

Board Meeting Agenda Book



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

April 12, 2018

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, APRIL 12, 2018
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.

Page

- 1. Roll Call and Establishment of Quorum**
- 2. Pledge of Allegiance**
- 3. Chair's Reports** - Chairman Raymond Palacios
- 4. Executive Director's Reports** - Whitney Brewster
 - A. Sunset Review Status Update
 - 4** B. [Introduction of Chief Information Officer, Mike Higginbotham](#)
 - C. Legislative Budget Board Action on ABTPA Carry Forward Unexpended Balance Authority
 - 5** D. [Awards, Recognition of Years of Service, and Announcements](#)

BRIEFINGS AND ACTION ITEMS

- 5. Finance and Audit**
 - 6** A. [FY 2018 Quarterly Financial Report](#) - Linda M. Flores and Renita Bankhead (BRIEFING ONLY)
 - 17** B. [Internal Audit Update](#) - Sandra Menjivar-Suddeath (BRIEFING ONLY)
- 6. Legislative and Public Affairs** - Caroline Love (BRIEFING ONLY)
 - 30** A. [85th Legislative Implementation Update](#)
 - 31** B. [Looking Ahead: 86th Legislature](#)
- 7. Projects and Operations**
 - 44** A. [Enterprise Projects Update, including Delegation of Signature Authority to the Executive Director for Execution of Call Center Contract](#) - Judy Sandberg
 - 59** B. [Progress Report on Operations of Compliance and Investigations Division](#) - Tim Menke (BRIEFING ONLY)
- 62** **8. [Assembled Vehicles Workgroup Update](#)** - Jeremiah Kuntz (BRIEFING ONLY)

- 63 9. **Specialty Plate Designs** - Jeremiah Kuntz
- A. Monarch Butterfly (New Vendor Plate)
 - B. Texas State Rifle Association (Vendor Plate Crossover)
 - C. Prairie View A&M University (Vendor Plate Redesign)
 - D. RE/MAX (Vendor Plate Redesign)

RULES - PROPOSAL

10. **Chapter 217, Vehicle Titles and Registration** - Jeremiah Kuntz
Amendments, §217.27
69 [\(Relating to clarifying requirements and procedures for the approval or denial of personalized license plates\)](#)

11. **Chapter 215, Motor Vehicle Distribution** - Corrie Thompson
Amendments, §215.85
82 [\(Relating to used motor vehicle referral fees\)](#)

12. **Chapter 219, Oversize and Overweight Vehicles and Loads** - Jimmy Archer
Amendments, §§219.60-219.64
90 [\(Relating to authorizing travel with properly secured equipment, authorizing travel during daylight and at nighttime, making rule language consistent with current practice or policy, and cleaning up rule language\)](#)

EXECUTIVE SESSION

13. **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.

14. Action Items from Executive Session

15. Public Comment

16. 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 Carrie Fortner by telephone at (512) 465-3044.

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.

Mike Higginbotham
Division Director
Information Technology Services Division
Texas Department of Motor Vehicles



Mike Higginbotham currently serves as the Chief Information Officer of the Texas Department of Motor Vehicles (TxDMV). In this role, he oversees the Information Technology Services Division (ITSD) consisting of 92 employees and additional contract staff, providing information technology services and support for all agency staff, as well as maintenance and support of the TxDMV's major systems and technologies. This is a key position within our agency as we continue to enhance our technology infrastructure and transform the way we do business and serve our customers.

Mike has 20 years of technology and customer service experience. Previously, Mike served as Corporate Vice President and Chief Information Officer for the long term care division of New York Life Insurance Company (NYL). Other positions at NYL's long term care operation include head of customer service, program manager, enterprise architect, application development manager and senior programmer. Before NYL, he worked as a senior programmer for Computer Sciences Corporation.

Mike was born and raised in Austin, TX, and earned his bachelor's degree in Computer Information Systems from Texas State University.



DATE: April 12, 2018

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Whitney Brewster, Executive Director
Agenda Item: 4.D.
Subject: Executive Director's Reports – Recognition of Years of Service

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 April 12, 2018 Board meeting for retirements and state service awards include:

Claudette Otis-Watkins in Motor Carrier Division reached 20 years of state service.
Connie Green in Finance and Administrative Services Division reached 20 years of state service.
Valerie Luna in Human Resources Division reached 20 years of state service.
Richard Arevalo in Vehicle Titles & Registration Division reached 20 years of state service.
Tom Shindell in Innovation Strategic Planning reached 25 years of state service.
DuWayne Murdock in Motor Carrier Division reached 30 years of state service.
Judy Sandberg in Enterprise Project Management Division reached 40 years of state service.

Finally, the following individuals recently retired from the agency:

Jesse Barrera – Information Technology Service Division
Lois Johnson - Motor Carrier Division

DATE: April 12, 2018

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Linda M. Flores, CPA, Chief Financial Officer
Agenda Item: 5.A.
Subject: 2018 Quarterly Financial Report

RECOMMENDATION

The attached Financial Summary reflects revenues and expenditures for the Texas Department of Motor Vehicles (TxDMV) through the second quarter ending February 28, 2018.

PURPOSE AND EXECUTIVE SUMMARY

TxDMV Fund fee collections as of the end of the second quarter were \$75,542,079, which exceeded projections by 1.9%. Expenses for the same period totaled approximately \$55.1 million with salaries, contract services, and postage constituting the majority of the expenditures. The ending balance at the end of the second quarter was \$67.5 million, which includes a beginning balance of 41.5 million.

Collections for all revenues (including Fund 0006) were also in excess of projections by 4.2%.

The agency completed the first half of the year without any major cost overruns or unanticipated expenditures. Revenue collections were close to projections without any unanticipated fluctuations.

FINANCIAL IMPACT

The department continues to be funded with the TxDMV Fund with the exception of the Automobile Burglary and Theft Prevention Authority (ABTPA), which is funded from General Revenue. FY 2018 is the first full year of collections of the Processing and Handling (P & H) fee.

BACKGROUND AND DISCUSSION

TxDMV Fund Status

As of February 28, 2018 collections for the TxDMV Fund totaled \$81,081,014 consisting of \$75,542,079 in fee collections plus \$5,538,935 in collections for payments of fees for credit cards and Texas.gov. Revenue collections in the majority of categories were higher than projected; however, title revenue and registration revenue were slightly below projections. FY 2018 oversize/overweight deposits to the TxDMV Fund were 8.3% above projections, as more than the expected number of permits were issued in the rebounding oil-price environment.

- Year-to-date revenue collections for the P&H fee were above projections at \$26.6 million.

Obligations to the TxDMV Fund for the same period include \$43.6 million in operating expenses, plus \$5.9 million in obligations for fringe benefits and \$5.5 million for convenience and Texas.gov fees. The inclusion of the Fiscal Year 2018 beginning balance of \$41.5 million results in a net cash balance of \$67.5 million at February 28, 2018.

My Plates Status

As of February 28, 2018, General Revenue collections for the new MyPlates contract exceeded \$37 million, of which approximately \$18.2 million deposited to General Revenue that counts toward the \$15 million guarantee. The \$15 million General Revenue guarantee was met in August 2017.



