and are assigned sequentially in the following order:  
(i) Appellate District Courts;  
(ii) Presiding Judges of Administrative Regions;  
(iii) Judicial District Courts;  
(iv) Criminal District Courts; and  
(v) Family District Courts and County Statutory Courts.

(B) A particular alpha-numeric combination will always be assigned to a judge of the same court to which it was
originally assigned.

(C) A state judge who retired on or before August 31, 2003, and who held license plates expiring in March 2004 may continue to receive state judge plates. A state judge who retired after August 31, 2003, is not eligible for State Judge license plates.

(5) County Judge license plates contain the prefix "CJ" and are assigned by county number.

(6) In the event of redistricting or other plate reallocation, the department may allow a state official to retain that official's plate number if the official has had the number for five or more consecutive years.

(i) Development of new specialty license plates.

(1) Procedure. The following procedure governs the process of authorizing new specialty license plates under Transportation Code, §504.801, whether the new license plate originated as a result of an application or as a department initiative.

(2) Applications for the creation of new specialty license plates. An applicant for the creation of a new specialty license plate, other than a vendor specialty plate under §217.52 of this title (relating to Marketing of Specialty License Plates through a Private Vendor), must submit a written application on
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1. a form approved by the executive director. The application must include:

   (A) the applicant's name, address, telephone number, and other identifying information as directed on the form;

   (B) certification on Internal Revenue Service letterhead stating that the applicant is a not-for-profit entity;

   (C) a draft design of the specialty license plate;

   (D) projected sales of the plate, including an explanation of how the projected figure was established;

   (E) a marketing plan for the plate, including a description of the target market;

   (F) a licensing agreement from the appropriate third party for any intellectual property design or design element;

   (G) a letter from the executive director of the sponsoring state agency stating that the agency agrees to receive and distribute revenue from the sale of the specialty license plate and that the use of the funds will not violate a statute or constitutional provision; and

   (H) other information necessary for the board to reach a decision regarding approval of the requested specialty plate.

3. Review process. The board:

   (A) will not consider incomplete applications;
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(B) may request additional information from an applicant if necessary for a decision; and

(C) will consider specialty license plate applications that are restricted by law to certain individuals or groups of individuals (qualifying plates) using the same procedures as applications submitted for plates that are available to everyone (non-qualifying plates).

(4) Request for additional information. If the board determines that additional information is needed, the applicant must return the requested information not later than the requested due date. If the additional information is not received by that date, the board will return the application as incomplete unless the board:

(A) determines that the additional requested information is not critical for consideration and approval of the application; and

(B) approves the application, pending receipt of the additional information by a specified due date.

(5) Board decision. The board's decision will be based on:

(A) compliance with Transportation Code, §504.801;

(B) the proposed license plate design, including:

(i) whether the design appears to meet the legibility
and reflectivity standards established by the department;

(ii) whether the design meets the standards established by the department for uniqueness;

(iii) other information provided during the application process;

(iv) the criteria designated in §217.27 as applied to the design; and

(v) whether a design is similar enough to an existing plate design that it may compete with the existing plate sales;

and

(C) the applicant's ability to comply with Transportation Code, §504.702 relating to the required deposit or application that must be provided before the manufacture of a new specialty license plate.

(6) Public comment on proposed design. All proposed plate designs will be considered by the board as an agenda item at a regularly or specially called open meeting. Notice of consideration of proposed plate designs will be posted in accordance with Office of the Secretary of State meeting notice requirements. Notice of each license plate design will be posted on the department's Internet website to receive public comment at least 25 days in advance of the meeting at which it will be considered. The department will notify all other specialty plate
organizations and the sponsoring agencies who administer specialty license plates issued in accordance with Transportation Code, Chapter 504, Subchapter G, of the posting. A comment on the proposed design can be submitted in writing through the mechanism provided on the department's Internet website for submission of comments. Written comments are welcome and must be received by the department at least 10 days in advance of the meeting. Public comment will be received at the board's meeting.

(7) Final approval.

(A) Approval. The board will approve or disapprove the specialty license plate application based on all of the information provided pursuant to this subchapter at an open meeting.

(B) Application not approved. If the application is not approved under subparagraph (A) of this paragraph, the applicant may submit a new application and supporting documentation for the design to be considered again by the board if:

(i) the applicant has additional, required documentation; or

(ii) the design has been altered to an acceptable degree.

(8) Issuance of specialty plates.
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(A) If the specialty license plate is approved, the applicant must comply with Transportation Code, §504.702 before any further processing of the license plate.

(B) Approval of the plate does not guarantee that the submitted draft plate design will be used. The board has final approval authority of all specialty license plate designs and may adjust or reconfigure the submitted draft design to comply with the format or license plate specifications.

(C) If the board, in consultation with the applicant, adjusts or reconfigures the design, the adjusted or reconfigured design will not be posted on the department's website for additional comments.

(9) Redesign of specialty license plate.

(A) Upon receipt of a written request from the applicant, the department will allow redesign of a specialty license plate.

(B) A request for a redesign must meet all application requirements and proceed through the approval process of a new specialty plate as required by this subsection.

(C) An approved license plate redesign does not require the deposit required by Transportation Code, §504.702, but the applicant must pay a redesign cost to cover administrative expenses.
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(j) Golf carts.

(1) A county tax assessor-collector may issue golf cart license plates as long as the requirements under Transportation Code, §551.403 or §551.404 are met.

(2) A county tax assessor-collector may only issue golf cart license plates to residents or property owners of the issuing county.

(3) A golf cart license plate may not be used as a registration insignia, and a golf cart may not be registered for operation on a public highway.

(4) The license plate fee for a golf cart license plate is $10.

(k) Package delivery vehicle.

(1) A county tax assessor-collector may issue package delivery license plates as long as the requirements under Transportation Code, §§551.453, 551.454, and 551.455 are met.

(2) The license plate fee for a package delivery license plate is $25 to be paid on an annual basis.

$217.46. Commercial Vehicle Registration.

(a) Eligibility. A motor vehicle, other than a motorcycle, designed or used primarily for the transportation of property, including any passenger car that has been reconstructed to be
used, and is being used, primarily for delivery purposes, with
the exception of a passenger car used in the delivery of the
United States mail, must be registered as a commercial
vehicle.

(b) Commercial vehicle registration classifications.

(1) Apportioned license plates. Apportioned license
plates are issued in lieu of Combination, Motor Bus, or Truck
license plates to Texas carriers who proportionally register
their fleets in other states, in conformity with §217.56 of this
title (relating to Registration Reciprocity Agreements).

(2) City bus license plates. A street or suburban bus
shall be registered with license plates bearing the legend "City
Bus."

(3) Combination license plates.

(A) Specifications. A truck or truck-tractor [truck
tractor] with a gross weight in excess of 10,000 pounds used or
to be used in combination with a semitrailer having a gross
weight in excess of 6,000 pounds, may be registered with
combination license plates. Such vehicles must be registered for
a gross weight equal to the combined gross weight of all the
vehicles in the combination, but not less than 18,000 pounds.
Only one combination license plate is required and must be
displayed on the front of the truck or truck-tractor [truck
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When displaying a combination license plate, a truck or truck-tractor is not restricted to pulling a semitrailer licensed with a Token Trailer license plate and may legally pull semitrailers and full trailers displaying other types of Texas license plates or license plates issued out of state. The following vehicles may not be registered in combination:

(i) trucks or truck-tractors having a gross weight of less than 10,000 pounds or trucks or truck-tractors to be used exclusively in combination with semitrailers having gross weights not exceeding 6,000 pounds;

(ii) semitrailers with gross weights of 6,000 pounds or less, or semitrailers that are to be operated exclusively with trucks or truck-tractors having gross weight of less than 10,000 pounds;

(iii) trucks or truck-tractors used exclusively in combination with semitrailer-type vehicles displaying Machinery, Permit, or Farm Trailer license plates;

(iv) trucks or truck-tractors used exclusively in combination with travel trailers and manufactured housing;

(v) trucks or truck-tractors to be
registered with Farm Truck or Farm Truck Tractor license plates;

(vi) trucks or truck-tractors [truck tractors] and semitrailers to be registered with disaster relief license plates;

(vii) trucks or truck-tractors [truck tractors] and semitrailers to be registered with Soil Conservation license plates;

(viii) trucks or truck-tractors [truck tractors] and semitrailers to be registered with U.S. Government license plates or Exempt license plates issued by the State of Texas;

and

(ix) vehicles that are to be issued temporary permits, such as 72-Hour Permits, 144-Hour Permits, One Trip Permits, or 30-Day Permits in accordance with Transportation Code, §502.094 and §502.095.

(B) Converted semitrailers. Semitrailers that are converted to full trailers by means of auxiliary axle assemblies will retain their semitrailer status, and such semitrailers are subject to the combination and token trailer registration requirements.

(C) Axle assemblies. Various types of axle assemblies that are specially designed for use in conjunction with other vehicles or combinations of vehicles may be used to increase the

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load capabilities of such vehicles or combinations.

(i) Auxiliary axle assemblies such as trailer axle converters, jeep axles, and drag axles, which are used in conjunction with [truck-tractor] and semitrailer combinations, are not required to be registered; however, the additional weight that is acquired by the use of such axle assemblies must be included in the combined gross weight of the combination.

(ii) Ready-mixed concrete trucks that have an auxiliary axle assembly installed for the purpose of increasing a load capacity of such vehicles must be registered for a weight that includes the axle assembly.

(D) Exchange of Combination license plates. Combination license plates shall not be exchanged for another type of registration during the registration year, except that:

(i) if a major permanent reconstruction change occurs, Combination license plates may be exchanged for Truck license plates, provided that a corrected title is applied for;

(ii) if the department initially issues Combination license plates in error, the plates will be exchanged for license plates of the proper classification;

(iii) if the department initially issues Truck or Trailer license plates in error to vehicles that should have
been registered in combination, such plates will be exchanged for Combination and Token Trailer license plates; or

(iv) if a Texas apportioned carrier acquires a combination license power unit, the Combination license plates will be exchanged for Apportioned license plates.

(4) Cotton Vehicle license plates. The department will issue Cotton Vehicle license plates in accordance with Transportation Code, §504.505 and §217.45 of this title (relating to Specialty License Plates, Symbols, Tabs, and Other Devices).

(5) Forestry Vehicle license plates. The department will issue Forestry Vehicle license plates in accordance with Transportation Code, §504.507 and §217.45 of this title.

(6) In Transit license plates. The department may issue an In Transit license plate annually to any person, firm, or corporation engaged in the primary business of transporting and delivering by means of the full mount, saddle mount, tow bar, or any other combination, new vehicles and other vehicles from the manufacturer or any other point of origin to any point of destination within the State. Each new vehicle being transported, delivered, or moved under its own power in accordance with this paragraph must display an In Transit license plate in accordance with Transportation Code, §503.035.
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(7) Motor Bus license plates. A motor bus as well as a taxi and other vehicles that transport passengers for compensation or hire, must display Motor Bus license plates when operated outside the limits of a city or town, or adjacent suburb, in which its company is franchised to do business.

(8) Token Trailer license plates.

   (A) Qualification. The department will issue Token Trailer license plates for semitrailers that are required to be registered in combination.

   (B) Validity. A Token Trailer license plate is valid only when it is displayed on a semitrailer that is being pulled by a truck or a [truck-tractor] that has been properly registered with Forestry Vehicle (in accordance with Transportation Code, §504.507), Combination (in accordance with Transportation Code, §502.255), or Apportioned (in accordance with Transportation Code, §502.091) license plates for combined gross weights that include the weight of the semitrailer, unless exempted by Transportation Code, §502.094 and §623.011.

   (C) House-moving dollies. House-moving dollies are to be registered with Token Trailer license plates and titled as semitrailers; however, only one such dolly in a combination is required to be registered and titled. The remaining dolly (or dollies) is permitted to operate unregistered, since by the
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nature of its construction, it is dependent upon another such vehicle in order to function. The pulling unit must display a Combination or Apportioned license plate.  

(D) Full trailers. The department will not issue a Token Trailer license plate for a full trailer.  

(9) Tow Truck license plates. A Tow Truck license plate must be obtained for all tow trucks operating and registered in this state. The department will not issue a Tow Truck license plate unless the Texas Department of Licensing and Regulation has issued a permit for the tow truck under Occupations Code, Chapter 2308, Subchapter C.  

(c) Application for commercial vehicle registration.  

(1) Application form. An applicant shall apply for commercial license plates through the appropriate county tax assessor-collector upon forms prescribed by the director and shall require, at a minimum, the following information:  

(A) owner name and complete address;  

(B) complete description of vehicle, including empty weight; and  

(C) motor number or serial number.  

(2) Empty weight determination.  

(A) The weight of a Motor Bus shall be the empty weight plus carrying capacity, in accordance with Transportation Code,
§502.055.  

(B) The weight of a vehicle cannot be lowered below the weight indicated on a Manufacturer's Certificate of Origin unless a corrected Manufacturer's Certificate of Origin is obtained.

(C) In all cases where the department questions the empty weight of a particular vehicle, the applicant should present a weight certificate from a public weight scale or the Department of Public Safety.

(3) Gross weight.

(A) Determination of Weight. The combined gross weight of vehicles registering for combination license plates shall be determined by the empty weight of the truck or truck-tractor combined with the empty weight of the heaviest semitrailer or semitrailers used or to be used in combination therewith, plus the heaviest net load to be carried on such combination during the motor vehicle registration year, provided that in no case may the combined gross weight be less than 18,000 pounds.

(B) Restrictions. The following restrictions apply to combined gross weights.

(i) After a truck or truck-tractor is registered for a combined gross weight, such weight cannot be
lowered at any subsequent date during the registration year. The
owner may, however, lower the gross weight when registering the
vehicle for the following registration year, provided that the
registered combined gross weight is sufficient to cover the
heaviest load to be transported during the year and provided
that the combined gross weight is not less than 18,000 pounds.

(ii) A combination of vehicles is restricted to a
total gross weight not to exceed 80,000 pounds; however, all
combinations may not qualify for 80,000 pounds unless such
weight can be properly distributed in accordance with axle load
limitations, tire size, and distance between axles, in
accordance with Transportation Code, §623.011.

(4) Motor number or serial number. Ownership must be
established by a court order if no motor or serial number can be
identified. Once ownership has been established, the department
will assign a number upon payment of the fee.

(5) Accompanying documentation. Unless otherwise exempted
by law, completed applications for commercial license plates
shall be accompanied by:

(A) prescribed registration fees;

(B) prescribed local fees or other fees that are
collected in conjunction with registering a vehicle;

(C) evidence of financial responsibility as required by
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Transportation Code, §502.046 if the applicant is a motor carrier as defined by §218.2 of this title (relating to Definitions), proof of financial responsibility may be in the form of a registration listing or an international stamp indicating that the vehicle is registered in compliance with Chapter 218, Subchapter B of this title (relating to Motor Carrier Registration);

(D) an application for Texas Title in accordance with Subchapter A of this chapter, or other proof of ownership;

(E) proof of payment of the Federal Heavy Vehicle Use Tax, if applicable;

(F) an original or certified copy of the current permit issued in accordance with Occupations Code, Chapter 2308, Subchapter C, if application is being made for Tow Truck license plates; and

(G) other documents or fees required by law.

