Purpose of Rules

- The purpose of the proposed rules are to create efficiencies, drive down costs, utilize more modernized processes and most importantly provide better service to the citizens of Texas.
HB 2202 Intent Related to P&H

- Consolidates add-on fees
- Ends State Highway Fund diversion and Increases transportation funding
- Streamlines the process for the customer
- Increases transparency of registration service delivery cost
Deposits to State Highway Fund

Current

- Highway Funds: $48.85
- County Compensation: $1.90

HB 2202

- Highway Funds: $50.75
- County Compensation: $0.00
Processing and Handling Fee Consolidates Various Fees and Compensation

- Compensation
  - Tax Assessor Collector Compensation
  - TxDMV Compensation
- Add-on Fees
  - Automation Fee
  - Mail-in Fee
  - Online Fee (TX.GOV Service Fee)
  - Full Service Deputy Fee
  - Limited Service Deputy Fee

Processing and Handling Fee
Misinformation About the Rules

- TxDMV will be issuing all registration and license plates from a vendor.
- TxDMV mismanaged their budget.
- They are going to charge everybody $5 more a year.
- TxDMV is cherry picking the easy work.
- These rules increase the liability to the tax assessor collector.
- TxDMV is trying to shut down small businesses.
- TxDMV doesn’t have statutory authority to print and mail registration stickers.
- Centralized registration mailing will impair customer service.
Authority to Centralize Online Registration Printing and Mailing

- TxDMV has full statutory authority over the registration and titling process
- TxDMV is required to provide services that are reasonable, adequate and efficient
- Intent of statute is to provide citizens equal access to registration services across all counties
- Agency interpretation of its statute is given “serious consideration” by courts of the state
- Various services are already centralized
Existing Centralized Services

- Information Technology Services
  - Registration and Titling System (RTS)
  - Internet Vehicle Title and Registration Service (IVTRS)

- Centralized Printing and Mailing Services
  - Registration Renewal Notices
  - Original Title Issuance

- TxDMV Processed Registration
  - International Registration Plan (IRP)
  - Fleet Registration
  - Forestry Registration
  - NAFTA Permits
  - Token Trailers
Centralized Printing & Mailing Proposal

Customer Processes Renewal Online

Payment processed through WorldPay

RTS Holds Transaction for 0-5 Days

County Verifies Deposit and Reviews Scofflaw Remarks

RTS Automatically Approves (if Not Declined by County)

Funds not Deposited or Scofflaw Present County Declines

Registration sticker file compiled daily by TxDMV & sent electronically to Xerox

Xerox prints registration stickers nightly

Xerox inserts and delivers the registration stickers to USPS (USPS confirms receipt)

Customer Receives Sticker
Customer Service Options

Customer Tracking Portal

Customer enters plate and last 4 of VIN

No Transaction Found
Payment Pending
In Process
Mailed
Returned

Default status
Seen during hold
Xerox prints sticker
USPS confirms receipt of sticker
Undeliverable by USPS – Xerox confirms receipt of sticker

Questions?
Customer may call CRD for assistance
1-888-DMV-GOTX (1-888-368-4689)
Staff Recommendations
License Plate Replacement Cycle

- Some comments also suggested the plate replacement cycle should remain mandatory for various reasons.
- **Staff recommends not amending the rule as proposed due to the small number of license plates statewide reaching the seven-year**

Note: Statute requires motorists to maintain a legible set of license plates.
Even Trades

- The rules as proposed required both parties to physically visit a TAC office to process even trade transaction. Comments received indicate further evaluation of this proposal is warranted.

- Staff recommends removing the even trade requirements of the proposal at this time to evaluate alternative options to address this issue.
The original proposal did not address the processing of Texas International Registration Plan (TxIRP) transactions.

A comment was received noting those transactions need to be addressed in the rule.

Staff recommends addressing TxIRP transactions and requiring the applicant pay the service charge for the payment method selected.
Deputies
Deputy Rule Comments

- Legislators (10)
- Other Elected Officials (25)
- County resolutions (15)
- Individual letters (35)
- Pre-printed forms (552)
- Preprinted postcards (256)
- Signatures on petition (341)
- Businesses and Associations (7)
- Full Service Deputies (11)
Most of the comments to these rules came from full service deputies and their customers. Commenters feel such entities should be compensated more than $5 for registration and $15 for titles to avoid driving them out of business. Counties were also concerned with increased county workloads if such deputies went out of business.

Staff recommends increasing full service deputies’ compensation to a maximum of $10 per registration transaction and $20 per titling transaction.
Several comments suggest TxDMV should not be a party to the contract between full service deputies and their TAC.

Staff recommends requiring an addendum related to RTS access to all county contracts in lieu of making TxDMV a party to the contract.
Dealer Deputy Comments

- Comments indicate the maximum dealer deputy bond amount should be higher and the minimum should be lower to accommodate various dealer structures.