Overall Revenues

Through the second quarter, collections for all revenues ended 10.4% over the previous year. The major drivers for higher revenue collections were in titles, motor vehicle registrations, oversized/overweight revenue, dealer licenses, interest earnings and Processing & Handling fees. FY 2018 motor carrier credentialing revenue continues to be down from FY 2017 due to delayed payments from motor carriers for Unified Carrier Registration (UCR) annual fees. The UCR board finalized and published the current fee structure three months later than in previous years. Now that the fee amounts have been revised, motor carriers have been given 90 days from early January to pay fees that were owed. TxDMV expects such fees will be paid in full by the third quarter.

Expenditures

Overall year-to-date expenditures through February 28, 2018 totaled \$48,858,226. Significant expenditure categories continue to include salaries, contract services for plate production, printing costs for Vehicles, Titles, and Registration (VTR) forms, postage, and Data Center Services (DCS) costs. Included in the year-to-date expenditures is approximately \$2,250,163 for contract payments to the MyPlates vendor. Contract payments to the MyPlates vendor are contingent upon revenues collected. As of the end of the second quarter, MyPlates TxDMV Fund revenues totaled \$2,302,567.

Included in the overall expenditure total are capital appropriation expenditures of approximately \$7.5 million. A major expenditure of \$2.9 million is associated with Data Center Services (DCS) costs. Automation expenditures total approximately \$3.5 million for the second quarter, primarily for project costs in RTS Refactoring.



Texas Department *of* Motor Vehicles

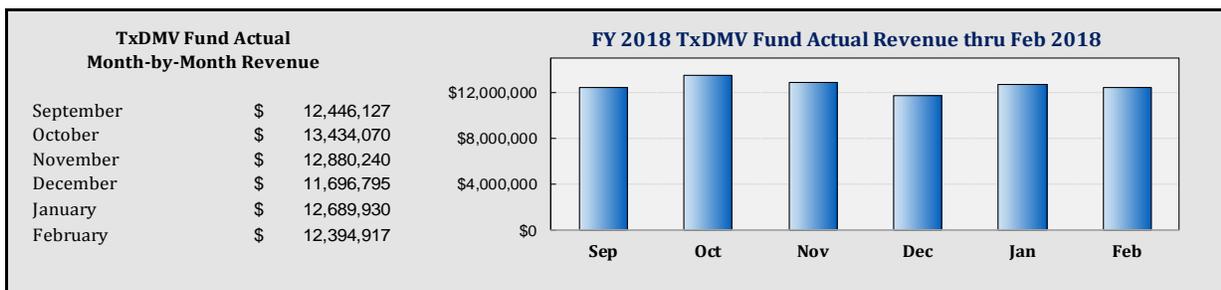
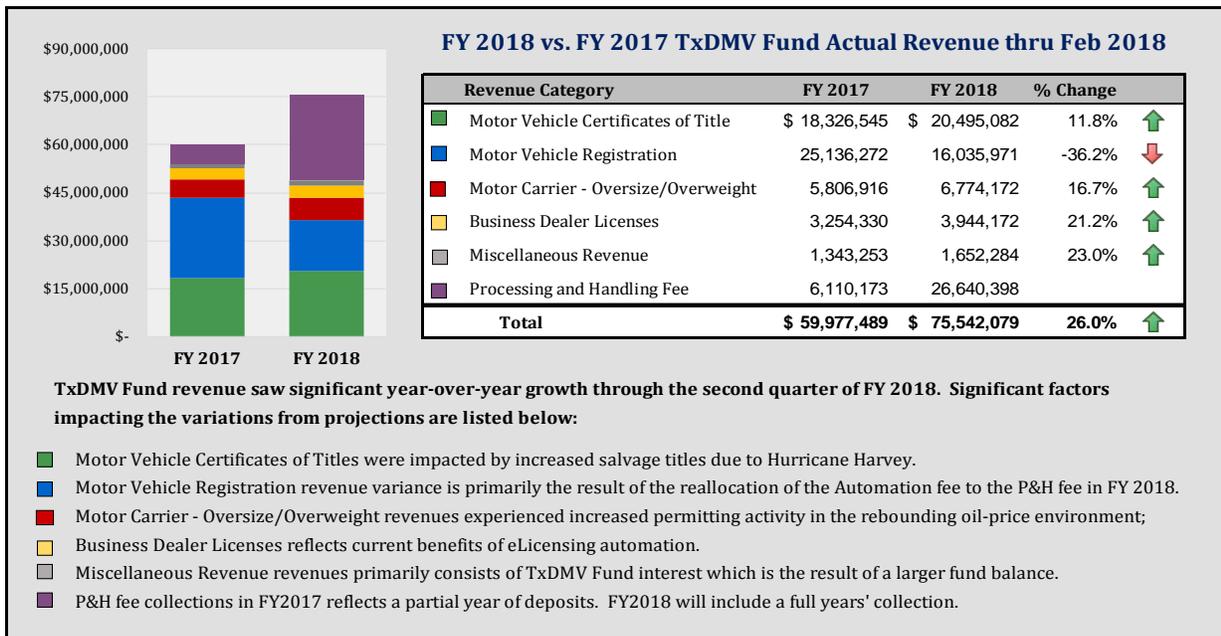
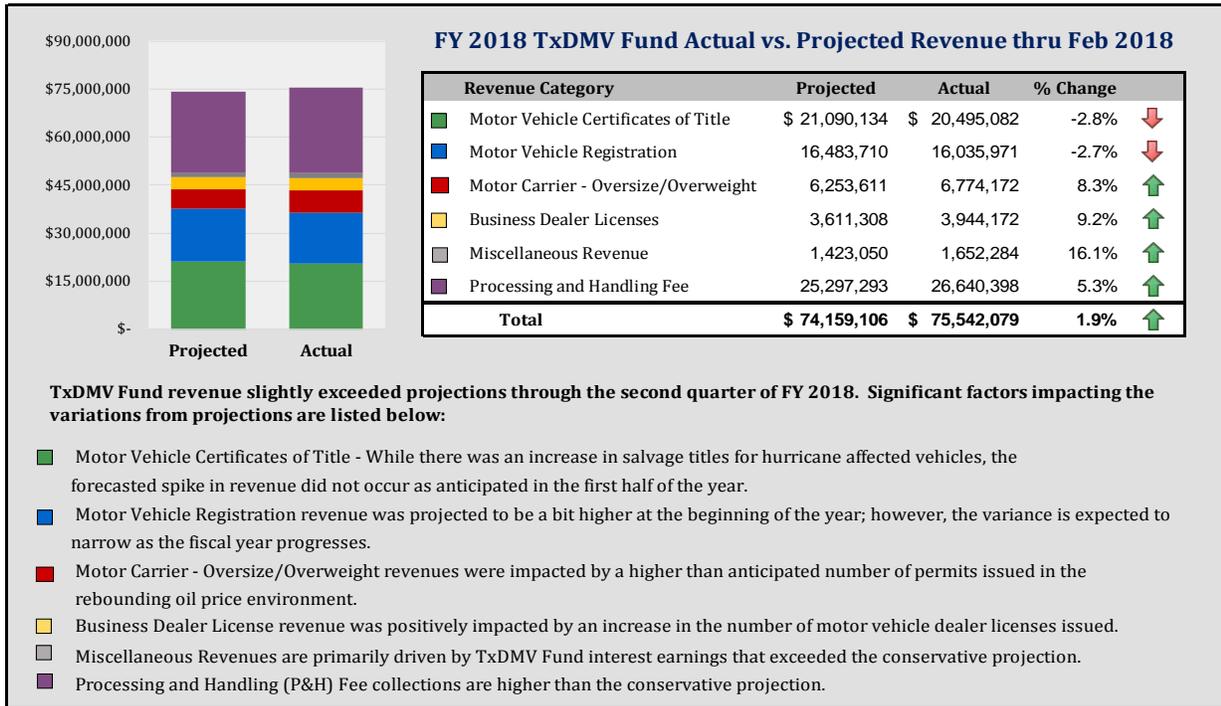
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FY 2018 Financial Summary for the 2nd Quarter ending February 28, 2018