(6) Proof of payment required. Proof of payment of the Federal Heavy Vehicle Use Tax is required for vehicles with a gross registration weight of 55,000 pounds or more, or in cases where the vehicle's gross weight is voluntarily increased to 55,000 pounds or more. Proof of payment shall consist of an original or photocopy of the Schedule 1 portion of Form 2290 receipted by the Internal Revenue Service (IRS), or a copy of
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the Form 2290 with Schedule 1 attached as filed with the IRS,
along with a photocopy of the front and back of the canceled
check covering the payment to the IRS.

(7) Proof of payment not required. Proof of payment of
the Federal Heavy Vehicle Use Tax is not required:

(A) for new vehicles when an application for title and
registration is supported by a Manufacturer's Certificate of
Origin;

(B) on used vehicles when an application for title and
registration is filed within 60 days from the date of transfer
to the applicant as reflected on the assigned title, except that
proof of payment will be required when an application for Texas
title and registration is accompanied by an out-of-state title
that is recorded in the name of the applicant;

(C) when a vehicle was previously wrecked, in storage,
or otherwise out of service and, therefore, not registered or
operated during the current registration year or during the
current tax year, provided that a non-use affidavit is signed by
the operator; and

(D) as a prerequisite to registration of vehicles
apprehended for operating without registration or reciprocity or
when an owner or operator purchases temporary operating permits
or additional weight.
(d) Renewal of commercial license plates.

(1) Registration period. The department will establish the registration period for commercial vehicles, unless specified by statute. Commercial license plates are issued for established annual registration periods as follows.

(A) March expiration. If a fleet under §217.54 of this title (relating to Registration of Fleet Vehicles) contains a vehicle with a combination license plate, the established annual registration period for the fleet is April 1st through March 31st. [The following license plates are issued for the established annual registration period of April 1st through March 31st of the following year:]

[(i) City Bus license plates;]
[(ii) Combination license plates; and]
[(iii) Motor Bus license plates.]

(B) Five-year registration with March 31st expiration. The following license plates are available with a five-year registration period. Registration fees for the license plates listed below may be paid on an annual basis, or may be paid up front for the entire five-year period:

(i) Five-year Rental Trailer license plates issued for rental trailers that are part of a rental fleet; and

(ii) Five-year Token Trailer license plates,
available to owners of semitrailers to be used in combination
with truck-tractors displaying Apportioned or Combination
license plates.

(2) License Plate Renewal Notice. The department will
mail a License Plate Renewal Notice, indicating the proper
registration fee and the month and year the registration
expires, to each vehicle owner approximately six to eight weeks
prior to the expiration of the vehicle's registration.

(3) Return of License Plate Renewal Notices. License
Plate Renewal Notices should be returned by the vehicle owner to
the department or the appropriate county tax assessor-collector,
as indicated on the License Plate Renewal Notice. Unless
otherwise exempted by law, License Plate Renewal Notices may be
returned either in person or by mail, and shall be accompanied
by:

(A) statutorily prescribed registration renewal fees;

(B) prescribed local fees or other fees that are
collected in conjunction with registration renewal;

(C) evidence of financial responsibility as required
by Transportation Code, §502.046; and

(D) other prescribed documents or fees.

(4) Lost or destroyed License Plate Renewal Notice. If a
License Plate Renewal Notice is lost, destroyed, or not received
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by the vehicle owner, the vehicle may be registered if the owner presents personal identification acceptable to the county tax assessor-collector. Failure to receive the notice does not relieve the owner of the responsibility to renew the vehicle's registration.

(e) Transfer of commercial vehicle license plates.

(1) Transfer between persons. With the exceptions noted in paragraph (3) of this subsection, when ownership of a vehicle displaying commercial vehicle license plates is transferred, application for transfer of such license plates shall be made with the county tax assessor-collector in the county in which the purchaser resides. If the purchaser does not intend to use the vehicle in a manner that would qualify it for the license plates issued to that vehicle, such plates must be exchanged for the appropriate license plates.

(2) Transfer between vehicles. Commercial vehicle license plates are non-transferable between vehicles.

(3) Transfer of Apportioned and Tow Truck license plates. Apportioned and Tow Truck license plates are non-transferable between persons or vehicles, and become void if the vehicle to which the license plates were issued is sold.

(f) Replacement of lost, stolen, or mutilated commercial vehicle license plates. An owner of lost, stolen, or mutilated
commercial vehicle license plates may obtain replacement license plates by filing an Application for Replacement Plates and remitting the prescribed fee to the county tax assessor-collector of the county in which the owner resides.
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division  
Agenda Item: 16 (Dealer deputy compensation)  
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration  
Amendments, §217.168 and §217.185

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to change the allocation of the processing and handling fee for registration transactions initiated by a dealer deputy. The $1 per transaction revenue would go to the County Tax Assessor-Collector (TAC) instead of the dealer deputy.

FINANCIAL IMPACT

As a result of the $1 being allocated to the county Tax Assessor-Collector instead of the dealer deputy, in fiscal year 2018 the department estimates that $1.159 million will flow to the TACs instead of the dealer deputies.

BACKGROUND AND DISCUSSION

The proposed amendments were prompted by a February 27, 2017 letter from the Tax Assessor-Collector Association that specifically requested that the department adopt a rule reallocating the $1 from a dealer deputy transaction.

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO 43 TAC SECTIONS 217.168 AND 217.185 RELATING TO VEHICLE TITLES AND REGISTRATION

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and Subchapter I, Fees, §217.185, Allocation of Processing and Handling Fee.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rules are authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

_________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

_________________________________________
Jeremiah Kuntz, Director
Vehicle Titles and Registration Division

Order Number: ______________________ Date Passed: October 19, 2017
The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 217, Vehicle Titles and Registration, Subchapter H, Deputies, §217.168, Deputy Fee Amounts; and Subchapter I, Fees, §217.185, Allocation of Processing and Handling Fee.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §217.168 and §217.185 to change the allocation of the processing and handling fee for registration transactions initiated by a deputy dealer. The amendments are proposed in response to the February 27, 2017 letter from the County Tax Assessor-Collector Association that requested that the department adopt a rule reallocating the $1 from a dealer deputy transaction. The amendments also remove from §217.185(a) language that has become obsolete.

The intent of the amendment is to have $1 that the dealer deputy retained from the processing and handling fee go to the County Tax Assessor-Collector (TAC).

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that...
for each of the first five years the amendments as proposed are in effect, there will be fiscal implications for local governments as a result of enforcing or administering the proposed amendments. The predicted effect of the proposed amendments in first year it is enforced will be that $1.159 million will flow to county Tax Assessor-Collectors statewide instead of to the dealer deputies. In the second year the amendments are in effect the predicted effect is that $1.170 million will go to the TACs instead of the dealer deputies. In the third year the amendments are in effect the predicted effect is that $1.188 million will go to the TACs instead of the dealer deputies. In the fourth year the amendments are in effect the predicted effect is that $1.206 million will go to the TACs instead of the dealer deputies. In the fifth year the amendments are in effect the predicted effect is that $1.224 million will go to the TACs instead of the dealer deputies.

Jeremiah Kuntz, Director of the Title and Registration Division, has determined that there will be minimal impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST
Mr. Kuntz has also determined that for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will that county Tax Assessor-Collectors statewide will receive a marginal increase in funds that will allow for an improvement in customer service at the local level. As outlined in the Fiscal Note, there are anticipated economic costs for dealer deputies required to comply with the amendments as proposed. There are no anticipated adverse economic effects on small businesses, micro-businesses, or rural communities. There may be a marginal benefit to rural communities based on the $1.00 per dealer deputy transaction remaining in the community.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to
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1 David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on December 11, 2017.

STATUTORY AUTHORITY

The amendments are proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code §502.0021, which provides the department may adopt rules to administer Transportation Code, 502, Registration of Vehicles; and Transportation Code §520.0071, which provides the department may adopt rules to prescribe the fees that may be charged or retained by deputies.

CROSS REFERENCE TO STATUTE

Finance Code, Chapter 348; Government Code, Chapter 2054; and Transportation Code, Chapters 502, 504 and 520.
SUBCHAPTER H. DEPUTIES

§217.168. Deputy Fee Amounts.

(a) Fees. A county tax assessor-collector may authorize a deputy to charge or retain the fee amounts prescribed by this section according to the type of deputy and transaction type.

(b) Title transactions. For each motor vehicle title transaction processed:

(1) A full service deputy may charge the customer a fee of up to $20, as determined by the full service deputy and approved by the tax assessor-collector. The full service deputy retains the entire fee charged to the customer.

(2) A dealer deputy may charge the customer a fee of up to $10, as determined by the dealer deputy and approved by the tax assessor-collector. The dealer deputy retains the entire fee charged to the customer. This section does not preclude a dealer deputy from charging a documentary fee authorized by Finance Code, §348.006.

(c) Registration and registration renewals. For each registration transaction processed:

(1) A full service deputy may:

(A) retain $1 from the processing and handling fee established by §217.183 of this title (relating to Fee Amount);
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(B) charge a convenience fee of $9, except as limited by §217.184 of this title (relating to Exclusions).

(2) A limited service deputy may retain $1 from the processing and handling fee established by §217.183.

[(3) A dealer deputy may retain $1 from the processing and handling fee established by §217.183. This section does not preclude a dealer deputy from charging a documentary fee authorized by Finance Code, §348.006.]

(d) Temporary permit transactions under Transportation Code, §502.094 or §502.095. For each temporary permit transaction processed by a full service deputy, the full service deputy may retain the entire processing and handling fee established by §217.183.

(e) Full service deputy convenience fee. The convenience fee authorized by this section is collected by the full service deputy directly from the customer and is in addition to the processing and handling fee established by §217.183. A full service deputy may not charge any additional fee for a registration or registration renewal transaction.

(f) Related transactions by a full service deputy. The limitations of subsections (b), (c), (d), and (e) of this section do not apply to other services that a full service deputy may perform that are related to titles or registrations,
but are not transactions that must be performed through the
department's automated vehicle registration and title system.
Services that are not transactions performed through the
department's automated vehicle registration and title system
include, but are not limited to, the additional fees a full
service deputy may charge for copying, faxing, or transporting
documents required to obtain or correct a motor vehicle title or
registration. However, the additional fees that a full service
deputy may charge for these other services may be limited by the
terms of the county tax assessor-collector's authorization to
act as deputy.

(g) Posting of fees. At each location where a full service
deputy provides titling or registration services, the deputy
must prominently post a list stating all fees charged for each
service related to titling or registration. The fee list must
specifically state each service, including the additional fee
charged for that service, that is subject to subsections (b),
(c), (d), or (e) of this section. The fee list must also state
that each service subject to an additional fee under subsection
(b), (c), (d), or (e) of this section may be obtained from the
county tax assessor-collector without the additional fee. If the
full service deputy maintains a website advertising or offering
titling or registration services, the deputy must post the fee
list described by this subsection on the website.

(h) Additional compensation. The fee amounts set forth in this section do not preclude or limit the ability of a county to provide additional compensation to a deputy out of county funds.

SUBCHAPTER I. FEES

§217.185. Allocation of Processing and Handling Fee.

(a) For registration transactions, [registrations that expire on or after January 1, 2017 and registrations that expired prior to January 1, 2017 that are submitted for renewal on or after July 1, 2017,] except as provided in subsection (b) of this section, the fee amount established in §217.183 of this title (relating to Fee Amount) shall be allocated as follows:

(1) If the registration transaction was processed in person at the office of the county tax assessor-collector:

(A) the county tax assessor-collector may retain $2.30;

and

(B) the remaining amount shall be remitted to the department.

(2) If the registration transaction was mailed to office of the county tax assessor-collector:

(A) the county tax assessor-collector may retain $2.30;

and
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(B) the remaining amount shall be remitted to the department.  

(3) If the registration transaction was processed through the department or the TxIRP system or is a registration processed under Transportation Code, §§502.0023, 502.091, or 502.255; or §217.46(b)(5) or (d)(1)(B)(i) of this title (relating to Commercial Vehicle Registration):  

(A) $2.30 will be remitted to the county tax assessor-collector; and  

(B) the remaining amount shall be retained by the department.  

(4) If the registration transaction was processed through the department's online registration portal, the fee established in §217.183 is discounted by $1:  

(A) Texas Online receives the amount set pursuant to Government Code, §2054.2591, Fees;  

(B) the county tax assessor-collector may retain $.25; and  

(C) the remaining amount shall be remitted to the department.  

(5) If the registration transaction was processed by a limited service deputy or full service deputy appointed by the county tax assessor-collector in accordance with Subchapter H of
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1 this chapter (relating to Deputies):

2 (A) the deputy may retain:

3 (i) the amount specified in §217.168(c) of this title
4 (relating to Deputy Fee Amounts). The deputy must remit the
5 remainder of the processing and handling fee to the county tax
6 assessor-collector; and

7 (ii) the convenience fee established in §217.168, if
8 the registration transaction is processed by a full service
9 deputy;

10 (B) the county tax assessor-collector may retain $1.30;
11 and

12 (C) the county tax assessor-collector must remit the
13 remaining amount to the department.

14 (6) If the registration transaction was processed by a
15 dealer deputy appointed by the county tax assessor-collector in
16 accordance with Subchapter H of this chapter (relating to
17 Deputies):

18 (A) the deputy must remit the processing and handling
19 fee to the county tax assessor-collector;
20 (B) the county tax assessor-collector may retain $2.30;
21 and
22 (C) the county tax assessor-collector must remit the
23 remaining amount to the department.
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(b) For transactions under Transportation Code, §§502.092-502.095, the entity receiving the application and processing the transaction collects and retains the entire processing and handling fee established in §217.183. A full service deputy processing a temporary permit transaction may not charge a convenience fee for that transaction.
To: Texas Department of Motor Vehicles (TxDMV) Board Jimmy Archer, Director, Motor Carrier Division

From: Archer, Director, Motor Carrier Division

Agenda Item: 17 (Modifying language regarding payment of inspection fees)
Proposal of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration
Amendments, §217.54, Registration of Fleet Vehicles

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

Amendments are proposed to §217.54 to implement House Bill 1793, 85th Legislature, Regular Session, which amended Transportation Code, §548.203 to require the payment of an inspection fee, regardless of whether the inspection occurred in Texas. Amendments are also proposed to §217.54 to clarify the situations in which the one-time fee of $10 per vehicle is due under Transportation Code, §502.0023(c)(1), as amended by Senate Bill 2075, 85th Legislature, Regular Session.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES

RESOLUTION APPROVING PUBLICATION OF PROPOSED AMENDMENTS TO 43 TAC SECTION 217.54, REGISTRATION OF FLEET VEHICLES

The Board of the Texas Department of Motor Vehicles (board) finds it necessary to amend Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.54, Registration of Fleet Vehicles.

The preamble and the proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached rule is authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

________________________________________
Jimmy Archer, Director
Motor Carrier Division

Order Number: __________________________ Date Passed: October 19, 2017

TxDMV Board Meeting - October 19, 2017
The Texas Department of Motor Vehicles (department) proposes amendments to Chapter 217, Vehicle Titles and Registration, Subchapter B, Motor Vehicle Registration, §217.54, Registration of Fleet Vehicles.

