

Rules Briefing

June 27, 2016



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

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



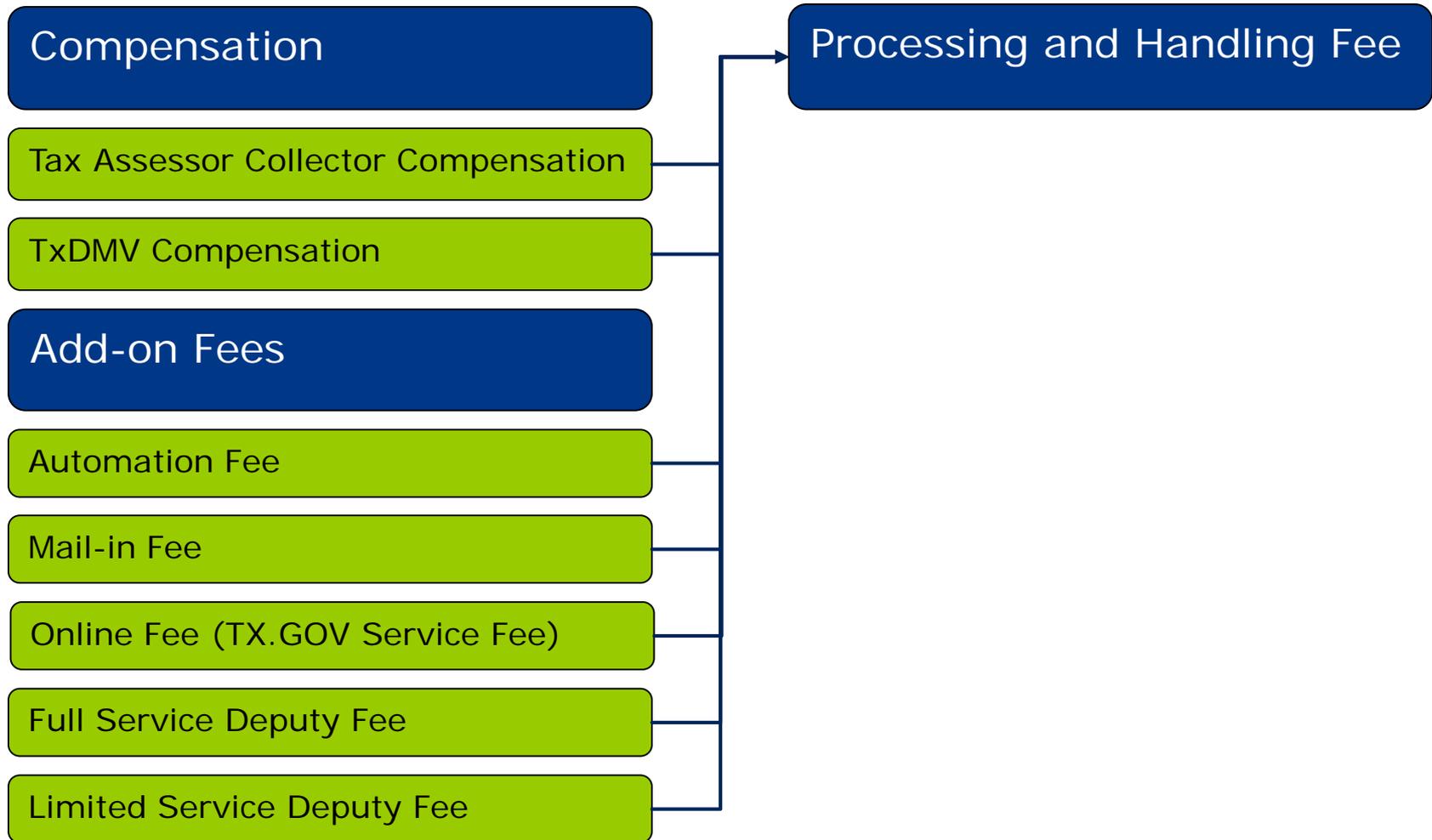
- Highway Funds
- County Compensation

HB 2202



- Highway Funds
- County Compensation

Processing and Handling Fee Consolidates Various Fees and Compensation



Misinformation About the Rules

TxDMV will be issuing all registration and license plates from a vendor