Finance and Administrative Services Division

April 12, 2018

TxDMV Fund Highlights



TxDMV Fund Highlights

FY 2018 TxDMV Fund Revenue Collections vs. Expenditures/Obligations thru Feb 2018

FY 2018 Beginning Balance: **\$ 41,506,996**

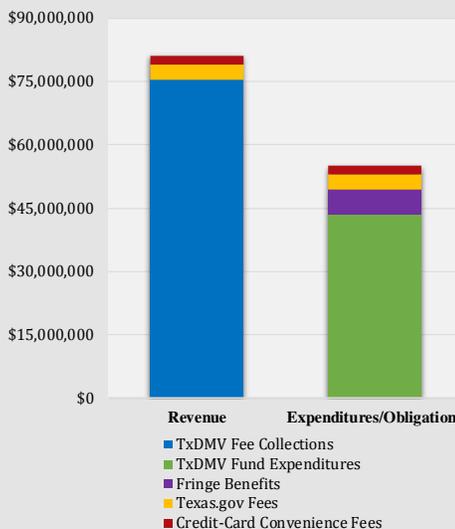
Revenue:

| | |
|-------------------------------------|----------------------|
| Motor Vehicle Certificates of Title | \$ 20,495,082 |
| Motor Vehicle Registration | 16,035,971 |
| Motor Carrier - Oversize/Overweight | 6,774,172 |
| Business Dealer Licenses | 3,944,172 |
| Miscellaneous Revenue | 1,652,284 |
| Processing and Handling Fee | 26,640,398 |
| Total Fee Collections | \$ 75,542,079 |
| Texas.gov Fees | 3,515,084 |
| Credit-Card Convenience Fees | 2,023,851 |
| Total Revenue | \$ 81,081,014 |

Expenditures/Obligations:

| | |
|------------------------------|----------------------|
| TxDMV Fund Expenditures | \$ 43,637,328 |
| Fringe Benefits | 5,899,981 |
| Texas.gov Fees | 3,515,084 |
| Credit-Card Convenience Fees | 2,023,851 |
| Total | \$ 55,076,244 |

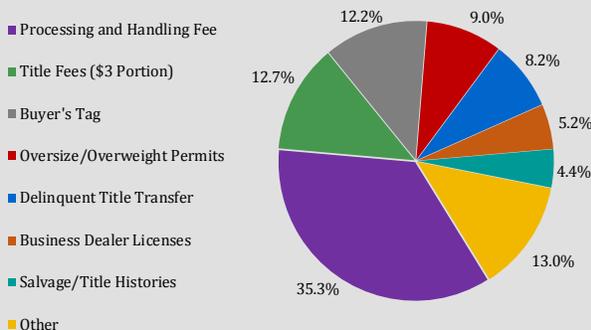
Ending Balance - Feb 2018: **\$ 67,511,766**



The \$81.1 million of year-to-date revenue primarily consists of \$75.5 million in TxDMV Fund fee collections. Texas.gov fees and credit-card convenience fees are also included.

Year-to-date expenditures total \$55.1 million. (At the end of the second quarter there was a fund balance of \$67.5 million. This figure includes the FY 2018 beginning fund balance of \$41.5 million.)

FY 2018 TxDMV Fund Actual Revenue by Fee thru Feb 2018



Total Deposits thru Feb 2018: \$75,542,079

Top TxDMV Fund Fees

| Fee | Revenue | % of Total |
|-----------------------------|---------------|------------|
| Processing and Handling Fee | \$ 26,640,398 | 35.3% |
| Title Fees (\$3 Portion) | 9,574,451 | 12.7% |
| Buyer's Tag | 9,250,763 | 12.2% |
| Oversize/Overweight Permits | 6,774,172 | 9.0% |
| Delinquent Title Transfer | 6,164,240 | 8.2% |
| Business Dealer Licenses | 3,944,172 | 5.2% |
| Salvage/Title Histories | 3,349,391 | 4.4% |
| Other Sources | 9,844,492 | 13.0% |