EXPLANATION OF PROPOSED AMENDMENTS

Amendments are proposed to §217.54 to implement House Bill 1793, 85th Legislature, Regular Session, which amended Transportation Code, §548.203 to require the payment of an inspection fee, regardless of whether the inspection occurred in Texas. Amendments are also proposed to §217.54 to clarify the situations in which the one-time fee of $10 per vehicle is due under Transportation Code, §502.0023(c)(1), as amended by Senate Bill 2075, 85th Legislature, Regular Session.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.
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Jimmy Archer, Director of the Motor Carrier Division, has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST

Mr. Archer has also determined that for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will be a rule that is consistent with the statutes. There are no anticipated economic costs for persons required to comply with the proposed amendments. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner’s right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.
SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 5:00 p.m. on December 11, 2017.

STATUTORY AUTHORITY

The amendments are proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §502.0021, which authorizes the department to adopt rules to administer Transportation Code, Chapter 502, Registration of Vehicles.

CROSS REFERENCE TO STATUTE

Transportation Code, Chapters 502 and 548.
SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

§217.54. Registration of Fleet Vehicles.

(a) Scope. A registrant may consolidate the registration of multiple motor vehicles, including trailers and semitrailers, in a fleet instead of registering each vehicle separately. This section prescribes the policies and procedures for fleet registration.

(b) Eligibility. A fleet must meet the following requirements to be eligible for fleet registration.

(1) No fewer than 25 vehicles will be registered as a fleet;

(2) Vehicles may be registered in annual increments for up to eight years;

(3) All vehicles in a fleet must be owned by or leased to the same business entity;

(4) All vehicles must be vehicles that are not registered under the International Registration Plan; and

(5) Each vehicle must currently be titled in Texas or be issued a registration receipt, or the registrant must submit an application for a title or registration for each vehicle.

(c) Application.

(1) Application for fleet registration must be in a form prescribed by the department. At a minimum the form will
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1 require:

2 (A) the full name and complete address of the registrant;

3 (B) a description of each vehicle in the fleet, which may include the vehicle's model year, make, model, vehicle identification number, document number, body style, gross weight, empty weight, and for a commercial vehicle, manufacturer's rated carrying capacity in tons;

4 (C) the existing license plate number, if any, assigned to each vehicle; and

5 (D) any other information that the department may require.

6 (2) The application must be accompanied by the following items:

7 (A) in the case of a leased vehicle, a certification that the vehicle is currently leased to the person to whom the fleet registration will be issued;

8 (B) registration fees prescribed by law for the entire registration period selected by the registrant;

9 (C) local fees or other fees prescribed by law and collected in conjunction with registering a vehicle for the entire registration period selected by the registrant;

10 (D) evidence of financial responsibility for each
vehicle as required by Transportation Code, §502.046, unless
otherwise exempted by law;

(E) annual proof of payment of Heavy Vehicle Use Tax;
(F) the state's portion of the vehicle inspection fee
[for the vehicle inspections conducted in Texas]; and
(G) any other documents or fees required by law.

(d) Registration period.

(1) The fleet owner will designate a single registration
period for a fleet so the registration period for each vehicle
will expire on the same date.

(2) The fleet registration period will begin on the first
day of a calendar month and end on the last day of a calendar
month.

(e) Insignia.

(1) As evidence of registration, the department will
issue distinguishing insignia for each vehicle in a fleet.

(2) The insignia shall be included on the license plate
and affixed to the vehicle.

(3) The insignia shall be attached to the rear license
plate if the vehicle has no windshield.

(4) The registration receipt for each vehicle shall at
all times be carried in that vehicle and be available to law
enforcement personnel.
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1    (5) Insignia may not be transferred between vehicles,  
2    owners, or registrants.  
3    (f) Fleet composition.  
4    (1) A registrant may add a vehicle to a fleet at any time  
5    during the registration period. An added vehicle will be given  
6    the same registration period as the fleet and will be issued  
7    fleet registration insignia.  
8    (2) A registrant may remove a vehicle from a fleet at any  
9    time during the registration period. The fleet registrant shall  
10    return the fleet registration insignia for that vehicle to the  
11    department at the time the vehicle is removed from the fleet.  
12    Credit for any vehicle removed from the fleet for the remaining  
13    full year increments can be applied to any vehicle added to the  
14    fleet or at the time of renewal. No refunds will be given if  
15    credit is not used or the account is closed.  
16    (3) If the number of vehicles in an account falls below  
17    25 during the registration period, fleet registration will  
18    remain in effect. If the number of vehicles in an account is  
19    below 25 at the end of the registration period, fleet  
20    registration will be canceled. In the event of cancellation,  
21    each vehicle shall be registered separately. The registrant  
22    shall immediately return all fleet registration insignia to the  
23    department.
(g) Fees.

(1) When a fleet is first established, the department will charge a registration fee for each vehicle for the entire registration period selected. A currently registered vehicle, however, will be given credit for any remaining time on its separate registration.

(2) When a vehicle is added to an existing fleet, the department will charge a registration fee that is prorated based on the number of months of fleet registration remaining. If the vehicle is currently registered, this fee will be adjusted to provide credit for the number of months of separate registration remaining.

(3) When a vehicle is removed from fleet registration, it will be considered to be registered separately. The vehicle's separate registration will expire on the date that the fleet registration would have expired. The registrant must pay the statutory replacement fee to obtain regular registration insignia before the vehicle may be operated on a public highway.

(4) In addition to the registration fees prescribed by Transportation Code, Chapter 502, an owner registering a fleet under this section must pay a one-time fee of $10 per motor vehicle, semitrailer, or trailer in the fleet. This fee is also due as follows:
(A) for each vehicle added to the owner’s existing fleet; and

(B) for each vehicle that a buyer registers as a fleet, even though the seller previously registered some or all of the vehicles as a fleet under this section.

(h) Payment. Payment will be made in the manner prescribed by the department.

(i) Cancellation.

(1) The department will cancel registration for non-payment and lack of proof of annual payment of the Heavy Vehicle Use Tax.

(2) The department may cancel registration on any fleet vehicle that is not in compliance with the inspection requirements under Transportation Code, Chapter 548 and the Texas Department of Public Safety rules regarding inspection requirements on the anniversary date(s) of the registration.

(3) A vehicle with a cancelled registration may not be operated on a public highway.

(4) If the department cancels the registration of a vehicle under this subsection, the registrant can request the department to reinstate the registration by doing the following:

(A) complying with the requirements for which the department cancelled the registration;
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1 (B) providing the department with notice of compliance
2 on a form prescribed by the department; and
3 (C) for a registration cancelled under paragraph (2) of
4 this subsection, paying an administrative fee in the amount of
5 $10.
6 (5) A registrant is only eligible for reinstatement of
7 the registration within 90 calendar days of the department's
8 notice of cancellation.
9 (6) If a registrant fails to timely reinstate the
10 registration of a cancelled vehicle registration under this
11 section, the registrant:
12 (A) is not entitled to a credit or refund of any
13 registration fees for the vehicle; and
14 (B) must immediately return the registration insignia
15 to the department.
16 (j) Inspection fee. The registrant must pay the department
17 by the deadline listed in the invoice for the state's portion of
18 the vehicle inspection fee [for a vehicle inspection conducted
19 in Texas].
To: Texas Department of Motor Vehicles (TxDMV) Board  
From: Jimmy Archer, Director, Motor Carrier Division  
Agenda Item: 18 (Relating to modernizing the permitting process)  

RECOMMENDATION

Approval to publish the proposed amendments in the Texas Register for public comment.

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the amendments is to improve the terminology, correct errors, modify the language for consistency with other rules in Chapter 219, delete irrelevant language, delete language that is already found in Chapter 219 or in statute, clarify requirements and procedures, make the rules consistent with current practice, and restructure portions of Chapter 219 due to deletions. For example, an applicant for the first quarter of a quarterly hubometer permit under §219.43 currently pays an initial $31 processing fee, rather than an estimated fee. The minimum fee for the quarterly hubometer permit is $31, so there is no need for the current refund language in §219.43(e).

Proposed amendments also continue the progress in modernizing the permitting process, such as deleting references to facsimiles. Although the department currently accepts and sends certain documents via facsimile, the goal is to eventually eliminate the use of facsimiles.

FINANCIAL IMPACT

There will be no fiscal implications related to the proposed amendments.

BACKGROUND AND DISCUSSION

If the proposed amendments are approved by the board, staff anticipates publication of the proposed amendments in the Texas Register on or about November 10, 2017. Comments on the proposed amendments will be accepted until 5:00 p.m. on December 11, 2017.
BOARD OF THE TEXAS DEPARTMENT OF MOTOR VEHICLES


The preamble and proposed amendments are attached to this resolution as Exhibits A-B, and are incorporated by reference as though set forth verbatim in this resolution, except that they are subject to technical corrections and revisions, approved by the General Counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the board that the attached proposed rules are authorized for publication in the Texas Register for the purpose of receiving public comment.

The department is directed to take the necessary steps to implement the actions authorized in this order pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

_________________________________________
Raymond Palacios, Jr., Chairman
Board of the Texas Department of Motor Vehicles

Recommended by:

_________________________________________
Jimmy Archer, Director
Motor Carrier Division

Order Number: ___________________________ Date Passed: October 19, 2017
Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

Proposed Preamble


EXPLANATION OF PROPOSED AMENDMENTS

Proposed amendments improve the terminology, correct errors, modify the language for consistency with other rules in Chapter 219, delete irrelevant language, delete language that is already found in Chapter 219 or in statute, clarify requirements and procedures, make the rules consistent with current practice, and restructure portions of Chapter 219 due to deletions. For example, an applicant for the first quarter of a quarterly hubometer permit under §219.43 currently pays an initial $31
processing fee, rather than an estimated fee. The minimum fee for the quarterly hubometer permit is $31, so there is no need for the current refund language in §219.43(e).

Proposed amendments also continue the progress in modernizing the permitting process, such as deleting references to facsimiles. Although the department currently accepts and sends certain documents via facsimile, the goal is to eventually eliminate the use of facsimiles.

FISCAL NOTE

Linda M. Flores, Chief Financial Officer, has determined that for each of the first five years the amendments as proposed are in effect, there will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments.

Jimmy Archer, Director of the Motor Carrier Division, has determined that there will be no impact on local economies or overall employment as a result of enforcing or administering the proposed amendments.

PUBLIC BENEFIT AND COST
Mr. Archer has also determined that for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of enforcing or administering the amendments will be updated rules that are consistent with the applicable statutes and current practice. There are no anticipated economic costs for persons required to comply with the proposed amendments. There will be no adverse economic effect on small businesses, micro-businesses, or rural communities.

TAKINGS IMPACT ASSESSMENT

The department has determined that this proposal affects no private real property interests and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action, and so does not constitute a taking or require a takings impact assessment under Government Code, §2007.043.

SUBMITTAL OF COMMENTS

Written comments on the proposed amendments may be submitted to David D. Duncan, General Counsel, Texas Department of Motor Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email to rules@txdmv.gov. The deadline for receipt of comments is 10/19/17.
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Chapter 219, Oversize and Overweight Vehicles and Loads

5:00 p.m. on December 11, 2017.

STATUTORY AUTHORITY

The amendments are proposed under Transportation Code, §1002.001, which provides the board of the Texas Department of Motor Vehicles (board) with the authority to adopt rules that are necessary and appropriate to implement the powers and the duties of the department under the Transportation Code; and more specifically, Transportation Code, §§621.008, 622.002, and 623.002 which authorize the board to adopt rules that are necessary to implement and enforce Chapters 621, 622, and 623.

CROSS REFERENCE TO STATUTE

Transportation Code, Chapters 621, 622, and 623.
SUBCHAPTER B. GENERAL PERMITS


(a) Purpose and scope. This section contains general requirements relating to oversize/overweight permits, including single-trip permits. Specific requirements for each type of specialty permit are provided for in this chapter.

(b) Prerequisites to obtaining an oversize/overweight permit. Unless exempted by law or this chapter, the following requirements must be met prior to the issuance of an oversize/overweight permit.

(1) Commercial motor carrier registration or surety bond. Prior to obtaining an oversize/overweight permit, an applicant permitted under the provisions of Transportation Code, Chapter 623, Subchapter D, must be registered as a commercial motor carrier under Chapter 218 of this title (relating to Motor Carriers) or, if not required to obtain a motor carrier registration, file a surety bond with the department as described in subsection (n) of this section.

(2) Vehicle registration. A vehicle registered with a permit plate will not be issued an oversize/overweight permit under this subchapter. A permitted vehicle operating under this subchapter must be registered with one of the following types of...
vehicle registration:

(A) current Texas license plates that indicate the permitted vehicle is registered for maximum legal gross weight or the maximum weight the vehicle can transport;

(B) Texas temporary vehicle registration;

(C) current out of state license plates that are apportioned for travel in Texas; or

(D) foreign commercial vehicles registered under Texas annual registration.

(c) Permit application.

(1) An application for a permit shall be made in a form and by the method prescribed by the department, and at a minimum shall include the following:

(A) name, address, telephone number, and email address (if requested) of the applicant;

(B) applicant's customer identification number;

(C) applicant's MCR number or USDOT Number, if applicable;

(D) complete load description, including maximum width, height, length, overhang, and gross weight;

(E) complete description of vehicle, including truck year, make, license plate number and state of issuance, and vehicle identification number, if required;
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(F) vehicle axle and tire information including number of axles, distance between axles, axle weights, number of tires, and tire size for overweight permit applications; and

(G) any other information required by law.

(2) Applications transmitted electronically are considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the application.

(A) The department may only accept a digital signature used to authenticate an application under procedures that comply with any applicable rules adopted by the Department of Information Resources regarding department use or acceptance of a digital signature.

(B) The department may only accept a digital signature to authenticate an application if the digital signature is:

(i) unique to the person using it;

(ii) capable of independent verification;

(iii) under the sole control of the person using it; and

(iv) transmitted in a manner that will make it infeasible to change the data in the communication or digital signature without invalidating the digital signature.

(d) Maximum permit weight limits.
(1) General. An overweight permitted vehicle will not be routed over a load-restricted bridge when exceeding the posted capacity of the bridge, unless a special exception is granted by TxDOT, based on an analysis of the bridge performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by a non-TxDOT engineer must have final approval from TxDOT.

(A) An axle group must have a minimum spacing of four feet, measured from center of axle to center of axle, between each axle in the group to achieve the maximum permit weight for the group.

(B) The maximum permit weight for an axle group with spacing of five or more feet between each axle will be based on an engineering study of the equipment conducted by TxDOT.

(C) A permitted vehicle will be allowed to have air suspension, hydraulic suspension, and mechanical suspension axles in a common weight equalizing suspension system for any axle group.

(D) The department may permit axle weights greater than those specified in this section, for a specific individual permit request, based on an engineering study of the route and hauling equipment performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by a non-TxDOT
engineer must have final approval from TxDOT.

(E) A permitted vehicle or combination of vehicles may not exceed the manufacturer's rated tire carrying capacity, unless expressly authorized in the language on the permit based on an analysis performed by a TxDOT approved licensed professional engineer or by TxDOT. Any analysis by a non-TxDOT engineer must have final approval from TxDOT.