TxDMV mismanaged their budget

TxDMV is cherry picking the easy work

TxDMV is trying to shut down small businesses

They are going to charge everybody \$5 more a year

These rules increase the liability to the tax assessor collector

TxDMV doesn't have statutory authority to print and mail registration stickers

Centralized registration mailing will impair customer service

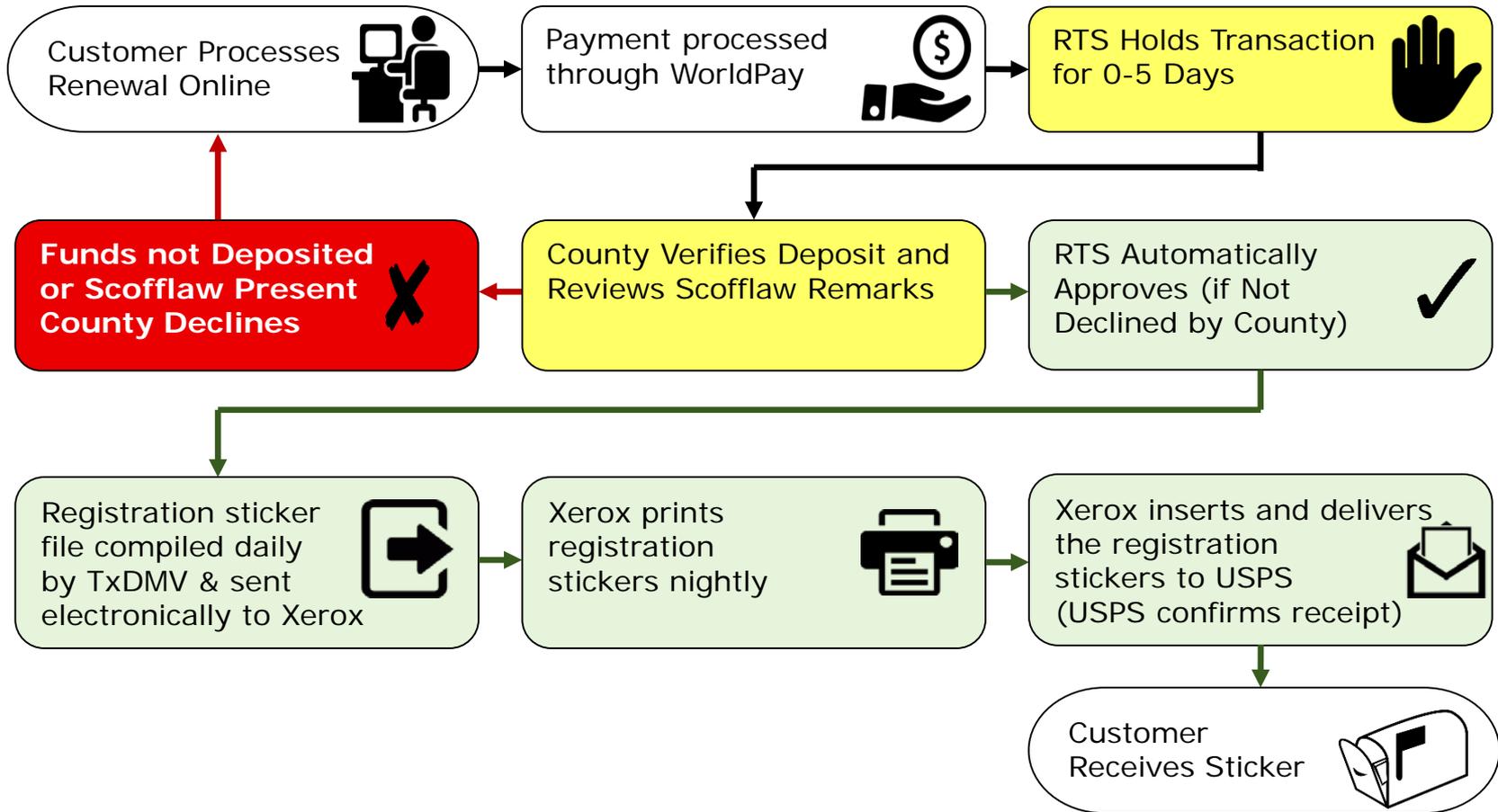
Authority to Centralize Online Registration Printing and Mailing