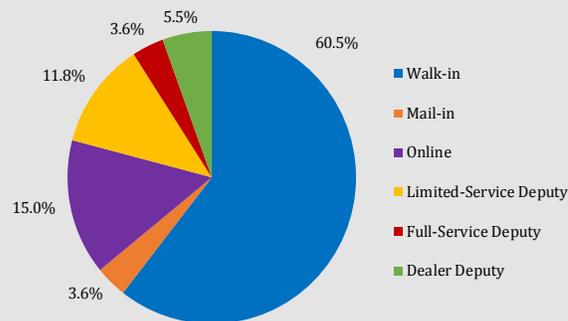
Processing and Handling Fee



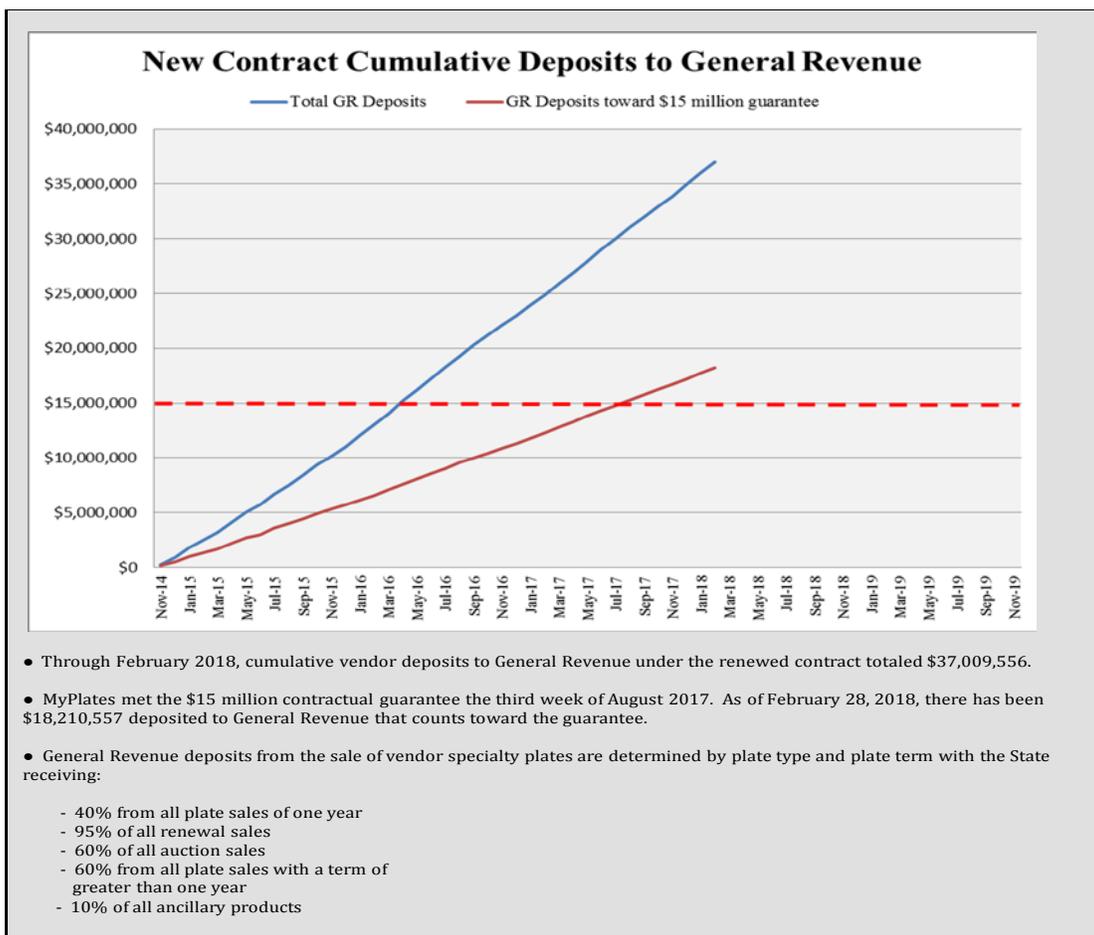
FY 2018 P&H Fee Revenue thru Feb 2018: \$26,640,398

- The processing and handling fee was implemented in January 2017. FY 2018 P&H fee revenue made up 35.3% of TxDMV Fund collections through the second quarter of FY 2018.
- Year-to-date FY 2018 P&H fee revenue was 5.3% above projections. This is primarily due to a higher-than-expected number of vehicle registration transactions.
- FY 2018 year-to-date, an average of \$2.31 per annual registration transaction has been deposited to the TxDMV Fund (this excludes Texas.gov fees). For online annual registrations, \$1.50 per transaction is deposited to the TxDMV Fund. For all other annual registration transaction types, \$2.45 is deposited to the TxDMV Fund.

P&H Fee Transaction Mix



My Plates Revenue



Revenue Collections - All Funds*

FY 2018 vs. FY 2017 Actual Revenue - All Funds* thru Feb 2018

| Revenue Category | FY 2017 | FY 2018 | % Change | |
|-------------------------------------|-----------------------|-----------------------|--------------|----------|
| Motor Vehicle Certificates of Title | \$ 38,709,014 | \$ 42,172,207 | 8.9% | ↑ |
| Motor Vehicle Registration | 643,730,843 | 689,804,015 | 7.2% | ↑ |
| Motor Carrier - Oversize/Overweight | 71,484,837 | 81,714,288 | 14.3% | ↑ |
| Motor Carrier Credentialing | 4,046,130 | 2,660,337 | -34.2% | ↓ |
| Business Dealer Licenses | 3,254,330 | 3,944,172 | 21.2% | ↑ |
| Miscellaneous Revenue | 3,371,250 | 3,569,198 | 5.9% | ↑ |
| Processing and Handling Fee | 6,110,173 | 26,640,398 | | |
| Total | \$ 770,706,577 | \$ 850,504,614 | 10.4% | ↑ |

Significant factors impacting the variations from FY2017 actuals are listed below:

- Motor Vehicle Certificates of Titles were impacted by increased salvage titles due to Hurricane Harvey.
- Motor Vehicle Registration - Increased deposits to the State Highway Fund are the result of county commissions now paid from the P&H fee instead of registration fees.
- Motor Carrier-Oversize/Overweight experienced increased permitting activity in the rebounding oil-price environment.
- Motor Carrier Credentialing - Delayed annual Unified Carrier Registration (UCR) payments (catch-up is expected in the third quarter).
- Business Dealer Licenses reflects current benefits of eLicensing automation.
- Miscellaneous Revenue revenues primarily consists of interest to the TxDMV Fund which is the result of a larger fund balance.
- P&H fee collections in FY2017 reflects a partial year of deposits. FY2018 will include a full years' collection.

* All funds revenue consists of revenue collected by the department that is deposited to the General Revenue Fund, State Highway Fund and TxDMV Fund.

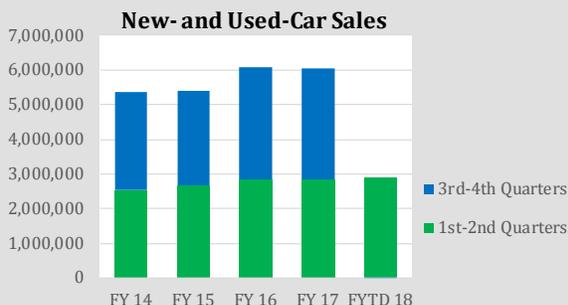
Revenue by Category

Motor Vehicle Certificates of Title



FY 2018 Title Revenue thru Feb 2018: \$42,172,207

- Year-to-date FY 2018, 5.0% of revenue collections were from motor vehicle certificates of title transactions. The \$42,172,207 collected was deposited as follows: \$17,277,411 (41.0%) to the General Revenue Fund; \$4,399,714 (10.4%) to the State Highway Fund; and \$20,495,082 (48.6%) to the TxDMV Fund.
- Year-to-date title revenue was 8.9% above FY 2017 collections, and 1.5% above FY 2018 projections.
- Strong vehicle sales continued through the second quarter of FY 2018. Total dealer sales (new and used) were 2,905,740 units, 2.1% higher than FY 2017 sales through the second quarter. Average annual sales from FY 2014 to FY 2017 were 5,718,308 units.



Motor Vehicle Registration



FY 2018 Registration Revenue thru Feb 2018: \$689,804,015

- Year-to-date FY 2018, 81.1% of revenue collections were from motor vehicle registration fees. Of the \$689,804,015 collected, \$666,330,514 (96.6%) was deposited to the State Highway Fund.
- Year-to-date registration revenue was 7.2% above FY 2017 collections, and 4.7% above FY 2018 projections.
- As of February 28, 2018, there were 24,348,696 (non-exempt) registered vehicles in Texas. This is a 1.6% increase from the 23,961,826 registered vehicles in February 2017.