(F) Two or more consecutive axle groups having an axle spacing of less than 12 feet, measured from the center of the last axle of the preceding group to the center of the first axle of the following group, will be reduced by 2.5% for each foot less than 12 feet.

(2) Maximum axle weight limits. Maximum permit weight for an axle or axle group is based on 650 pounds per inch of tire width or the following axle or axle group weights, whichever is the lesser amount:

(A) single axle--25,000 pounds;

(B) two axle group--46,000 pounds;

(C) three axle group--60,000 pounds;

(D) four axle group--70,000 pounds;

(E) five axle group--81,400 pounds;

(F) axle group with six or more axles--determined by TxDOT based on an engineering study of the equipment, which will
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1 include the type of steering system used, the type of axle  
2 suspension, the spacing distance between each axle, the number  
3 of tires per axle, and the tire size on each axle; or  
4 (G) trunnion axles--30,000 pounds per axle if the  
5 trunnion configuration has:  
6 (i) two axles;  
7 (ii) eight tires per axle;  
8 (iii) axles a minimum of 10 feet in width; and  
9 (iv) at least five feet of spacing between the axles,  
10 not to exceed six feet.  
11 (3) Weight limits for load restricted roads. Maximum  
12 permit weight for an axle or axle group, when traveling on a  
13 load restricted road, will be based on 650 pounds per inch of  
14 tire width or the following axle or axle group weights,  
15 whichever is the lesser amount:  
16 (A) single axle--22,500 pounds;  
17 (B) two axle group--41,400 pounds;  
18 (C) three axle group--54,000 pounds;  
19 (D) four axle group--63,000 pounds;  
20 (E) five axle group--73,260 pounds;  
21 (F) axle group with six or more axles--determined by  
22 TxDOT based on an engineering study of the equipment, which will  
23 include the type of steering system used, the type of axle
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suspension, the spacing distance between each axle, the number
of tires per axle, and the tire size on each axle;

(G) trunnion axles—54,000 pounds; and

(H) two or more consecutive axle groups having an axle spacing of less than 12 feet, measured from the center of the last axle of the preceding group to the center of the first axle of the following group will be reduced by 2.5% for each foot less than 12 feet.

(e) Permit issuance.

(1) General. Upon receiving an application in the form prescribed by the department, the department will review the permit application for the appropriate information and will then determine the most practical route based on information provided by TxDOT. [After a route is selected and a permit number is assigned by the department, an applicant requesting a permit by telephone must legibly enter all necessary information on the permit application, including the approved route and permit number. Permit requests made by methods other than telephone will be returned via facsimile, mail, or electronically.]

(2) Routing.

(A) A permitted vehicle will be routed over the most practical route available taking into consideration:

(i) the size and weight of the overdimension load in...
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relation to vertical clearances, width restrictions, steep
grades, and weak or load restricted bridges;

(ii) the geometrics of the roadway in comparison to
the overdimension load;

(iii) sections of highways restricted to specific load
sizes and weights due to construction, maintenance, and
hazardous conditions;

(iv) traffic conditions, including traffic volume;

(v) route designations by municipalities in accordance
with Transportation Code, §623.072;

(vi) load restricted roads; and

(vii) other considerations for the safe transportation
of the load.

(B) When a permit applicant desires a route other than
the most practical, more than one permit will be required for
the trip unless an exception is granted by the department.

(3) Movement to and from point of origin or place of
business. A permitted vehicle will be allowed to:

(A) move empty oversize and overweight hauling
equipment to and from the job site; and

(B) move oversize and overweight hauling equipment with
a load from the permitted vehicle's point of origin to pick up a
permitted load, and to the permitted vehicle's point of origin
or the permittee's place of business after dropping off a permitted load, as long as:

(i) the load does not exceed legal size and weight limits under Transportation Code, Chapters 621 and 622; and

(ii) the transport complies with the permit, including the time period stated on the permit.

(f) Payment of permit fees, refunds.

(1) Payment methods. All permit applications must be accompanied by the proper fee, which shall be payable as provided by §209.23 of this title (relating to Methods of Payment).

(A) Permit Account Card (PAC). Application for a PAC should be made directly to the issuing institution. A PAC must be established and maintained according to the contract provisions stipulated between the PAC holder and the financial institution under contract to the department and the Comptroller of Public Accounts.

(B) Escrow accounts. A permit applicant may establish an escrow account with the department for the specific purpose of paying any fee that is related to the issuance of a permit under this subchapter.

(i) A permit applicant who desires to establish an escrow account shall complete and sign an escrow account
agreement, and shall return the completed and signed agreement

to the department with a check in the minimum amount of $305,

which shall be deposited to the appropriate fund by the
department with the Comptroller of Public Accounts. In lieu of
submitting a check for the initial deposit to an applicant's
escrow account, the applicant may transfer funds to the
department electronically.

(ii) Upon initial deposit, and each subsequent deposit
made by the escrow account holder, $5 will be charged as an
escrow account administrative fee.

(iii) The escrow account holder is responsible for
monitoring of the escrow account balance.

(iv) An escrow account holder must submit a written
request to the department to terminate the escrow account
agreement. Any remaining balance will be returned to the escrow
account holder.

(2) Refunds. A permit fee will not be refunded after the
permit number has been issued unless such refund is necessary to

correct an error made by the permit officer.

(g) Amendments. A permit may be amended for the following
reasons:

(1) vehicle breakdown;

(2) changing the intermediate points in an approved

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1 permit route;

(3) extending the expiration date due to conditions which
would cause the move to be delayed;

(4) changing route origin or route destination prior to
the start date as listed on the permit;

(5) changing vehicle size limits prior to the permit
start date as listed on the permit, provided that changing the
vehicle size limit does not necessitate a change in the approved
route; and

(6) correcting any mistake that is made due to permit
officer error.

(h) Requirements for overwidth loads.

(1) Unless stated otherwise on the permit, an overwidth
load must travel in the outside traffic lane on multi-lane
highways, when the width of the load exceeds 12 feet.

(2) Overwidth loads are subject to the escort
requirements of subsection (k) of this section.

(3) A permitted vehicle exceeding 16 feet in width will
not be routed on the main lanes of a controlled access highway,
unless an exception is granted by TxDOT, based on a route and
traffic study. The load may be permitted on the frontage roads
when available, if the movement will not pose a safety hazard to
other highway users.
(4) An applicant requesting a permit to move a load exceeding 20 feet wide will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by the department.

(i) Requirements for overlength loads.

(1) Overlength loads are subject to the escort requirements stated in subsection (k) of this section.

(2) A single vehicle, such as a motor crane, that has a permanently mounted boom is not considered as having either front or rear overhang as a result of the boom because the boom is an integral part of the vehicle.
(3) When a single vehicle with a permanently attached boom exceeds the maximum legal length of 45 feet, a permit will not be issued if the boom projects more than 25 feet beyond the front bumper of the vehicle, or when the boom projects more than 30 feet beyond the rear bumper of the vehicle, unless an exception is granted by TxDOT, based on a route and traffic study.

(4) Maximum permit length for a single vehicle is 75 feet.

(5) A load extending more than 20 feet beyond the front or rearmost portion of the load carrying surface of the permitted vehicle must have a rear escort, unless an exception is granted by TxDOT, based on a route and traffic study.

(6) A permit will not be issued for an oversize vehicle and [a vehicle and oversize] load with:

   (A) more than 25 feet front overhang; or
   
   (B) more than 30 feet rear overhang, unless an exception is granted by TxDOT, based on a route and traffic study.

(7) An applicant requesting a permit to move an oversize vehicle and load exceeding 125 feet overall length will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the oversize vehicle

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and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the oversize vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by the department.

(8) A permitted vehicle that is not overwidth or overheight, and does not exceed 150 feet overall length, may be moved in a convoy consisting of not more than four overlength permitted vehicles. A permitted vehicle that is not overwidth or overheight that exceeds 150 feet, but does not exceed 180 feet overall length, may be moved in a convoy consisting of not more than two overlength permitted vehicles. Convoys are subject to the requirements of subsection (k) of this section. Each permitted vehicle in the convoy must:

(A) be spaced at least 1,000 feet, but not more than
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2,000 feet, from any other permitted vehicle in the convoy; and

(B) have a rotating amber beacon or an amber pulsating light, not less than eight inches in diameter, mounted at the rear top of the load being transported.

(j) Requirements for overheight loads.

(1) Overheight loads are subject to the escort requirements stated in subsection (k) of this section.

(2) An applicant requesting a permit to move an oversize vehicle and load with an overall height of 19 feet or greater will be furnished with a proposed route. The applicant must physically inspect the proposed route to determine if the oversize vehicle and load can safely negotiate it, unless an exception is granted based on a route and traffic study conducted by TxDOT. A permit application and the appropriate fee are required for every route inspection.

(A) The applicant must notify the department in writing whether the oversize vehicle and load can or cannot safely negotiate the proposed route.

(B) If any section of the proposed route is unacceptable, the applicant shall provide the department with an alternate route around the unacceptable section.

(C) Once a route is decided upon and a permit issued, the permit may not be amended unless an exception is granted by
(k) Escort vehicle requirements. Escort vehicle requirements are provided to facilitate the safe movement of permitted vehicles and to protect the traveling public during the movement of permitted vehicles. A permittee must provide for escort vehicles and law enforcement assistance when required by TxDOT. The requirements in this subsection do not apply to the movement of manufactured housing, portable building units, or portable building compatible cargo.

(1) General.

(A) Applicability. The operator of an escort vehicle shall, consistent with applicable law, warn the traveling public when:

(i) a permitted vehicle must travel over the center line of a narrow bridge or roadway;

(ii) a permitted vehicle makes any turning movement that will require the permitted vehicle to travel in the opposing traffic lanes;

(iii) a permitted vehicle reduces speed to cross under a low overhead obstruction or over a bridge;

(iv) a permitted vehicle creates an abnormal and unusual traffic flow pattern; or

(v) in the opinion of TxDOT, warning is required to
ensure the safety of the traveling public or safe movement of the permitted vehicle.

(B) Law enforcement assistance. Law enforcement assistance may be required by TxDOT to control traffic when a permitted vehicle is being moved within the corporate limits of a city, or at such times when law enforcement assistance would provide for the safe movement of the permitted vehicle and the traveling public.

(C) Obstructions. It is the responsibility of the permittee to contact utility companies, telephone companies, television cable companies, or other entities as they may require, when it is necessary to raise or lower any overhead wire, traffic signal, street light, television cable, sign, or other overhead obstruction. The permittee is responsible for providing the appropriate advance notice as required by each entity.

(2) Escort requirements for overwidth loads. Unless an exception is granted based on a route and traffic study conducted by TxDOT, an overwidth load must:

(A) have a front escort vehicle if the width of the load exceeds 14 feet, but does not exceed 16 feet, when traveling on a two lane roadway;

(B) have a rear escort vehicle if the width of the load
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1. exceeds 14 feet, but does not exceed 16 feet, when traveling on a roadway of four or more lanes; and  

   (C) have a front and a rear escort vehicle for all roads, when the width of the load exceeds 16 feet.  

(3) Escort requirements for overlength loads. Unless an exception is granted by TxDOT, based on a route and traffic study, overlength loads must have:  

   (A) a front escort vehicle when traveling on a two lane roadway if the vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length;  

   (B) a rear escort vehicle when traveling on a multi-lane highway if the vehicle exceeds 110 feet overall length, but does not exceed 125 feet overall length; and  

   (C) a front and rear escort vehicle at all times if the permitted vehicle exceeds 125 feet overall length.  

(4) Escort requirements for overheight loads. Unless an exception is granted by TxDOT, based on a route and traffic study, overheight loads must have:  

   (A) a front escort vehicle equipped with a height pole to ensure the vehicle and load can clear all overhead obstructions for any permitted vehicle that exceeds 17 feet in height; and  

   (B) a front and rear escort vehicle for any permitted
vehicle exceeding 18 feet in height.

(5) Escort requirements for permitted vehicles exceeding legal limits in more than one dimension. When a load exceeds more than one dimension that requires an escort under this subsection, front and rear escorts will be required unless an exception is granted by TxDOT.

(6) Escort requirements for convoys. Convoys must have a front escort vehicle and a rear escort vehicle on all highways at all times.

(7) General equipment requirements. The following special equipment requirements apply to permitted vehicles and escort vehicles that are not motorcycles.

(A) An escort vehicle must be a single unit with a gross vehicle weight (GVW) of not less than 1,000 pounds nor more than 10,000 pounds.

(B) An escort vehicle must be equipped with two flashing amber lights or one rotating amber beacon of not less than eight inches in diameter, affixed to the roof of the escort vehicle, which must be visible to the front, sides, and rear of the escort vehicle while actively engaged in escort duties for the permitted vehicle.

(C) An escort vehicle must display a sign, on either the roof of the vehicle, or the front and rear of the vehicle,
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with the words "OVERSIZE LOAD" or "WIDE LOAD." The sign must be visible from the front and rear of the vehicle while escorting the permitted load. The sign must meet the following specifications:

(i) at least five feet, but not more than seven feet in length, and at least 12 inches, but not more than 18 inches in height;

(ii) the sign must have a yellow background with black lettering;

(iii) letters must be at least eight inches, but not more than 10 inches high with a brush stroke at least 1.41 inches wide; and

(iv) the sign must be visible from the front or rear of the vehicle while escorting the permitted vehicle, and the signs must not be used at any other time.

(D) An escort vehicle must maintain two-way communications with the permitted vehicle and other escort vehicles involved with the movement of the permitted vehicle.

(E) Warning flags must be either red or orange fluorescent material, at least 12 inches square, securely mounted on a staff or securely fastened by at least one corner to the widest extremities of an overwidth permitted vehicle, and at the rear of an overlength permitted vehicle or a permitted
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vehicle with a rear overhang in excess of four feet.

(8) Equipment requirements for motorcycles.

(A) An official law enforcement motorcycle may be used as a primary escort vehicle for a permitted vehicle traveling within the limits of an incorporated city, if the motorcycle is operated by a highway patrol officer, sheriff, or duly authorized deputy, or municipal police officer.

(B) An escort vehicle must maintain two-way communications with the permitted vehicle and other escort vehicles involved with the movement of the permitted vehicle.

(1) Restrictions.

(1) Restrictions pertaining to road conditions. Movement of a permitted vehicle is prohibited when road conditions are hazardous based upon the judgment of the operator and law enforcement officials. Law enforcement officials shall make the final determination regarding whether or not conditions are hazardous. Conditions that should be considered hazardous include, but are not limited to:

(A) visibility of less than 2/10 of one mile; or
(B) weather conditions such as wind, rain, ice, sleet, or snow.

(2) Daylight and night movement restrictions.

(A) A permitted vehicle may be moved only during
daylight hours unless:

(i) the permitted vehicle is overweight only;

(ii) the permitted vehicle is traveling on an interstate highway and does not exceed 10 feet wide and 100 feet long, with front and rear overhang that complies with legal standards; or

(iii) the permitted vehicle meets the criteria of clause (ii) of this subparagraph and is overweight.