- **Staff recommends increasing the maximum to $5 million (up from $2 million) and retaining the minimum at $100,000. The increase will provide for more flexibility for counties and deputies.**
  - Maintaining the minimum bond amount is necessary to cover the risk of loss to inventory maintained by dealers.
Another comment suggested dealer deputy compensation should be lower than $15 for titles due to the documentary fee.

Staff recommends changing the amount to $10 based on the comments received.
The department received comments that inspection deputies should be removed as counties currently have the authority to deputize an inspection station as a limited service deputy.

Staff recommends removing inspection deputies from the rules.
Performance Quality Recognition Program
Recognition Program Rule

Comments

- Tax Assessor Collector (14)
- Businesses and Associations (1)
Staff Recommendation

Commenters requested that the department allow a TAC with a revoked status be eligible to apply after the next full state fiscal year under the Performance Quality Recognition Program.

Staff concurs and recommends reapplication as requested.
Processing and Handling Fee
P&H Rule Comments Received

- Office of Governor Greg Abbott
- Legislators (8)
- Other Elected Officials (54)
- County resolutions (19)
- Individuals (46)
- Businesses and Associations (5)
- Full Service Deputies (11)
TxDMV Activities Since Proposal

- House Transportation Hearing
- Conference of Urban Counties Meeting
- Further Evaluation of TxDMV Financials (Specialty Plate Program Funding)
  - Approx. $6.8 million
  - This funding equates to an estimated $0.25 per registration transaction
- TACA Conference
- Lt. Governor, Speaker & Legislative Briefings
- Governor Briefing
Governor Abbott’s Request

“Please ensure that these savings will be passed onto the fee-paying customers in the form of a further fee reduction from the current proposal.”
P&H Rule

- Upon further analysis of the TxDMV budget additional funding was identified, reducing the need for a higher P&H fee.

- **Staff recommends lowering the department’s compensation by $.25 and lowering the overall processing and handling fee to $4.75 from the originally proposed $5.00.**
### County and Deputy Compensation Overview

<table>
<thead>
<tr>
<th>Service</th>
<th>%</th>
<th>Current</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>County</td>
<td>Deputy</td>
<td>County</td>
<td>Deputy</td>
<td>County</td>
<td>Deputy</td>
<td>County</td>
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<tr>
<td>Walk-In</td>
<td>64%</td>
<td>$1.90</td>
<td>$ -</td>
<td>$2.30</td>
<td>$ -</td>
<td>$2.30</td>
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</tr>
<tr>
<td>Online (Mail return fee)</td>
<td>18%</td>
<td>$1.90</td>
<td>$ -</td>
<td>$0.25</td>
<td>$ -</td>
<td>$0.25</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Online (Mail return fee)</td>
<td>8%</td>
<td>$1.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Limited Service</td>
<td>5%</td>
<td>$1.90</td>
<td>$1.00</td>
<td>$1.30</td>
<td>$1.00</td>
<td>$1.30</td>
<td>$1.00</td>
<td></td>
</tr>
<tr>
<td>Full Service</td>
<td>4%</td>
<td>$1.90</td>
<td>$5.00</td>
<td>$1.30</td>
<td>$5.00</td>
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<td>$10.00</td>
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<tr>
<td>Dealer</td>
<td>0%</td>
<td>N/A</td>
<td>N/A</td>
<td>$1.30</td>
<td>$1.00</td>
<td>$1.30</td>
<td>$1.00</td>
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<tr>
<td>Inspection</td>
<td>0%</td>
<td>N/A</td>
<td>N/A</td>
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<td>$1.00</td>
<td>$1.30</td>
<td>$1.00</td>
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<tr>
<td>Temporary Permits</td>
<td></td>
<td>$1.90</td>
<td>$0.00</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$4.75</td>
<td>$4.75</td>
<td></td>
</tr>
</tbody>
</table>

1 Compensation assumes discontinuance of plate replacement mailing
2 New compensation for online transactions reflects centralized online processing by TxDMV
3 The entity issuing the temporary permit retains the entire amount of the P&H fee
### TxDMV Compensation (Recommended)

<table>
<thead>
<tr>
<th>Service</th>
<th>%</th>
<th>TxDMV Operations</th>
<th>Automation Funding</th>
<th>Printing and Mailing Vendor</th>
<th>Tx.GOV Payment Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walk-In</td>
<td>64%</td>
<td>$1.95</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Online</td>
<td>18%</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$0.50</td>
<td>$2.00</td>
</tr>
<tr>
<td>Mail</td>
<td>8%</td>
<td>$1.95</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Limited Service</td>
<td>5%</td>
<td>$1.95</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Full Service</td>
<td>4%</td>
<td>$1.95</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Dealer</td>
<td>0%</td>
<td>$1.95</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Temporary Permits</td>
<td></td>
<td>$4.25</td>
<td>$0.50</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
“Our primary interest is in keeping this fee structure as low for customers as possible, and rewarding customers who utilize the most cost efficient vehicle registration method offered – online renewals.”

- Office of Governor Greg Abbott
The purpose of the proposed rules are to create efficiencies, drive down costs, utilize more modernized processes and most importantly provide better service to the citizens of Texas.