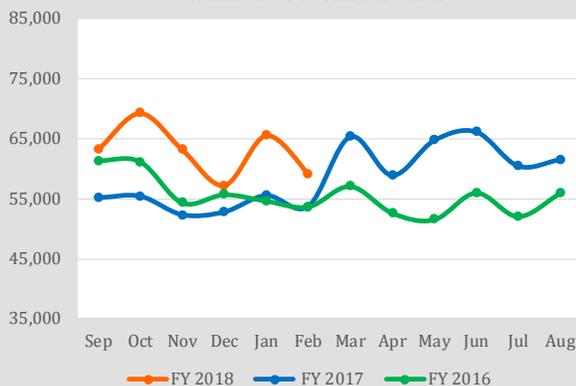
Number of Currently Registered Vehicles



Motor Carrier - Oversize/Overweight



Number of Permits Issued

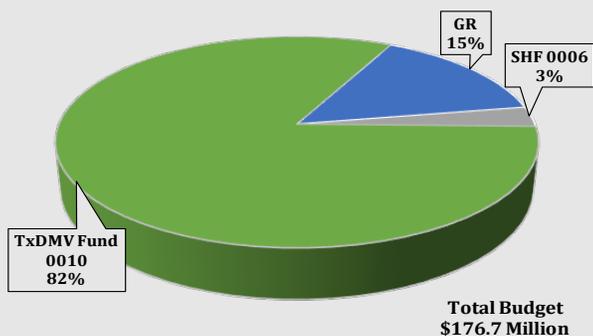


FY 2018 Oversize/Overweight Revenue thru Feb 2018: \$81,714,288

- Year-to-date FY 2018, 9.6% of revenue collections were from motor carrier oversize/overweight permit fees. The \$81,714,288 collected was deposited as follows: \$22,793,035 (27.9%) to the General Revenue Fund; \$52,147,080 (63.8%) to the State Highway Fund; and \$6,774,172 (8.3%) to the TxDMV Fund.
- Year-to-date oversize/overweight revenue was 14.3% above FY 2017 collections, and 4.3% above FY 2018 projections.
- 377,323 oversize/overweight permits have been issued FY 2018 year-to-date, a 16.2% increase over year-to-date FY 2017.

Operating Budget Status

TxDMV Revised Operating Budget By Fund

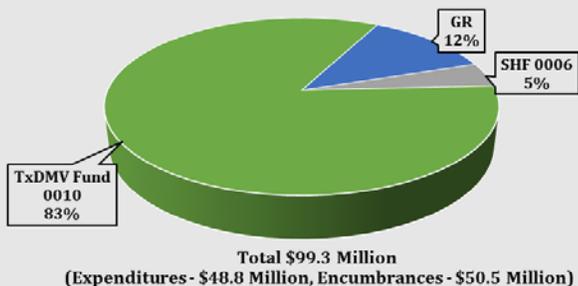


The Fiscal Year (FY) 2018 adjusted budget as of February 28, 2018 was \$176.7 million. The increase of \$5.3 million over the revised 1st Quarter budget of \$171.4 million consists of the final carryforward of unexpended balances in Automation for RTS Refactoring.

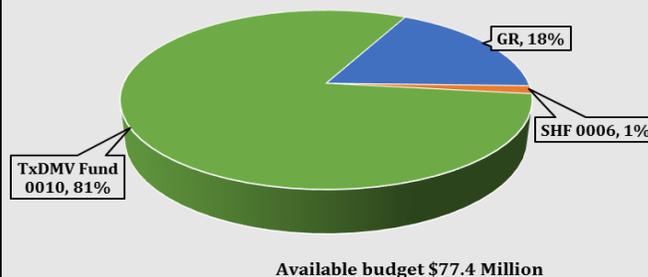
The TxDMV budget by method of finance is reflected in the revised budget shown at left. The GR portion of the budget increased by 3% from the first quarter. The change is the result of additional GR carryforward in Automation. The percentage of State Highway Fund 0006 (SHF 0006) amounts are unchanged from the first quarter.

The two pie charts below show department expenditures/encumbrances and remaining budget amounts by fund as of the end of the second quarter.

TxDMV 2nd Quarter Expenditures/Encumbrances By Fund

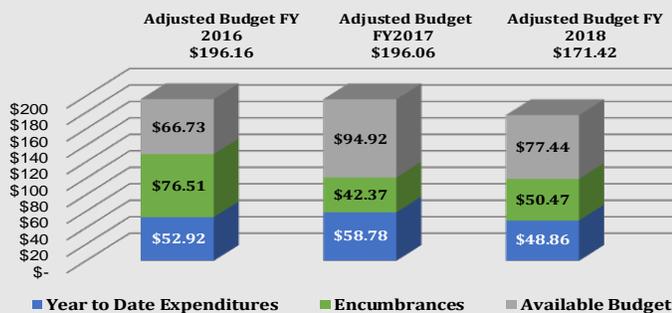


TxDMV 2nd Quarter Available Budget By Fund



Second quarter expenditures are at expected levels compared to this time period in fiscal years 2016 and 2017. Prior year budgets were higher due to funding for capital projects, especially in FY2016 which contains higher front loaded Automation appropriation, and the inclusion of unexpended balances for Automation. A significant contributing factor in the lower FY2018 budget is the drop in capital appropriations for capital, primarily Automation. Expenditures in FY2017 were higher in operating categories related to plate production (Contract Services), Postage and Professional Fees associated with capital projects.

TxDMV Budget Prior Year Comparisons
in millions



2nd Quarter FTE Status



Vacancies have decreased from 95 reported at the end of the first quarter to 72 as of February 28, 2018. The number of vacancies remains higher than the same period in FY2017 (45 vacancies) reflecting the lingering impact of the FY2017 hiring freeze.

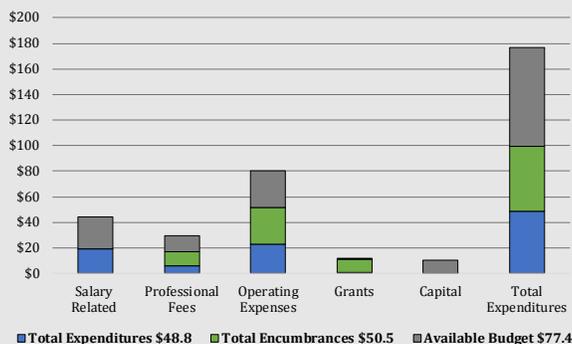
At the end of the second quarter staff began the Mid-Year review process. The Mid-Year review is an estimate of anticipated year end balances available to be reallocated to address agency needs. A preliminary list of requests has been developed and budget staff are in the process of developing recommendations.