(B) An exception may be granted allowing night movement, based on a route and traffic study conducted by TxDOT. Escorts may be required when an exception allowing night movement is granted.

(3) Holiday restrictions. The maximum size limits for a permit issued under Transportation Code, Chapter 623, Subchapter D, for holiday movement is 14 feet wide, 16 feet high, and 110 feet long, unless an exception is granted based on a route and traffic study conducted by TxDOT. The department may restrict holiday movement of specific loads based on a determination that the load could pose a hazard for the traveling public due to local road or traffic conditions.

(4) Curfew restrictions. The operator of a permitted vehicle must observe the curfew movement restrictions of any city or county in which the vehicle is operated. However, only
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the curfew restrictions listed on the permit apply to the
permit.

(m) General provisions.

(1) Multiple commodities.

(A) Except as provided in subparagraph (B) of this
paragraph, when a permitted commodity creates a single
overdimension, two or more commodities may be hauled as one
permit load, provided legal axle weight and gross weight are not
exceeded, and provided an overdimension of width, length or
height is not created or made greater by the additional
commodities. For example, a permit issued for the movement of a
12 foot wide storage tank may also include a 10 foot wide
storage tank loaded behind the 12 foot wide tank provided that
legal axle weight and gross weight are not exceeded, and
provided an overdimension of width, length or height is not
created.

(B) When the transport of more than one commodity in a
single load creates or makes greater an illegal dimension of
length, width, or height the department may issue an oversize
permit for such load subject to each of the following
conditions.

(i) The permit applicant or the shipper of the
commodities files with the department a written certification by
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The Texas Economic Development and Tourism Office, [Department of Economic Development, approved by the Office of the Governor] attesting that issuing the permit will have a significant positive impact on the economy of Texas and that the proposed load of multiple commodities therefore cannot be reasonably dismantled. As used in this clause the term significant positive impact means the creation of not less than 100 new full-time jobs, the preservation of not less than 100 existing full-time jobs, that would otherwise be eliminated if the permit is not issued, or creates or retains not less than one percent of the employment base in the affected economic sector identified in the certification.

(ii) Transport of the commodities does not exceed legal axle and gross load limits.

(iii) The permit is issued in the same manner and under the same provisions as would be applicable to the transport of a single oversize commodity under this section; provided, however, that the shipper and the permittee also must indemnify and hold harmless the department, its board members, officers, and employees from any and all liability for damages or claims of damages including court costs and attorney fees, if any, which may arise from the transport of an oversized load under a permit issued pursuant to this subparagraph.
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(iv) The shipper and the permittee must file with the department a certificate of insurance on a form prescribed by the department, or otherwise acceptable to the department, naming the department, its board members, officers, and employees as named or additional insurers on its comprehensive general liability insurance policy for coverage in the amount of $5 million per occurrence, including court costs and attorney fees, if any, which may arise from the transport of an oversized load under a permit issued pursuant to this subparagraph. The insurance policy is to be procured from a company licensed to transact insurance business in the State of Texas.

(v) The shipper and the permittee must file with the department, in addition to all insurance provided in clause (iv) of this subparagraph, a certificate of insurance on a form prescribed by the department, or otherwise acceptable to the department, naming the department, its board members, officers, and employees as insurers under an auto liability insurance policy for the benefit of said insurers in an amount of $5 million per accident. The insurance policy is to be procured from a company licensed to transact insurance business in the State of Texas. If the shipper or the permittee is self-insured with regard to automobile liability then that party must take all steps and perform all acts necessary under the law to
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1 indemnify the department, its board members, officers, and
2 employees as if the party had contracted for insurance pursuant
3 to, and in the amount set forth in, the preceding sentence and
4 shall agree to so indemnify the department, its board members,
5 officers, and employees in a manner acceptable to the
6 department.

(vi) Issuance of the permit is approved by written
8 order of the board which written order may be, among other
9 things, specific as to duration and routes.

(C) An applicant requesting a permit to haul a dozer
11 and its detached blade may be issued a permit, as a non-
12 dismantable load, if removal of the blade will decrease the
13 overall width of the load, thereby reducing the hazard to the
14 traveling public.

(2) Oversize hauling equipment. A vehicle that exceeds
16 the legal size limits, as set forth by Transportation Code,
17 Chapter 621, Subchapter C, may only haul a load that exceeds
18 legal size limits unless otherwise noted in this subchapter, but
19 such vehicle may haul an overweight load that does not exceed
20 legal size limits, except for the special exception granted in
21 §219.13(c)(3) of this title (relating to Time Permits).

(n) Surety bonds.

(1) General. The following conditions apply to surety
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bonds specified in Transportation Code, §623.075.

(A) The surety bond must:

(i) be made payable to the Texas Department of Transportation with the condition that the applicant will pay the Texas Department of Transportation for any damage caused to the highway by the operation of the equipment covered by the surety bond;

(ii) be effective the day it is issued and expires at the end of the state fiscal year, which is August 31st. For example, if you obtain a surety bond on August 30th, it will expire the next day at midnight.

(iii) include the complete mailing address and zip code of the principal;

(iv) be filed with the department and have an original signature of the principal;

(v) have a single entity as principal with no other principal names listed; and

(vi) A non-resident agent with a valid Texas insurance license may issue a bond on behalf of an authorized insurance company when in compliance with Insurance Code, Chapter 4056.

(B) A certificate of continuation will not be accepted.

(C) The owner of a vehicle bonded under Transportation Code, §623.075 or §623.163, that damages the state highway

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1 system as a result of the permitted vehicle's movement will be notiﬁed by certiﬁed mail of the amount of damage and will be given 30 days to submit payment for such damage. Failure to make payment within 30 days will result in TxDOT placing the claim with the attorney general for collection.

(D) The venue of any suit for a claim against a surety bond for the movement of a vehicle permitted under the provisions of Transportation Code, Chapter 623, Subchapter D, will be any court of competent jurisdiction in Travis County.

(2) Permit surety bonds.

(A) A surety bond required under the provisions of Transportation Code, Chapter 623, Subchapter D, must be submitted on the department's standard surety bond form in the amount of $10,000.

(B) A facsimile or electronic copy of the surety bond is acceptable in lieu of the original surety bond, for a period not to exceed 10 days from the date of its receipt in the department. If the original surety bond has not arrived in the department by the end of the 10 days, the applicant will not be issued a permit until the original surety bond has been received in the department.

(C) The surety bond requirement does apply to the delivery of farm equipment to a farm equipment dealer.
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(D) A surety bond is required when a dealer or transporter of farm equipment or a manufacturer of farm equipment obtains a permit.  

(E) The surety bond requirement does not apply to driving or transporting farm equipment which is being used for agricultural purposes if it is driven or transported by or under the authority of the owner of the equipment.  

(F) The surety bond requirement does not apply to a vehicle or equipment operated by a motor carrier registered with the department under Transportation Code, Chapters 643 or 645 as amended.  

SUBCHAPTER D. PERMITS FOR OVERSIZE AND OVERWEIGHT OIL WELL RELATED VEHICLES  

(a) General information.  

(1) Permits issued under this section are subject to the requirements of $219.41 of this title (relating to General Requirements).  

(2) A single-trip mileage permit:  

(A) is limited to a maximum of seven consecutive days;  

(B) routes the vehicle from the point of origin to the point of destination and has the route listed on the permit; and
(C) allows the unit to be returned to the point of origin on the same permit, provided the return trip is made within the time period stated in the permit.

(3) A unit exceeding 175,000 pounds gross weight must:

(A) have front and rear escort vehicles to prevent traffic from traveling beside the unit as it crosses a bridge;

(B) cross all multi-lane bridges by centering the unit on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(4) A unit exceeding 12 feet in width must be centered in the outside traffic lane of any highway that has paved shoulders.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle[not connected to another axle by a weight equalizing suspension system] must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a unit will be determined by calculating the "W" weight for the group, using the formulas shown in Figure 2: 43 TAC §219.42(f),
(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A unit that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be permitted with a single-trip mileage or quarterly hubometer permit for travel on any route that does not include a load restricted bridge.

(5) A unit that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be eligible, on an individual case-by-case basis, for a single-trip mileage permit only; permit approval or denial will be based on a detailed route study and an analysis conducted by TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) [bridges] are capable of sustaining the movement.
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(6) A road or bridge that has been analyzed and determined to be incapable of sustaining the unit will be excluded from the permit route.

(c) Permit application and issuance.

(1) An application for a single-trip mileage permit under this section must be made in accordance with §219.41(b) of this title and shall also include the origin and destination points of the unit.

[(A)] The applicant must submit the completed application to the department by telephone, [facsimile,] mail, or Internet. The application shall include, at a minimum, the following information:

[(i)] name, address, telephone number, and email address (if requested) of the applicant;

[(ii)] origin and destination points of the unit;

[(iii)] make and model of the unit;

[(iv)] vehicle identification number of the unit;

[(v)] license plate number of the unit;

[(vi)] size and weight dimensions; and

[(vii)] any other information required by law.

(2) [(B)] Upon receipt of the application, the department will review and verify unit size and weight information, check route and mileage to be traveled, compute the permit fee, and
advise the applicant of the permit fee.

(3) [Issuance of single-trip mileage permit.] Upon receipt of the permit fee, the department will advise the applicant of the permit number, and will provide a copy of the permit to the applicant [if requested to do so].

(d) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a single-trip mileage permit is either the calculated permit fee or $31, whichever is the greater amount.

(2) Permit fee calculation. The fee for a single-trip mileage permit is calculated by multiplying the number of miles traveled, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Highway use factor. The highway use factor for a single trip mileage permit is 0.6.

(B) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. For a trailer mounted unit, the total rate per mile is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is $.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is $.04 per mile for
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(1) The mileage rate for a single axle or any axle
within a group that exceeds 20,000 pounds, but is less than or
equal to 25,000 pounds, is calculated by multiplying $.045 times
the amount by which the axle or axle group weight exceeds the
legal weight for the axle or axle group and dividing the
resultant figure by 1,000 pounds.

(ii) The mileage rate for a single axle or any axle
within a group that exceeds 25,000 pounds, but is less than or
equal to 30,000 pounds, is calculated by multiplying $.055 times
the amount by which the axle or axle group weight exceeds the
legal weight for the axle or axle group and dividing the
resultant figure by 1,000 pounds.

[(C) Indirect cost share. The indirect cost share is a
prorated share of administering department activities, other
than the direct cost of the activities, including the cost of
providing statewide support services. The indirect cost share
factor is based upon the previous year's expenditures.]

(3) Permit fees for trailer mounted units.

(A) The permit fee for a trailer mounted unit is based
on the overall width, overall height, and all axle weights,
including the truck-tractor axles.

(B) A unit with two or more axle groups that do not
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have a spacing of at least 12 feet between the closest axles of
the opposing groups must have the permit fee calculated by the
following method.

(i) The axle group with the lowest weight will have
the axle closest to the next axle group temporarily disregarded
from its group in order to create a spacing of at least 12 feet
between the two groups for fee calculation purposes.

(ii) An axle group will not have more than one axle
disregarded.

(iii) The permit fee for the axle group with the
temporarily disregarded axle must be based on the actual weight
of the entire axle group minus the legal weight for the
remaining axles of the group.

(4) Refunds. Fees for permits issued under this section
are non-refundable.

(e) Amendments. A single-trip mileage permit may not be
amended unless an exception is granted by the department.

(f) Weight table and formulas. The following table entitled
"Maximum Permit Weight Table" is Figure 1: 43 TAC §219.42(f),
and the list of formulas entitled, "Maximum Permit Weight
Formulas," is Figure 2: 43 TAC §219.42(f).
§219.43. Quarterly Hubometer Permits.

(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(2) A quarterly hubometer permit:

(A) is effective for three consecutive months [for example, a permit issued with a beginning date of January 15 will terminate on April 14, or a permit issued with a beginning date of July 1 will terminate on September 30];

(B) allows the unit to travel on all state-maintained highways; and

(C) allows the unit to travel on a state-wide basis.

(3) A unit permitted under this subsection must not exceed any of the following dimensions:

(A) 12 feet in width;

(B) 14 feet, 6 inches in height; and

(C) 95 feet in length.

(4) With the exception of units that are overlength only, a unit operated with a permit issued under this section must be equipped with a hubometer. The permittee must maintain the hubometer in good working condition.
(5) A unit exceeding 175,000 pounds gross weight must:

(A) have front and rear escort vehicles to prevent traffic from traveling beside the unit as it crosses a bridge;

(B) cross all multi-lane bridges by centering the unit on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle, not connected to another axle by a weight equalizing suspension system, must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a unit will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas", and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are...
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not steerable must not exceed 850 pounds.

(4) A unit that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be permitted with a single-trip mileage or quarterly hubometer permit for travel on any route that does not include a load restricted bridge.

(5) A unit that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.42(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.42(f), "Maximum Permit Weight Formulas" will be eligible, on an individual case-by-case basis, for a single-trip mileage permit only; permit approval or denial will be based on a detailed route study and an analysis conducted by TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) [bridges] are capable of sustaining the movement.

(6) A bridge that has been analyzed and determined to be incapable of sustaining the unit will be excluded from the permit route.

(c) Initial permit application and issuance.

(1) An application for an initial quarterly hubometer permit under this section must be made in accordance with §219.41(b) of this title. In addition, the applicant must
provide the current hubometer mileage reading and an initial $31 processing fee. [Initial permit application.]

[(A) The applicant for an initial quarterly hubometer permit must submit a completed application to the department by telephone, facsimile, mail, or Internet. The application shall include, at a minimum, the following information:]

[(i) name, address, telephone number, and email address (if requested) of the applicant;]

[(ii) make and model of the unit;]

[(iii) vehicle identification number of the unit;]

[(iv) license plate number of the unit;]

[(v) size and weight dimensions; and]

[(vi) any other information required by law.]

[(B) Upon receipt of the initial quarterly hubometer permit application, the department will verify unit information, calculate the permit fee, and advise the applicant of the permit fee.]

(2) [Issuance of initial quarterly hubometer permit.]

Upon verification of the unit information and receipt of the permit fee, the department will provide a copy of the permit to the applicant, as well as a renewal application. [if requested, and will also provide a renewal application form to the applicant.]
(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must be made on a form and in the manner prescribed by the department. [The applicant must complete and submit a renewal application form to the department for each permit that is to be renewed or closed out.]

(2) Upon receipt of the renewal application, the department will verify unit information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.

(e) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a quarterly hubometer permit is either the calculated permit fee or $31, whichever is the greater amount.

(2) Fees for overlength units. A unit that is overlength only must obtain a quarterly hubometer permit with a fee of $31, but is not required to have a hubometer.

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Hubometer mileage. Mileage [Hubometer mileage] for
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a quarterly hubometer permit is determined by the unit’s current hubometer mileage reading minus [an amount estimated by the applicant for the first quarterly hubometer permit, or from] the unit's hubometer mileage reading from the previous quarterly hubometer permit.

(i) An applicant requesting a permit for a unit that has traveled in excess of the mileage stated in the previous quarterly hubometer permit must pay for the excess mileage traveled, in addition to the fee for the renewed quarterly hubometer permit.

(ii) An applicant requesting a permit for a unit that has traveled less than the mileage stated on the previous quarterly hubometer permit will receive a credit on the purchase price of the renewed quarterly hubometer permit for that unit or another unit.