- ❑ 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

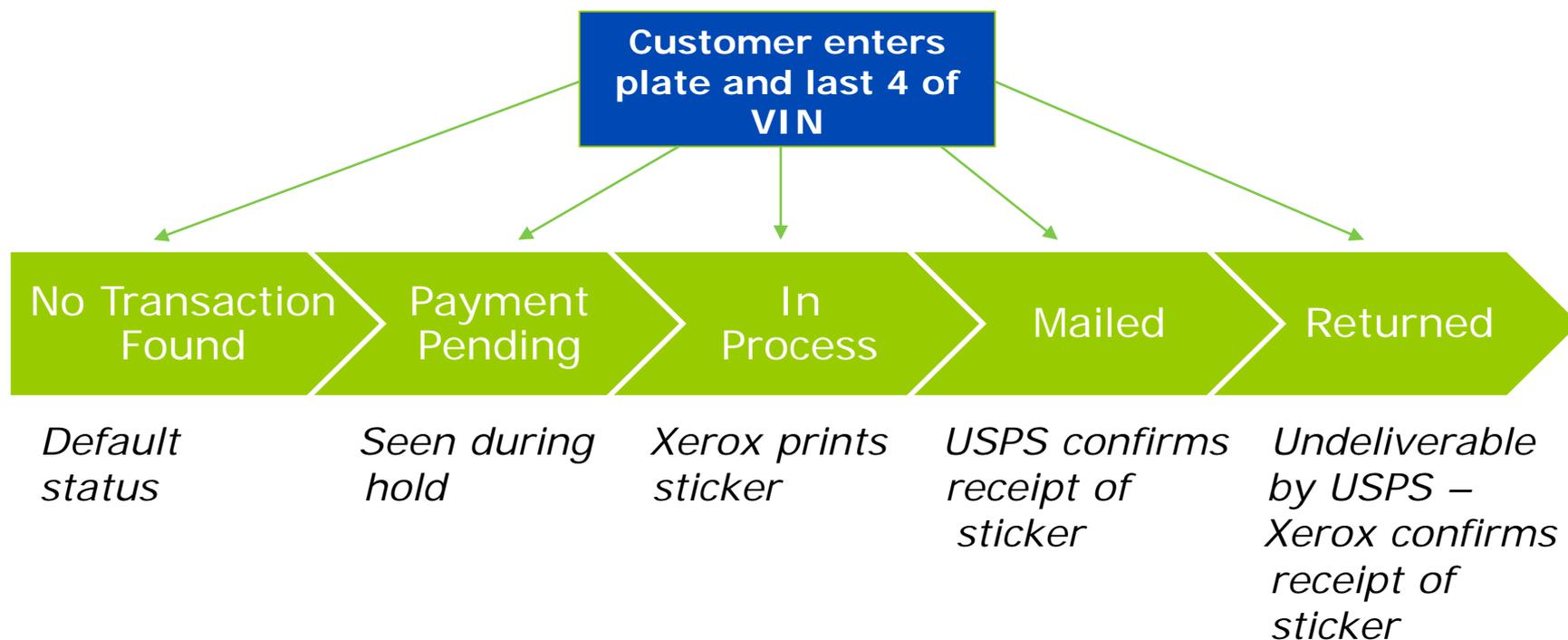
- Information Technology Services
 - Registration and Titling System (RTS)
 - Internet Vehicle Title and Registration Service (IVTRS)
- Centralized Printing and Mailing Services
 - Registration Renewal Notices
 - Original Title Issuance
- TxDMV Processed Registration
 - International Registration Plan (IRP)
 - Fleet Registration
 - Forestry Registration
 - NAFTA Permits
 - Token Trailers

Centralized Printing & Mailing Proposal



Customer Service Options

Customer Tracking Portal



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.**

TxIRP

- ❑ 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)

Full Service Deputy Comments

- ❑ 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.**

Full Service Deputy Comments (cont)

- ▣ 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.

Dealer Deputy Comment (cont)

- 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.**

Inspection Deputy Comments

- ❑ 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

	%	Current		April 7, 2016 Proposal		Staff Recommendation	
		County	Deputy	County ²	Deputy	County ²	Deputy
Walk-In	64%	\$ 1.90	\$ -	\$ 2.30	\$ -	\$ 2.30	\$ -
Online	18%	\$ 1.90	\$ -	\$ 0.25	\$ -	\$ 0.25	\$ -
(Mail return fee)		\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ -
Mail	8%	\$ 1.90	\$ -	\$ 2.30	\$ -	\$ 2.30	\$ -
(Mail return fee)		\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Service	5%	\$ 1.90	\$ 1.00	\$ 1.30	\$ 1.00	\$ 1.30	\$ 1.00
Full Service	4%	\$ 1.90	\$ 5.00	\$ 1.30	\$ 5.00	\$ 1.30	\$ 10.00
Dealer	0%	N/A	N/A	\$ 1.30	\$ 1.00	\$ 1.30	\$ 1.00
Inspection	0%	N/A	N/A	\$ 1.30	\$ 1.00		
Temporary Permits		\$ 1.90	\$ 0.00	\$ 5.00 ³	\$ 5.00 ³	\$ 4.75 ³	\$ 4.75 ³

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)

	%	TxDMV Operations	Automation Funding	Printing and Mailing Vendor	Tx.GOV Payment Processing
Walk-In	64%	\$ 1.95	\$ 0.50	\$ -	\$ -
Online	18%	\$ 0.50	\$ 0.50	\$ 0.50	\$ 2.00
Mail	8%	\$ 1.95	\$ 0.50	\$ -	\$ -
Limited Service	5%	\$ 1.95	\$ 0.50	\$ -	\$ -
Full Service	4%	\$ 1.95	\$ 0.50	\$ -	\$ -
Dealer	0%	\$ 1.95	\$ 0.50	\$ -	\$ -
Temporary Permits		\$ 4.25	\$ 0.50	\$ -	\$ -

“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

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