FY 2018 Financial Status Highlights for the Period Ending February 28, 2018

Operating Budget Status

FY 2018 TxDMV 2nd Quarter Budget Status by Category

| Budget Category | Revised Budget | Expenditures | Encumbrances | Available Budget |
|---|-----------------------|----------------------|----------------------|----------------------|
| Salary Related | \$ 43,993,127 | \$ 19,067,384 | \$ - | \$ 24,925,743 |
| Professional Fees | 29,769,390 | 5,901,163 | 11,192,571 | 12,675,656 |
| Operating Expenses | | | | |
| Rent/Utilities | \$ 7,238,565 | \$ 2,038,298 | \$ 874,445 | \$ 4,325,822 |
| Contract Services and Services | 35,359,709 | 10,507,990 | 13,868,338 | 10,983,381 |
| Computer Equipment/Software and Maintenance & Repair | 9,844,392 | 3,359,666 | 2,426,382 | 4,058,345 |
| Freight, Postage, Reproduction & Printing | 15,524,817 | 4,209,230 | 10,160,333 | 1,155,253 |
| Advertising, Travel, Memberships/ Training, Fuel/ Consumables | 6,910,030 | 3,113,730 | 860,015 | 2,949,009 |
| Other Expenses | 5,705,187 | 73,417 | 89,759 | 5,542,011 |
| Operating Expenses (Subtotal) | \$ 80,582,700 | \$ 23,302,330 | \$ 28,279,273 | \$ 29,013,822 |
| Grants | \$ 12,293,618 | \$ 576,624 | \$ 10,596,994 | \$ 1,120,000 |
| Capital | 10,128,448 | 10,727 | 400,491 | 9,717,230 |
| Total Expenditures | \$ 176,767,282 | \$ 48,858,226 | \$ 50,469,329 | \$ 77,452,452 |



Year to date expenditures through February 2018 for all funds total \$48,858,226. Salaries (\$19.1 million) is a major expenditure category along with professional fees and operating expenses which includes expenditures for Huntsville license plates (in Contract Services), postage and reproduction and printing for renewal notices. The Other Expenses budget primarily consists of Bull Creek carryforward, funding for the Agencywide contingency and HQ maintenance contingencies. Encumbrances include obligations for Data Center Services, ABTPA grants, and license plate/registration material production.

The bar charts below show detail for expenditures/encumbrances for Professional Fees, Freight, Postage, and Reproduction/Printing.

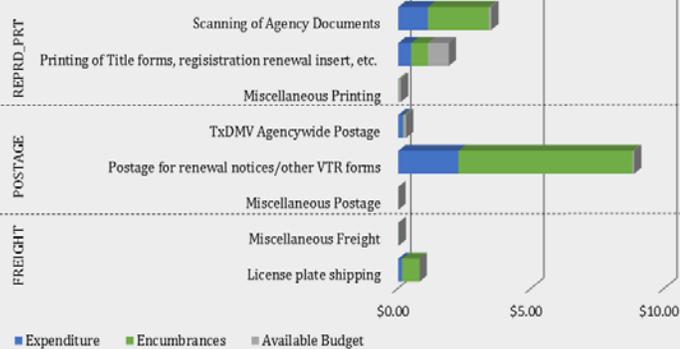
2nd Quarter Budget Status
Detail for Professional Fees Expenditures, Encumbrances and Available Budget
in millions



The majority of expenditures and encumbrances in the Professional Fees category for the first half of the year were associated with the contract for Data Center Consolidation (DCS) Services. It is estimated that there will be sufficient budget to support expenditure and encumbrances associated with DCS. Another major expenditure/encumbrance category continues to be the Automation project, specifically costs associated with the Registration and Titling System (RTS) Refactoring project.

The Miscellaneous category consists of smaller contracts for temporary services, and other services.

2nd Quarter Budget Status
Detail for Freight, Postage, Reproduction & Printing
(in millions)



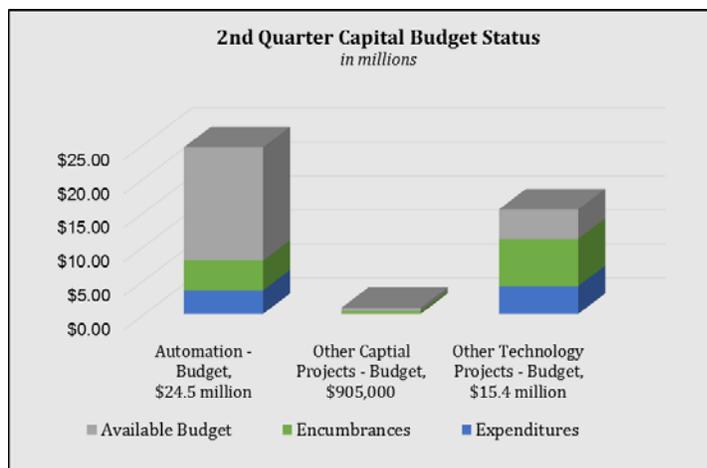
The bar chart at left primarily consists of obligations related to one of the department's core missions, i.e., registration and titling of motor vehicles.

The Reproduction and Printing (Reprd_Prt) category, primarily consists of funding to image department documents for approximately \$3.5 million.

The Postage category includes \$9 million in funding to mail renewal notices and other vehicle registration/titling forms. As part of the Mid-Year process an analysis of this category will determine if additional funding for this function will be needed for the remainder of the year.

Capital Budget Status

| | Revised Budget | Expenditures | Encumbrances | Available Budget |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------|
| Other Capital Projects | | | | |
| Agency Vehicles | \$ 500,000 | \$ - | \$ 324,207 | \$ 175,793 |
| CID Vehicles | 100,000 | - | 76,284 | 23,716 |
| TxDMV HQ Security/Badge System | 305,000 | - | - | 305,000 |
| Total Other Capital Projects | \$ 905,000 | \$ - | \$ 400,491 | \$ 504,509 |
| Automation | \$ 24,504,427 | \$ 3,463,608 | \$ 4,378,760 | \$ 16,662,059 |
| Other Technology Projects | | | | |
| Agy Growth & Enhancement | \$ 808,998 | \$ 452,345 | \$ 232,912 | \$ 123,741 |
| County Technology Replacement | 5,000,000 | 681,070 | 563,588 | 3,755,342 |
| Cybersecurity Initiative | 400,000 | - | 49,442 | 350,558 |
| Data Center Consolidation | 9,076,261 | 2,957,770 | 6,118,491 | - |
| PC Replacement | 102,295 | - | - | 102,295 |
| Other Technology Projects | \$ 15,387,554 | \$ 4,091,185 | \$ 6,964,433 | \$ 4,331,936 |
| Grand Total | \$ 40,796,981 | \$ 7,554,793 | \$ 11,743,684 | \$ 21,498,504 |



The FY2018 adjusted capital budget is \$40.8 million, an increase of \$5.3 million over the first quarter adjusted budget of \$35.5 million. The increase reflects the carryforward of unspent contract balances for the RTS project.

Year to date capital budget expenditures total \$7.5 million. The majority of capital expenditures continues to be associated with Automation projects and the Data Center Consolidation contract. Encumbrances total \$11.7 and primarily consists of obligations for the RTS Refactoring project and the Data Center Consolidation line item.

Highlights for New Capital Budget Projects

The following is a status of capital projects approved during the 85th Legislative session:

Agency and Compliance and Investigations Division (CID) Vehicles – Final specifications based on available contracts were finalized in February 2018. The total encumbered amount as of February 28, 2018 is \$324,207 and includes funds for four new vehicles for CID.

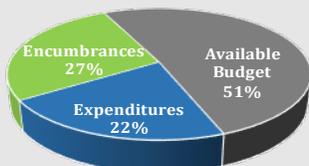
Cybersecurity – Security initiatives under development include email security enhancements, acquisition of a managed security services provider (MSSP), malware remediation services, and network security enhancements. These represent initial activities in the overall cybersecurity plan.