(B) Highway use factor. The highway use factor for a quarterly hubometer permit is 0.3.

(C) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. The rate per mile for a trailer mounted unit is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is $.06 per mile for...
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1 each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is $.04 per mile for each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying $.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying $.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

[(D) Indirect cost share. The indirect cost share is a prorated share of administering department activities, other than the direct cost of the activities, including the cost of providing statewide support services. The indirect cost share factor is based upon the previous year's expenditures.]

(4) Permit fees for trailer mounted units.

(A) The permit fee for a trailer mounted unit is based on the overall width, overall height, and all axle weights,
1 including the truck-tractor axles.

2 (B) A unit with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

3 (i) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.

4 (ii) An axle group will not have more than one axle disregarded.

5 (iii) The permit fee for the axle group with the temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

[(5) Refunds. A refund is made to the applicant when the quarterly hubometer permit process is stopped for all units listed in the applicant’s account, provided the amount of the refund exceeds $25.]

(f) Amendments. A quarterly hubometer permit may be amended only to indicate:

1 (1) a new hubometer serial number; or

2 (2) a new license plate number.
§219.44. Annual Permits.

(a) General information. Permits issued under this section are subject to the requirements of §219.41 of this title (relating to General Requirements).

(1) Annual self-propelled oil well servicing unit permits.

(A) A unit that does not exceed legal size and weight limits and is registered with a permit plate must purchase an annual permit issued under this section.

(B) The fee for an annual self-propelled oil well servicing unit permit is $52 per axle. The indirect cost share is included in this fee.

(2) Annual oil field rig-up truck permits.

(A) An oil field rig-up truck permitted under this section must not exceed:

(i) legal height or length limits, as provided in Transportation Code, Chapter 621, Subchapter C;

(ii) 850 pounds per inch of tire width on the front axle;

(iii) 25,000 pounds on the front axle; or

(iv) legal weight on all other axles.

(B) An oil field rig-up truck, operating under an
annual permit, must be registered in accordance with Transportation Code, Chapter 502.

(C) The annual permit fee for an oil field rig-up truck is $52. The indirect cost share is included in this fee.

(D) An annual permit for an oil field rig-up truck allows the unit to travel at night, provided the unit does not exceed nine feet in width.

(3) A permit issued under this section may not be amended.

(4) A permit issued under this section allows travel on a statewide basis and on all state maintained highways.

(b) Permit application and issuance.

(1) An application for an annual permit under this section must be made in accordance with §219.41(b) of this title. [Initial permit application. An applicant for an annual permit under this section must submit a completed application by telephone, facsimile, mail, or Internet. The application shall include, at a minimum, the following information:]

[(A) name and address of applicant;]

[(B) make and model of the unit;]

[(C) vehicle identification number of the unit;]

[(D) license plate number of the unit;]

[(E) size and weight dimensions; and]
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[(F) any other information required by law.]

(2) [Permit issuance.] Upon receipt of the application and the appropriate fees, the department will provide a copy of the permit to the applicant [if requested, and will also provide a renewal application form to the applicant].

§219.45. Permits for Vehicles Transporting Liquid Products Related to Oil Well Production.

(a) General provisions. This section applies to the following vehicles which may secure an annual permit issued under provisions of Transportation Code, Chapter 623, Subchapter G, to haul liquid loads over all state-maintained highways.

(1) A vehicle combination consisting of a truck-tractor and semi-trailer specifically designed with a tank and pump unit for transporting:

(A) liquid fracing products, liquid oil well waste products, or unrefined liquid petroleum products to an oil well;

or

(B) unrefined liquid petroleum products or liquid oil well waste products from an oil well not connected to a pipeline.

(2) A permit issued under this section is effective for one year beginning on the effective date.
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(b) Application for permit.

(1) An application for an annual permit under this section must be made in accordance with §219.41(b) of this title (relating to General Requirements). [A request for an annual permit issued under Transportation Code, Chapter 623, Subchapter G, and this section, must be submitted to the department by telephone, facsimile, mail, or Internet.]

(2) The permit request must be received by the department not more than 14 days prior to the date that the permit is to begin.

(c) Permit qualifications and requirements.

(1) The semi-trailer must be of legal size and weight.

(2) The semi-trailer must be registered for the maximum legal gross weight.

(3) Only one semi-trailer will be listed on a permit.

(4) The permit may be transferred from an existing trailer being removed from service and placed on a new trailer being added to the permittee's fleet, if the permittee supplies the department with:

(A) the existing valid permit number;

(B) the make and model of the new trailer;

(C) the license number of the new trailer; and

(D) a transfer fee of $31 per permit to cover
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(d) Fees. All fees associated with permits issued under this section are payable as described in §219.11(f) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures).

(1) The permit fee is based on the axles of the semi-trailer and the drive axles of the truck-tractor. The fee for the permit, which includes the indirect cost share, is determined as follows:

(A) $52 per axle—to haul liquid oil well waste products or unrefined liquid petroleum products from oil wells not connected by a pipeline and return empty;

(B) $52 per axle—to haul liquid products related to oil well production to an oil well and return empty; and

(C) $104 per axle—to haul liquid products related to oil well production to an oil well and return with liquid oil well waste products or unrefined liquid petroleum products from an oil well not connected to a pipeline.

(2) Each permittee will be charged a $20 issuance fee in addition to the permit fee.

(e) Permit movement conditions. The permit load must not cross any load-restricted bridge when exceeding the posted capacity of such.
SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT EQUIPMENT MOTOR VEHICLES


(a) General information.

(1) Permits issued under this section are subject to the requirements of §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles).

(2) A single-trip mileage permit:

(A) is limited to a maximum of seven consecutive days;

(B) is routed from the point of origin to the point of destination and has the route listed on the permit; and

(C) allows the crane to be returned to the point of origin on the same permit, provided the return trip is made within the time period stated in the permit.

(3) A crane permitted under Transportation Code, Chapter 623, Subchapter J, must be registered under Transportation Code, Chapter 502, for the maximum gross weight applicable to the vehicle under Transportation Code, §621.101 or have the distinguishing license plates as provided by Transportation Code, §502.146 if applicable to the vehicle.

(4) A crane exceeding 175,000 pounds gross weight
must:

(A) have front and rear escort vehicles to prevent traffic from traveling beside the crane as it crosses a bridge;

(B) cross all multi-lane bridges by centering the crane on a lane line;

(C) cross all two-lane bridges in the center of the bridge; and

(D) cross each bridge at a speed not greater than 20 miles per hour.

(4) [5] A crane exceeding 12 feet in width must be centered in the outside traffic lane of any highway that has paved shoulders.

(5) [6] The permitted vehicle must not cross a load restricted bridge when exceeding the posted capacity of such.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle[not connected to another axle by a weight equalizing suspension system,] must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a crane is determined by calculating the "W" weight for the group, using the formulas shown in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the calculated
"W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A crane that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," will be permitted with a single-trip mileage permit or a quarterly hubometer permit for travel on any route that does not include a load restricted bridge.

(5) A crane that has any group of axles that exceeds the limits established by Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," will be eligible, on an individual case-by-case basis, for a single-trip mileage permit only. Permit approval or denial will be based on a detailed route study and an analysis conducted by TxDOT of each bridge on the proposed travel route to determine if the road(s) and bridge(s) are capable of sustaining the movement.

(6) A road or bridge that has been analyzed and
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determined to be incapable of sustaining the crane will be
excluded from the permit route.

(c) Permit application and issuance.

(1) An application for a single-trip mileage permit under
this section must be made in accordance with §219.61(b) of this
title and must also include the origin and destination points of
the crane. [Application for single-trip mileage permit.]

[(A) An application The applicant must submit the
completed application to the department by telephone, facsimile,
mail, or Internet. The application shall include, at a minimum,
the following information:]

[(i) name, address, telephone number, and email
address (if requested) of the applicant;]

[(ii) origin and destination points of the crane;]

[(iii) make and model of the crane;]

[(iv) vehicle identification number of the crane;]

[(v) license plate number of the crane;]

[(vi) size and weight dimensions; and]

[(vii) any other information required by law.]

(2) [B] Upon receipt of the application, the
department will review and verify size and weight information,
check the route and mileage to be traveled, compute the permit
fee, and advise the applicant of the permit fee.
(3) [(2) Issuance of single-trip mileage permit.] Upon receipt of the permit fee, the department will advise the applicant of the permit number, and will provide a copy of the permit to the applicant [if requested to do so].

(d) Permit fees and refunds.

(1) Minimum fee. The minimum fee for a single-trip permit is either the calculated permit fee or $31, whichever is the greater amount.

(2) Permit fee calculation. The permit fee for a single-trip mileage permit is calculated by multiplying the number of miles traveled, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.

(A) Highway use factor. The highway use factor for a single-trip mileage permit is 0.6.

(B) Total rate per mile. The total rate per mile is the combined mileage rates for width, height, and weight for the unit. The rate per mile for a trailer mounted crane is based on the overall width, overall height, and all axle weights, including the truck-tractor axles.

(i) The mileage rate for width is $.06 per mile for each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is $.04 per mile for each foot (or fraction thereof) above legal height.
(iii) The mileage rate for a single axle or any axle within a group that exceeds 20,000 pounds, but is less than or equal to 25,000 pounds, is calculated by multiplying $.045 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying $.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

[(C) Indirect cost share. The indirect cost share is a prorated share of administering department activities, other than the direct cost of the activities, including the cost of providing statewide support services. The indirect cost share factor is based upon the previous year's expenditures.]

(3) Exceptions to fee computations. A crane with two or more axle groups that does not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from
its group in order to create a spacing of at least 12 feet
between the two groups for fee calculation purposes.

(B) An axle group will not have more than one axle
disregarded.

(C) The permit fee for the axle group with the
temporarily disregarded axle must be based on the actual weight
of the entire axle group minus the legal weight for the
remaining axles of the group.

(4) Refunds. Fees for permits issued under this section
are non-refundable.

(e) Amendments. A single-trip mileage permit issued under
this section may not be amended unless an exception is granted
by the department.

(f) Weight table and formulas. The following table entitled
"Maximum Permit Weight Table" is Figure 1: 43 TAC §219.62(f),
and the list of formulas entitled "Maximum Permit Weight
Formulas," is Figure 2: 43 TAC §219.62(f).

§219.63. Quarterly Hubometer Permits.

(a) General information.

(1) Permits issued under this section are subject to the
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requirements of §219.61 of this title (relating to General  
Requirements for Permits for Oversize and Overweight Unladen  
Lift Equipment Motor Vehicles).

(2) A quarterly hubometer permit:

(A) is effective for three consecutive months [(for  
example, a permit issued with a beginning date of January 15  
will terminate on April 14, or a permit issued with a beginning  
date of July 1 will terminate on September 30)];  

(B) allows the vehicle to travel on all state-  
maintained highways; and  

(C) allows the unit to travel on a state-wide basis.

(3) A crane permitted under this section must not exceed  
any of the following dimensions:  

(A) 12 feet in width;  

(B) 14 feet, 6 inches in height; or  

(C) 95 feet in length.

[(4) A crane permitted under this section must be  
registered under Transportation Code, Chapter 502, for the  
maximum gross weight applicable to the vehicle under  
Transportation Code, Section 621.101, or have the distinguishing  
license plates as provided by Transportation Code, §502.146, if  
applicable to the vehicle.]  

(4) [¶5] With the exception of cranes that are
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overlength only, cranes operated with a quarterly hubometer  
permit must be equipped with a hubometer. The permittee must  
maintain the hubometer in good working condition.  

(5) [(6)] A crane exceeding 175,000 pounds gross weight  
must:  

(A) have front and rear escort vehicles to prevent  
traffic from traveling beside the crane as it crosses a bridge;  
(B) cross all multi-lane bridges by centering the crane  
on a lane line;  
(C) cross all two-lane bridges in the center of the  
bridge; and  
(D) cross each bridge at a speed not greater than 20  
miles per hour.  

(6) [(7)] A crane exceeding 12 feet in width must be  
centered in the outside traffic lane of any highway that has  
paved shoulders.  

(7) [(8)] A crane will be permitted for night movement  
provided that it does not exceed 10 feet 6 inches in width, 14  
feet in height, or 95 feet in length. A crane moving at night  
must be accompanied by a front and rear escort vehicle.  

(8) [(9)] The permitted vehicle must not cross a load  
restricted bridge when exceeding the posted capacity of the  
bridge [such].
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(9) The permit may be amended only to indicate:

(A) a new hubometer serial number; or

(B) a new license plate number.

(b) Maximum permit weight limits.

(1) The maximum permit weight for any single axle, not connected to another axle by a weight equalizing suspension system, must not exceed 30,000 pounds or 850 pounds per inch of tire width, whichever is less.

(2) The maximum permit weight for any group of axles on a crane will be determined by calculating the "W" weight for the group, using the formulas in Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," and comparing the calculated "W" weight with the corresponding "W" weight that is established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

(3) The maximum permit weight per inch of tire width for axles that are steerable must not exceed 950 pounds, and the maximum permit weight per inch of tire width for axles that are not steerable must not exceed 850 pounds.

(4) A crane that does not have any group of axles that exceeds the limits established in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum Permit Weight Formulas," will be permitted with a single-trip mileage permit or a quarterly hubometer permit for
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1 travel on any route that does not include a load restricted  
2 bridge.  

(5) A crane that has any group of axles that exceeds the  
3 limits established by Figure 1: 43 TAC §219.62(f), "Maximum  
4 Permit Weight Table," and Figure 2: 43 TAC §219.62(f), "Maximum  
5 Permit Weight Formulas," will be eligible, on an individual  
6 case-by-case basis, for a single-trip mileage permit only;  
7 permit approval or denial will be based on a detailed route  
8 study and an analysis conducted by TxDOT of each bridge on the  
9 proposed travel route to determine if the road(s) and bridge(s)  
10 [bridges] are capable of sustaining the movement.  
11  
(6) A bridge that has been analyzed and determined to be  
12 incapable of sustaining the crane will be excluded from the  
13 permit route.  
14  
(c) Initial permit application and issuance.  
15  
(1) An application for an initial quarterly hubometer  
16 permit must be made in accordance with §219.61(b) of this title.  
17 In addition, the applicant must provide the current hubometer  
18 mileage reading and an initial $31 processing fee. [Initial  
19 permit application.]  
20  
[(A) A completed application for an initial quarterly  
21 hubometer permit must be submitted to the department by  
22 telephone, facsimile, mail, or Internet. The application shall
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include, at a minimum, the following information:

(i) name, address, telephone number, and email address (if requested) of the applicant;

(ii) make and model;

(iii) the vehicle identification number;

(iv) license plate number of the vehicle;

(v) size and weight dimensions; and

(vi) any other information required by law.

Upon receipt of the initial quarterly hubometer permit application, the department will verify vehicle information, calculate the permit fee, and advise the applicant of the permit fee.

(2) Issuance of initial quarterly hubometer permit.

Upon verification of the unit information and receipt of the permit fee, the department will provide a copy of the permit to the applicant [upon request], and will also provide a renewal application form to the applicant.

(d) Permit renewals and closeouts.