TxDMV HQ Badge and Security – This project is on hold until TxDMV and TxDOT collaborate on security plans for the campus.

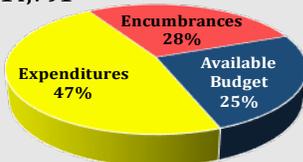
Automation Projects

Major Automation Projects

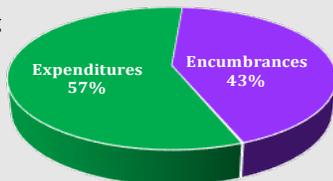
**RTS Refactoring
\$11.6 million**



**webDealer/ETitles
\$1,014,791**



**eLicensing
\$750,000**



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.

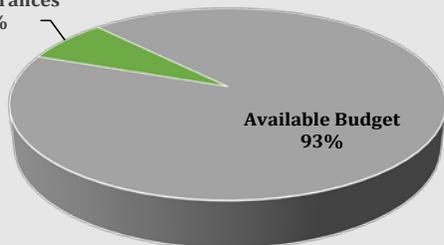
The revised budget as of February 28, 2018 for the TxDMV Automation project is \$24.5 million.

- Approximately one-half (\$11.5 million) is dedicated to the Registration and Titling System (RTS) Refactoring project.
- The Automation budget also includes \$7.8 million in Automation initiatives (listed in the chart below).

The pie charts at left reflects budget status as of the end of the second quarter for the major projects in the TxDMV Automation project.

Automation Initiatives

Encumbrances
7%



Portfolio Projects

| | Revised Budget | Expenditures | Encumbrances | Available Budget |
|---------------------------------------|---------------------|------------------|-------------------|---------------------|
| Web Lien | \$ 2,514,732 | \$ - | \$ 267,852 | \$ 2,246,880 |
| Call Center Upgrades | 600,000 | - | - | 600,000 |
| Kiosk Pilot | 500,000 | - | - | 500,000 |
| E-Renewals/E-Reminder ¹ | 500,000 | - | - | 500,000 |
| Fraud Data Dashboard | 500,000 | - | - | 500,000 |
| Enterprise Reporting | 500,000 | - | - | 500,000 |
| External Website Renovation | 500,000 | - | - | 500,000 |
| Mobile Applications ¹ | 300,000 | - | - | 300,000 |
| Cybersecurity | 775,000 | - | - | 775,000 |
| CVIEW | 600,000 | 37,770 | 262,230 | 300,000 |
| Online Certified Records ² | 500,000 | - | - | 500,000 |
| Total Automation Initiatives | \$ 7,789,732 | \$ 37,770 | \$ 530,082 | \$ 7,221,880 |

The projects listed under the category Portfolio Projects are in the initiation and planning stages at this point. The Enterprise Project Management Office along with the executive steering committee are in the process of finalizing project scope, schedules and budgets for the project charters.

1. E-Renewals/E-Reminder and Mobile Applications projects have been closed and funding will be reallocated at a future date.

2. The Online Certified Records initiative is being reviewed for level of effort to determine if it should be included in the project portfolio.

DATE: April 12, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Sandra Menjivar-Suddeath, Internal Audit Director
Agenda Item: 5B
Subject: Internal Audit Division Status

RECOMMENDATION

None.

PURPOSE AND EXECUTIVE SUMMARY

The status update provides information on current Internal Audit Division (IAD) activities. The April 2018 status update contains two parts: fiscal year (FY) 2018 Audit Plan Status and External Coordination Items.

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 seven internal engagements:

- Fraud, Waste, and Abuse Risk Assessment Advisory Service (Fieldwork)
 - **Objective:** An advisory service to identify and rank fraud, waste, and abuse risks for the Department.
- FY 2018 Internal Audit Follow-Up (Fieldwork)
 - **Objective:** To verify if outstanding audit recommendations have been fully implemented.
 - **Second Quarter Results:** The IAD is reporting on the implementation status of 13 internal audit recommendations due in the second quarter. The TxDMV implemented 9 (69%) and started 4 (31%) internal audit recommendations. The TxDMV provided revised due date for the four started audit recommendations.
- FY 2019 Annual Audit Plan (Fieldwork)
 - **Objective:** To determine the highest risk areas for FY 2019 audit plan.
- Texas Commission for Law Enforcement (TCOLE) Advisory Service (Reporting)
 - **Objective:** To review the Texas Commission for Law Enforcement (TCOLE) training compliance.
- Travel and Training Audit (Reporting)
 - **Objective:** To determine if training and travel requests have appropriate approvals and justifications as well as determining if the requests are appropriate and meet the need of the TxDMV.
- Social Media (Planning)
 - **Objective:** To determine if the Department's social media policies and processes have been sufficiently developed to protect the Department's brand.
- Inventory (Planning)
 - **Objective:** To evaluate if the Department has adequate processes to control, safeguard, and accurately track assets. In addition, to determine if the Department is in compliance with statutory requirements.

External Coordination Items

In March 2018, the Criminal Justice Information Services (CJIS) Security Audit section provided TxDMV with a compliance notification and TCOLE conducted a review of the law enforcement trainings. In addition, TxDMV submitted the second quarter Coordination of Investigation letter to the State Auditor's Office.

April 12, 2018



Internal Audit Division Status Update

Status of Fiscal Year (FY) 2018 Internal Audit Plan

| Project | Description | Status |
|---|---|--|
| Fraud, Waste, and Abuse Risk Assessment | An advisory service to identify and rank fraud, waste, and abuse risks for the Department. | Fieldwork Anticipated release date: August 2018 |
| FY 2018 Internal Audit Follow-Up | This project verifies if outstanding audit recommendations have been fully implemented. Currently, the IAD is reviewing internal recommendations that had a completion date or a division-submitted implementation action between March 1 and May 31, 2018. | Fieldwork Second Quarter Results memorandum is attached. Anticipated release date: August 2018 |
| FY 2019 Annual Audit Plan | Conducting a Department-wide risk assessment to identify the highest risk areas for FY 2019 audit plan. | Fieldwork Anticipated release date: August 2018 |
| Management Request - Texas Commission for Law Enforcement (TCOLE) | An advisory service, requested by TxDMV management, to review the Texas Commission for Law Enforcement (TCOLE) training compliance. | Reporting Anticipated release date: April 2018 |
| Travel and Training | An audit to determine if training and travel requests have appropriate approvals and justifications as well as determining if the requests are appropriate and meet the need of the TxDMV. | Reporting Anticipated release date: April 2018 |
| Social Media | An audit to determine if the Department's social media policies and processes have been sufficiently developed to protect the Department's brand. | Planning Anticipated release date: June 2018 |
| Inventory | An audit to evaluate if the Department has adequate processes to control, safeguard, and accurately track assets. In addition, to determine if the Department is in compliance with statutory requirements. | Planning Anticipated release date: June 2018 |

External Audits and Communication

1. The Coordination of Investigation Letter was submitted to the State Auditor's Office on March 19, 2018. TxDMV responded to four SAO Hotline complaints and provided information on one internal referral.
2. Criminal Justice Information Services (CJIS) Security Audit Compliance Notification was received on March 23, 2018

3. Texas Commission on Law Enforcement conducted an annual review of our law enforcement training on March 20, 2018. Two issues were identified that are being corrected by the Enforcement Division.