(1) An application for a permit renewal or closeout must be made on a form and in a manner prescribed by the department. [The applicant must complete and submit a renewal application form to the department for each permit that is to be renewed or closed out.]
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(2) Upon receipt of the renewal application, the department will verify crane information, check mileage traveled on the last permit, calculate the new permit fee, and advise the applicant of the permit fee.  

(e) Permit fees and refunds.  

(1) Minimum fee. The minimum fee for a quarterly hubometer[ single-trip permit or time] permit is either the calculated permit fee or $31, whichever is the greater amount.  

(2) Fees for overlength units. A crane that is overlength only must obtain a quarterly hubometer permit with a fee of $31, and is not required to have a hubometer.  

(3) Quarterly hubometer permit fee calculation. The permit fee for a quarterly hubometer permit is calculated by multiplying the hubometer mileage, the highway use factor, and the total rate per mile, and then adding the indirect cost share to the product.  

(A) Hubometer mileage. Mileage for a quarterly hubometer permit is determined by the crane's current hubometer mileage reading minus [an amount estimated by the applicant for the first quarterly hubometer permit, or from] the crane's hubometer mileage reading from the previous quarterly hubometer permit.  

[(i) An applicant requesting a permit for a crane that]
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has traveled in excess of the mileage stated in the previous
quarterly hubometer permit must pay for the excess mileage
traveled, in addition to the fee for the renewed quarterly
hubometer permit.]

[(ii) An applicant requesting a permit for a crane
that has traveled less than the mileage stated on the previous
quarterly hubometer permit will receive a credit on the purchase
price of the renewed quarterly hubometer permit for that crane
or another crane.]

(B) Highway use factor. The highway use factor for a
quarterly hubometer permit is 0.3.

(C) Total rate per mile. The total rate per mile is the
combined mileage rates for width, height, and weight for the
crane.

(i) The mileage rate for width is $.06 per mile for
each foot (or fraction thereof) above legal width.

(ii) The mileage rate for height is $.04 per mile for
each foot (or fraction thereof) above legal height.

(iii) The mileage rate for a single axle or any axle
within a group that exceeds 20,000 pounds, but is less than or
equal to 25,000 pounds, is calculated by multiplying $.045 times
the amount by which the axle or axle group weight exceeds the
legal weight for the axle or axle group and dividing the
resultant figure by 1,000 pounds.

(iv) The mileage rate for a single axle or any axle within a group that exceeds 25,000 pounds, but is less than or equal to 30,000 pounds, is calculated by multiplying $.055 times the amount by which the axle or axle group weight exceeds the legal weight for the axle or axle group and dividing the resultant figure by 1,000 pounds.

[(D) Indirect cost share. The indirect cost share is a prorated share of administering department activities, other than the direct cost of the activities, including the cost of providing statewide support services. The indirect cost share factor is based upon the previous year's expenditures.]

(4) Special fee provisions. A crane with two or more axle groups that do not have a spacing of at least 12 feet between the closest axles of the opposing groups must have the permit fee calculated by the following method.

(A) The axle group with the lowest weight will have the axle closest to the next axle group temporarily disregarded from its group in order to create a spacing of at least 12 feet between the two groups for fee calculation purposes.

(B) An axle group will not have more than one axle disregarded.

(C) The permit fee for the axle group with the
temporarily disregarded axle must be based on the actual weight of the entire axle group minus the legal weight for the remaining axles of the group.

[(5) Refunds. The department will refund fees for permits issued under this section when the quarterly hubometer permit process is stopped for all cranes listed in the applicant's account, provided the amount of the refund exceeds $25.]

§219.64. Annual Permits.

(a) General information. Permits issued under this section are subject to the requirements of §219.61 of this title (relating to General Requirements for Permits for Oversize and Overweight Unladen Lift Equipment Motor Vehicles).

(1) A crane permitted under this section must not exceed: (A) the weight limits established in §219.11(d)(1), (2), and (3) of this title (relating to General Oversize/Overweight Permit Requirements and Procedures); (B) a gross weight of 120,000 pounds; (C) legal length and height limits as specified in Transportation Code, Chapter 621, Subchapter C; and (D) 10 feet in width.

(2) A permit issued under this section may not be amended.
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(3) A crane permitted under this section must not cross a load restricted bridge or a load restricted road when exceeding the posted capacity of such.

(4) A crane permitted under this section may travel at night with front and rear escort vehicles.

(5) The fee for an annual permit issued under this section is $100.

(b) Permit application and issuance.

(1) Initial permit application. An application for an annual permit under this section must be made in accordance with §219.61(b) of this title. [applicant for an annual permit under this section must submit a completed application and the appropriate fees by telephone, facsimile, mail, or Internet. The application shall include, at a minimum, the following information:

[(A) name and address of applicant;]

[(B) make and model of the crane;]

[(C) vehicle identification number;]

[(D) license plate number;]

[(E) size and weight dimensions; and]

[(F) any other information required by law.]

(2) Permit issuance. Upon receipt of the application and the appropriate permit fee, the department will verify the
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1 application information and [1] provide the permit to the
2 applicant [if requested, and also provide a renewal application
3 form to the applicant].
Board Policy Documents

**Governance Process** (10/13/11)

**Strategic Planning** (10/13/11)

**Board Vision** (4/7/16)

**Agency Boundaries** (9/13/12)

**KPIs** (9/12/14)
Texas Department of Motor Vehicles
TxDMV Board Governance Policy

1. PURPOSE

The directives presented in this policy address board governance of the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. The TxDMV Board Governance Policy shall be one that is comprehensive and pioneering in its scope.

3. POLICY

3.1. TxDMV Board Governing Style

The Board shall govern according to the following general principles: (a) a vision for the agency, (b) diversity in points of view, (c) strategic leadership, providing day-to-day detail as necessary to achieve the agency vision, (d) clear distinction of Board and Executive Director roles, (e) collective decision making, (f) react proactively rather than reactively and with a strategic approach. Accordingly:

3.1.1. The Board shall provide strategic leadership to TxDMV. In order to do this, the Board shall:

3.1.1.1. Be proactive and visionary in its thinking.

3.1.1.2. Encourage thoughtful deliberation, incorporating a diversity of viewpoints.

3.1.1.3. Work together as colleagues, encouraging mutual support and good humor.

3.1.1.4. Have the courage to lead and make difficult decisions.

3.1.1.5. Listen to the customers and stakeholders needs and objectives.

3.1.1.6. Anticipate the future, keeping informed of issues and trends that may affect the mission and organizational health of the TxDMV.

3.1.1.7. Make decisions based on an understanding that is developed by appropriate and complete stakeholder participation in the process of identifying the needs of the motoring public, motor vehicle industries,
and best practices in accordance with the mission and vision of the agency.

3.1.8. Commit to excellence in governance, including periodic monitoring, assessing and improving its own performance.

3.1.2. The Board shall create the linkage between the Board and the operations of the agency, via the Executive Director when policy or a directive is in order.

3.1.3. The Board shall cultivate a sense of group responsibility, accepting responsibility for excellence in governance. The Board shall be the initiator of policy, not merely respond to staff initiatives. The Board shall not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.

3.1.4. The Board shall govern the agency through the careful establishment of policies reflecting the board’s values and perspectives, always focusing on the goals to be achieved and not the day-to-day administrative functions.

3.1.5. Continual Board development shall include orientation of new Board members in the board’s governance process and periodic board discussion of how to improve its governance process.

3.1.6. The Board members shall fulfill group obligations, encouraging member involvement.

3.1.7. The Board shall evaluate its processes and performances periodically and make improvements as necessary to achieve premier governance standards.

3.1.8. Members shall respect confidentiality as is appropriate to issues of a sensitive nature.

3.2. **TxDMV Board Primary Functions/Characteristics**

TxDMV Board Governance can be seen as evolving over time. The system must be flexible and evolutionary. The functions and characteristics of the TxDMAV governance system are:

3.2.1. Outreach

3.2.1.1. Monitoring emerging trends, needs, expectations, and problems from the motoring public and the motor vehicle industries.

3.2.1.2. Soliciting input from a broad base of stakeholders.
3.2.2. Stewardship

3.2.2.1. Challenging the framework and vision of the agency.

3.2.2.2. Maintaining a forward looking perspective.

3.2.2.3. Ensuring the evolution, capacity and robustness of the agency so it remains flexible and nimble.

3.2.3. Oversight of Operational Structure and Operations

3.2.3.1. Accountability functions.

3.2.3.2. Fiduciary responsibility.

3.2.3.3. Checks and balances on operations from a policy perspective.

3.2.3.4. Protecting the integrity of the agency.

3.2.4. Ambassadorial and Legitimating

3.2.4.1. Promotion of the organization to the external stakeholders, including the Texas Legislature, based on the vision of the agency.

3.2.4.2. Ensuring the interests of a broad network of stakeholders are represented.

3.2.4.3. Board members lend their positional, professional and personal credibility to the organization through their position on the board.

3.2.5. Self-reflection and Assessment

3.2.5.1. Regular reviews of the functions and effectiveness of the Board itself.

3.2.5.2. Assessing the level of trust within the Board and the effectiveness of the group processes.

3.3. Board Governance Investment

Because poor governance costs more than learning to govern well, the Board shall invest in its governance capacity. Accordingly:

3.3.1. Board skills, methods, and supports shall be sufficient to ensure governing with excellence.
3.3.1.1. Training and retraining shall be used liberally to orient new members, as well as maintain and increase existing member skills and understanding.

3.3.1.2. Outside monitoring assistance shall be arranged so that the board can exercise confident control over agency performance. This includes, but is not limited to, financial audits.

3.3.1.3. Outreach mechanisms shall be used as needed to ensure the Board’s ability to listen to stakeholder viewpoints and values.

3.3.1.4. Other activities as needed to ensure the Board’s ability to fulfill its ethical and legal obligations and to represent and link to the motoring public and the various motor vehicle industries.

3.3.2. The Board shall establish its cost of governance and it will be integrated into strategic planning and the agency’s annual budgeting process.

3.4. **Practice Discipline and Assess Performance**

The Board shall ensure the integrity of the board’s process by practicing discipline in Board behavior and continuously working to improve its performance. Accordingly:

3.4.1. The assigned result is that the Board operates consistently with its own rules and those legitimately imposed on it from outside the organization.

3.4.1.1. Meeting discussion content shall consist solely of issues that clearly belong to the Board to decide or to monitor according to policy, rule and law. Meeting discussion shall be focused on performance targets, performance boundaries, action on items of Board authority such as conduct of administrative hearings, proposal, discussion and approval of administrative rule-making and discussion and approval of all strategic planning and fiscal matters of the agency.

3.4.1.2. Board discussion during meetings shall be limited to topics posted on the agenda.

3.4.1.3. Adequate time shall be given for deliberation which shall be respectful, brief, and to the point.

3.4.2. The Board shall strengthen its governing capacity by periodically assessing its own performance with respect to its governance model. Possible areas of assessment include, but are not limited to, the following:

3.4.2.1. Are we clear and in agreement about mission and purpose?
3.4.2.2. Are values shared?

3.4.2.3. Do we have a strong orientation for our new members?

3.4.2.4. What goals have we set and how well are we accomplishing them?

3.4.2.5. What can we do as a board to improve our performance in these areas?

3.4.2.6. Are we providing clear and relevant direction to the Executive Director, stakeholders and partners of the TxDMV?

3.4.3. The Board Chair shall periodically promote regular evaluation and feedback to the whole Board on the level of its effectiveness.
Texas Department of Motor Vehicles
Strategic Planning Policy

1. PURPOSE

The directives presented in this policy address the annual Strategic Planning process at the Texas Department of Motor Vehicles (TxDMV).

2. SCOPE

The directives presented in this policy apply to the TxDMV Board and TxDMV agency personnel who interact with the Board. TxDMV Strategic Planning Policy attempts to develop, document and expand its policy that is comprehensive in its scope in regards to the strategic planning process of the Board and the Department beyond that of the state strategic planning process.

3. POLICY

3.1. TxDMV Board Strategic Planning

This policy describes the context for strategic planning at TxDMV and the way in which the strategic plan shall be developed and communicated.

3.1.1. The Board is responsible for the strategic direction of the organization, which includes the vision, mission, values, strategic goals, and strategic objectives.

3.1.2. TxDMV shall use a 5-year strategic planning cycle, which shall be reviewed and updated annually, or as needed.

3.1.3. The 5-year strategic plan shall be informed by but not confined by requirements and directions of state and other funding bodies.

3.1.4. In developing strategic directions, the Board shall seek input from stakeholders, the industries served, and the public.

3.1.5. The Board shall:

3.1.5.1. Ensure that it reviews the identification of and communication with its stakeholders at least annually.

3.1.5.2. Discuss with agency staff, representatives of the industries served, and the public before determining or substantially changing strategic directions.
3.1.5.3. Ensure it receives continuous input about strategic directions and agency performance through periodic reporting processes.

3.1.6. The Board is responsible for a 5-year strategic plan that shall identify the key priorities and objectives of the organization, including but not limited to:

3.1.6.1. The creation of meaningful vision, mission, and values statements.

3.1.6.2. The establishment of a Customer Value Proposition that clearly articulates essential customer expectations.

3.1.6.3. A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis, to be updated annually.

3.1.6.4. An assessment of external factors or trends (i.e., customer needs, political factors, economic factors, industry trends, technology factors, uncertainties, etc.)

3.1.6.5. Development of the specific goals and objectives the Department must achieve and a timeline for action.

3.1.6.6. Identification of the key performance indicators to measure success and the initiatives that shall drive results.

3.1.6.7. Engage staff at all levels of the organization, through the executive director, in the development of the strategic plan through surveys, interviews, focus groups, and regular communication.

3.1.6.8. Ensure the strategic planning process produces the data necessary for LBB/GOBPP state required compliance while expanding and enhancing the strategic plan to support the needs of the TxDMV. The overall strategic plan shall be used as a tool for strategic management.

3.1.7. The Board delegates to the Executive Director the responsibility for implementing the agency’s strategic direction through the development of agency wide and divisional operational plans.
Texas Department of Motor Vehicles
TxDMV Goals and Objectives

1. PURPOSE

The information presented in this policy addresses the goals and key objectives of the Board of the Texas Department of Motor Vehicles (TxDMV) as they relate to the mission, vision, and values of the TxDMV.

2. SCOPE

The scope of this policy is to define the desired state the TxDMV Board is working to achieve. This policy is designed to be inspirational in outlining the desired state of the agency that supports the TxDMV Board vision and meeting agency goals.

3. TxDMV MISSION

To serve, protect and advance the citizens and industries in the state with quality motor vehicle related services.

4. TxDMV VISION

The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.

5. TxDMV VALUES

To earn the trust and faith of all citizens of Texas with transparency, efficiency, excellence, accountability, and putting stakeholders first.

  5.1. Transparency – Being open and inclusive in all we do.
  5.2. Efficiency – Being good stewards of state resources by providing products and services in the most cost-effective manner possible.
  5.3. Excellence – Working diligently to achieve the highest standards.
  5.4. Accountability – Accepting responsibility for all we do, collectively and as individuals.
  5.5. Stakeholders – Putting customers and stakeholders first, always.

6. TxDMV GOALS

6.1. GOAL 1 – Performance Driven

The TxDMV shall be a performance driven agency in its operations whether it is in customer service, licensing, permitting, enforcement or rule-making. At all times the TxDMV shall mirror in its performance the expectations of its customers and stakeholder by effective, efficient, customer-focused, on-time, fair, predictable and thorough service or decisions.
6.1.1. **Key Objective 1**

The TxDMV shall be an agency that is retail-oriented in its approach. To accomplish this orientation TxDMV shall concentrate the focus of the agency on:

6.1.1.1. Delivering its products and services to all of its customers and stakeholders in a manner that recognizes that their needs come first. These needs must be positively and proactively met. TxDMV works for and with its customers and stakeholders, not the other way around.

6.1.1.2. Operating the agency’s licensing and registration functions in a manner akin to how a private, for-profit business. As a private, for-profit business, TxDMV would have to listen to its customers and stakeholders and implement best practices to meet their needs or its services would no longer be profitable or necessary. Act and react in a manner that understands how to perform without a government safety net and going out of business.

6.1.1.3. Simplify the production and distribution processes and ease of doing business with the TxDMV. Adapting and maintaining a business value of continuous improvement is central to TxDMV operations and processes.

6.1.1.4. All operations of the TxDMV shall stand on their own merits operationally and financially. If a current process does not make sense then TxDMV shall work within legislative and legal constraints to redesign or discard it. If a current process does not make or save money for the state and/or its customers or stakeholders then TxDMV shall work within legislative and legal constraints to redesign or discard it. TxDMV shall operate as efficiently and effective as possible in terms of financial and personnel needs. Divisions should focus on cost savings without sacrificing performance. Division directors are accountable for meeting these needs and applicable measures. All division directors are collectively responsible for the performance of TxDMV as a whole.

6.1.1.5. Focus on revenue generation for transportation needs as well as the needs of its customers.

6.1.1.6. Decisions regarding the TxDMV divisions should be based on the overriding business need of each division to meet or provide a specific service demand, with the understanding and coordination of overarching agency-wide needs.
6.1.1.7. Developing and regularly updating a long-range Statewide Plan describing total system needs, establishing overarching statewide goals, and ensuring progress toward those goals.

6.1.1.8. The TxDMV shall establish a transparent, well-defined, and understandable system of project management within the TxDMV that integrates project milestones, forecasts, and priorities.

6.1.1.9. The TxDMV shall develop detailed work programs driven by milestones for major projects and other statewide goals for all TxDMV divisions.

6.1.1.10. The TxDMV, with input from stakeholders and policymakers, shall measure and report on progress in meeting goals and milestones for major projects and other statewide goals.

6.2. GOAL 2 – Optimized Services and Innovation

The TxDMV shall be an innovative, forward thinking agency that looks for ways to promote the economic well-being and development of the industries it serves as well as the State of Texas within the legislative boundaries that have been established for the agency.

6.2.1. Key Objective 1

The TxDMV shall achieve operational, cultural, structural and financial independence from other state agencies.

6.2.1.1. Build the TxDMV identity. This means that TxDMV shall make customers aware of what services we offer and how they can take advantage of those services.

6.2.1.2. Build the TxDMV brand. This means that TxDMV shall reach out to the stakeholders, industries we serve and the public, being proactive in addressing and anticipating their needs.

6.2.1.3. Determine immediate, future, and long term facility and capital needs. TxDMV needs its own stand-alone facility and IT system as soon as possible. In connection with these needs, TxDMV shall identify efficient and effective ways to pay for them without unduly burdening either the state, its customers or stakeholders.

6.2.1.4. All regulations, enforcement actions and decision at TxDMV shall be made in a timely, fair and predictable manner.

6.2.2. Key Objective 2
Provide continuous education training on business trends in the industry with a particular emphasis on activities in Texas.

6.2.3. **Key Objective 3**

Provide continuous outreach services to all customers and stakeholders to access their respective needs and wants. This includes helping frame legislative or regulatory issues for consideration by other bodies including the legislature.

6.2.4. **Key Objective 4**

Examine all fees to determine their individual worth and reasonableness of amount. No fee shall be charged that cannot be defended financially and operationally.

**6.3. GOAL 3 – Customer-centric**

The TxDMV shall be a customer-centric agency that delivers today’s services and decisions in a positive, solution-seeking manner while ensuring continuous, consistent and meaningful public and stakeholder involvement in shaping the TxDMV of tomorrow.

6.3.1. **Key Objective 1**

The TxDMV shall seek to serve its customer base through a creative and retail oriented approach to support the needs of its industries and customers.

6.3.2. **Key Objective 2**

The TxDMV shall develop and implement a public involvement policy that guides and encourages meaningful public involvement efforts agency-wide.

6.3.3. **Key Objective 3**

The TxDMV shall develop standard procedures for documenting, tracking, and analyzing customer complaint data. Successful problem resolution metrics should be monitored to support continuous improvement activities that shall permanently improve customer facing processes.

6.3.4. **Key Objective 4**

The TxDMV shall provide a formal process for staff with similar responsibilities to share best practices information.

6.3.5. **Key Objective 5**
The TxDMV shall provide central coordination of the Department’s outreach campaigns.

6.3.6.  **Key Objective 6**

The TxDMV shall develop and expand user friendly, convenient, and efficient website applications.

6.3.7.  **Key Objective 7**

TxDMV shall timely meet all legislative requests and mandates.
Agency Operational Boundaries as Defined by Department Policies of the TxDMV Board (Board)

The Board is responsible for the policy direction of the agency. The Board’s official connection to the day-to-day operation of the Texas Department of Motor Vehicles (TxDMV) and the conduct of its business is through the Executive Director of the TxDMV (ED) who is appointed by the Board and serves at its pleasure. The authority and accountability for the day-to-day operations of the agency and all members of the staff, except those members who report directly to the Board, is the sole responsibility of the ED.

In accordance with its policy-making authority the Board has established the following policy boundaries for the agency. The intent of the boundaries is not to limit the ability of the ED and agency staff to manage the day-to-day operations of the agency. To the contrary, the intent of the boundaries is to more clearly define the roles and responsibilities of the Board and the ED so as to liberate the staff from any uncertainty as to limitations on their authority to act in the best interest of the agency. The ED and staff should have certainty that they can operate on a daily basis as they see fit without having to worry about prior Board consultation or subsequent Board reversal of their acts.

The ED and all agency employees shall act at all times in an exemplary manner consistent with the responsibilities and expectations vested in their positions. The ED and all agency employees shall act in a manner consistent with Board policies as well as with those practices, activities, decisions, and organizational circumstances that are legal, prudent, and ethical. It is the responsibility of the ED to ensure that all agency employees adhere to these boundaries.

Accordingly, the TxDMV boundaries are as follows:

1. The day-to-day operations of the agency should be conducted in a manner consistent with the vision, mission, values, strategic framework, and performance metrics as established by the Board. These elements must not be disregarded or jeopardized in any way.

2. A team-oriented approach must be followed on all enterprise-wide decisions to ensure openness and transparency both internally and externally.

3. The agency must guard against allowing any financial conditions and decision which risk adverse fiscal consequences, compromise Board financial priorities, or fail to
show an acceptable level of foresight as related to the needs and benefits of agency initiatives.

4. The agency must provide timely, accurate, and honest information that will afford the Board, public, stakeholders, executive branch and the legislature the best ability to evaluate all sides of an issue or opportunity before forming an opinion or taking action on it. Any information provided that is intentionally untimely, inaccurate, misleading or one-sided will not be tolerated.

5. The agency must take all reasonable care to avoid or identify in a timely manner all conflicts of interest or even the appearance of impropriety in awarding purchases, negotiating contracts or in hiring employees.

6. The agency must maintain adequate administrative policies and procedures that are understandable and aid in staff recruitment, development and retention.

7. The agency must maintain an organizational structure that develops and promotes the program areas from an enterprise-wide perspective. No organizational silos or sub-agencies will be allowed. We are the TxDMV.

8. The agency must empower its entire staff to deliver a positive customer experience to every TxDMV customer, stakeholder or vendor to reduce their effort and make it easier for them to do business with the TxDMV.

9. The agency must at all times look to flattening its organizational structure to reduce cost as technology advances allow.

10. Agency staff shall anticipate and resolve all issues timely.

11. The agency must maximize the deployment and utilization of all of its assets – people, processes and capital equipment – in order to fully succeed.

12. The agency must not waste the goodwill and respect of our customers, stakeholders, executive branch and legislature. All communication shall be proper, honest, and transparent with timely follow-up when appropriate.

13. The agency should focus its work efforts to create value, make sure that processes, programs, or projects are properly designed, budgeted and vetted as appropriate with outside stakeholders to ensure our assumptions are correct so positive value continues to be created by the actions of the TxDMV.

14. The ED through his or her staff is responsible for the ongoing monitoring of all program and fiscal authorities and providing information to the Board to keep it apprised of all program progress and fiscal activities. This self-assessment must result in a product that adequately describes the accomplishment of all program
goals, objectives and outcomes as well as proposals to correct any identified problems.

15. In advance of all policy decisions that the Board is expected to make, the ED will provide pertinent information and ensure board members understand issues/matters related to the pending policy decision. Additionally, the ED or designee will develop a process for planning activities to be performed leading up to that particular policy decision and the timeframe for conducting these planning activities. It is imperative that the planning process describes not only when Board consideration will be expected but also when prior Board consultation and involvement in each planning activity will occur.

16. In seeking clarification on informational items Board members may directly approach the ED or his or her designee to obtain information to supplement, upgrade or enhance their knowledge and improve the Board’s decision-making. Any Board member requests that require substantive work should come to the Board or Committee Chairs for direction.

17. The agency must seek stakeholder input as appropriate on matters that might affect them prior to public presentation of same to the Board.

18. The agency must measure results, track progress, and report out timely and consistently.

19. The ED and staff shall have the courage to admit a mistake or failure.

20. The ED and staff shall celebrate successes!

The Board expects the ED to work with agency staff to develop their written interpretation of each of the boundaries. The ED will then present this written interpretation to the Board prior to discussion between the Board and ED on the interpretation. The Board reserves the right to accept, reject or modify any interpretation. The intent is that the Board and the ED will come to a mutually agreeable interpretation of agency boundaries that will then form the basis of additional written thought on the part of the ED and staff as to how these boundaries will influence the actions of the agency.
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<th>GOAL</th>
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<td>Percent of lemon law cases resolved prior to referral for hearing</td>
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<td>Average time to complete lemon law cases where no hearing is held</td>
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<td>Percent of total renewals and net cost of registration renewal:</td>
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<td>A. Online</td>
<td>A. 15% B. 5% C. 80%</td>
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<td>B. Mail</td>
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<td>A. 16% B. 5% C. 79%</td>
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<td>C. In Person</td>
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<td>Percent of total lien titles issued:</td>
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<td>A. Electronic Lien Title</td>
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<td>B. Standard Lien Title</td>
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<td>Percent of total OS/OW permits:</td>
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<td>B. Online (MCD-issued)</td>
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<td>B. 25% or greater</td>
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<td>C. Phone</td>
<td>C. 11.33%</td>
<td>C. 10% or less</td>
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<td>D. Mail</td>
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<td>performance evaluation during the month that were completed on time by division.</td>
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<td>36</td>
<td>Percent of goals accomplished as</td>
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<td>Employees who rate job</td>
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<td>3.60</td>
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<td>satisfaction as above average as</td>
<td>(SEE 2012)</td>
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<td>(SEE 2013)</td>
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<td>scored by the Survey of Employee</td>
<td>3.65</td>
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<td>Increase in the overall SEE score</td>
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<td>(SEE 2012)</td>
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<td>39</td>
<td>Percent of favorable responses</td>
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<td>Annual agency voluntary turnover</td>
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<td>41</td>
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<td>conducted and number of stakeholders/customers attending education programs</td>
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<td>Number of education programs</td>
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<td>42/390</td>
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<td>VTR</td>
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<td>43</td>
<td>Number of eLearning training</td>
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<td>Completed - 735</td>
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<td>the Learning Management System</td>
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<td></td>
<td></td>
<td>and number of modules completed</td>
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<td></td>
<td></td>
<td></td>
<td>by stakeholders/customers</td>
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**Continuous business process improvement and realignment**

**Executive ownership and accountability for results**

**Organizational culture of continuous improvement and creativity**

**Focus on the internal customer**

**Increase transparency with external customers**

Agenda Briefing Notebook 355

TxDMV Board Meeting - October 19, 2017
### Customer Center

<table>
<thead>
<tr>
<th>GOAL</th>
<th>STRATEGY</th>
<th>#</th>
<th>MEASURE</th>
<th>Baseline</th>
<th>Target</th>
<th>Actual</th>
<th>OWNER</th>
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<td>44</td>
<td>Number of Shows and Exhibits attended to educate stakeholders/customers</td>
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<td>45</td>
<td>Number of education programs conducted and number of stakeholders/customers attending</td>
<td>3/250</td>
<td>3/250</td>
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<td>ENF</td>
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<td>education programs</td>
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<td></td>
<td></td>
<td>46</td>
<td>Number of education programs conducted and number of stakeholders/customers attending</td>
<td>3/150</td>
<td>4/300</td>
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<td>ABTPA</td>
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<td>47</td>
<td>Percent of customers and stakeholders who express above average satisfaction with communications to and from TxDMV</td>
<td>Baseline in development</td>
<td>80%</td>
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<td>All Divisions</td>
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### Excellent Service Delivery

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<tr>
<th>GOAL</th>
<th>STRATEGY</th>
<th>#</th>
<th>MEASURE</th>
<th>Baseline</th>
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<td>48</td>
<td>Average hold time</td>
<td>9 min</td>
<td>9 min</td>
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<td></td>
<td>49</td>
<td>Abandoned call rate</td>
<td>22%</td>
<td>20%</td>
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<td></td>
<td>50</td>
<td>Average hold time</td>
<td>Baseline in development</td>
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<td></td>
<td>51</td>
<td>Abandoned call rate</td>
<td>Baseline in development</td>
<td>5%</td>
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<td>ITS</td>
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<td>52</td>
<td>Average hold time</td>
<td>Credentialing - 1.6 minutes Permits - 2.08 minutes CFS - 54.38 seconds</td>
<td>Credentialing - 1.5 minutes Permits - 2 minutes CFS - 50 seconds</td>
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<td>53</td>
<td>Abandoned call rate</td>
<td>Credentialing - 7% Permits - 6.42% CFS - 5.63%</td>
<td>Credentialing - 6% Permits - 5% CFS - 5%</td>
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</table>

**Key:**
- Critical
- Off Target
- On target
- Not yet started

**Vision:** The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.

**Mission:** To serve, protect, and advance the citizens and industries in the state with quality motor vehicle related services.

**Philosophy:** The Texas Department of Motor Vehicles is customer-focused and performance driven. We are dedicated to providing services in an efficient, effective and progressive manner as good stewards of state resources. With feedback from our customers, stakeholders and employees, we work to continuously improve our operations, increase customer satisfaction and provide a consumer friendly atmosphere.

**Values:** We at the Texas Department of Motor Vehicles are committed to: **TEXAS**-Transparency, Efficiency, EXcellence, Accountability, and Stakeholders.