Attachments

1. Fiscal year (FY) 2018 Internal Audit Follow-Up: Second Quarter Results
2. Fraud, Waste, and Abuse Risk Assessment Progress
3. Social Media Engagement Letter
4. Inventory Engagement Letter



Fraud, Waste, and Abuse Risk Assessment Progress

Background

The Internal Audit Division (IAD) was requested to facilitate and conduct a Fraud, Waste, and Abuse (FWA) Risk Assessment for the Texas Department of Motor Vehicles (TxDMV) during fiscal year (FY) 2018. The IAD is conducting the risk assessment throughout the year and anticipates providing the confidential risk assessment be provided to TxDMV Management and Board in August 2018.

In total, the IAD will identify fraud, waste, and abuse risks and controls for 13 divisions within TxDMV. Graph 1 and Table 1, Risk Assessment Project Progress, show the status, by division, of the risk assessment. Table 1 provides detail on the number of risk and corresponding controls identified for each division.

Graph 1, Risk Assessment Project Progress

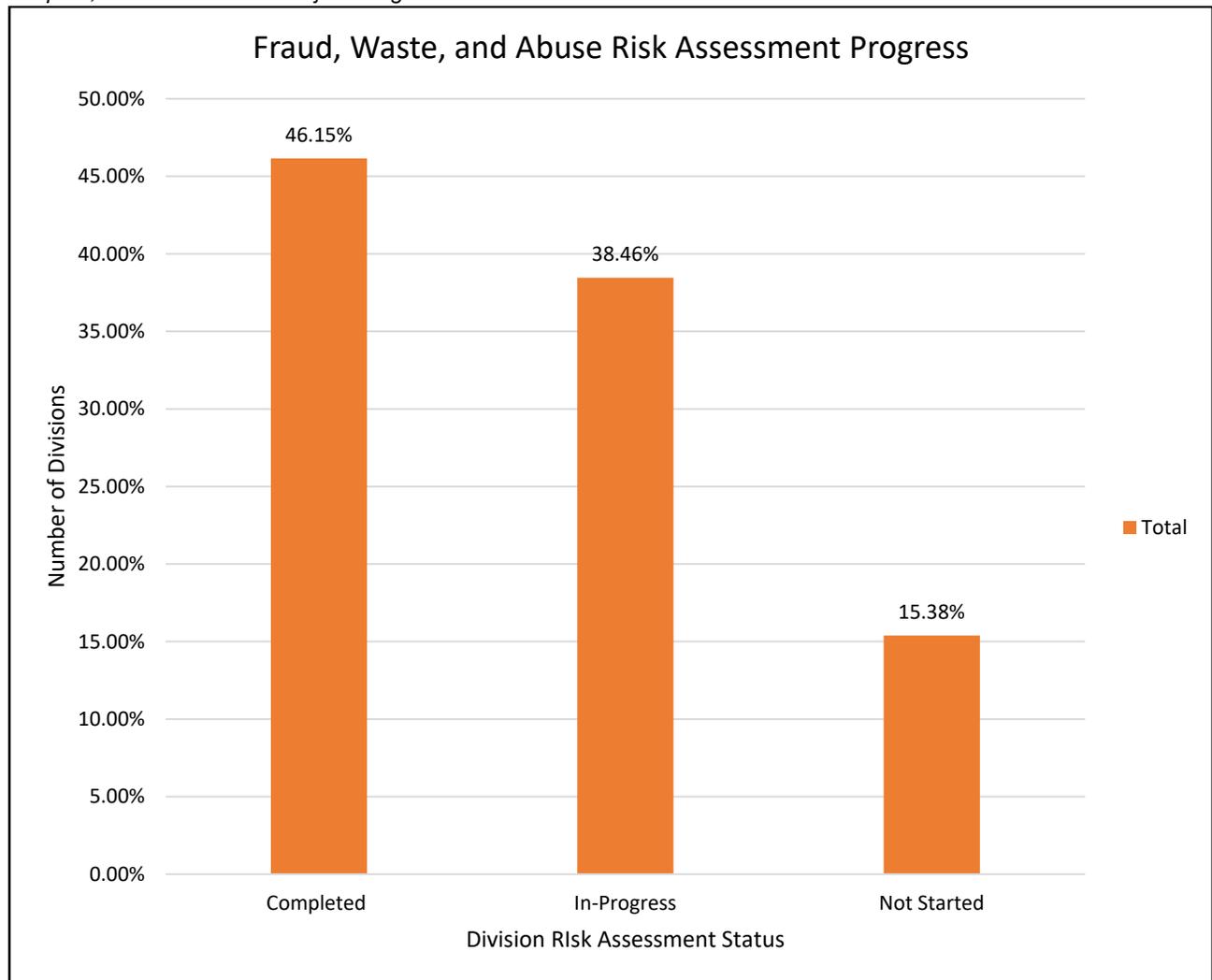


Table 1, Risk Assessment Project Progress

| Division | START | Number of Risks and Corresponding Controls Identified | Progress |
|---|--------------|--|-----------------|
| Motor Vehicle Division | 11/8/2017 | 8 | In-Progress |
| Human Resource | 11/10/2017 | 9 | Completed |
| Automobile Burglary & Theft Prevention Authority | 11/29/2017 | 4 | Completed |
| Consumer Relations | 11/29/2017 | 6 | Completed |
| Government & Strategic Communication | 11/29/2017 | 9 | Completed |
| Administrative Hearing | 11/29/2017 | 7 | Completed |
| Enterprise Project Management | 12/11/2017 | 4 | Completed |
| Enforcement | 2/20/2018 | TBD | In-Progress |
| General Counsel | 2/20/2018 | TBD | In-Progress |
| Finance & Administrative Services | 4/4/2018 | TBD | In-Progress |
| Vehicle Titles & Registration | 4/4/2018 | TBD | In-Progress |
| Information Technology Services | 5/4/2018 | TBD | Not Started |
| Motor Carrier | 5/4/2018 | TBD | Not Started |



Texas Department of Motor Vehicles
MEMORANDUM

Date: March 12, 2018

To: Texas Department of Motor Vehicles Board
 From: Sandra Menjivar – Suddeath, Internal Audit Director
 Subject: Fiscal year (FY) 2018 Internal Audit Follow-Up: Second Quarter Results

Background

The Internal Audit Division (IAD) continuously conducts follow-up activities to determine if appropriate action has been taken to address previously issued internal audit recommendations (recommendations). On a quarterly basis, the IAD reports to the TxDMV Board whether appropriate action was taken by assigning an implementation status to each recommendation reviewed during the designated period. The implementation status IAD assigns includes the following:

- **Fully Implemented:** The division fully implemented the audit recommendation by developing and using processes, systems, or policies. The changes are operating as intended.
- **Started:** The division began developing and using processes, systems, or policies to implement a recommendation but not all elements were complete. The division revised the completion date.
- **Pending:** The division has not begun developing processes or using processes, systems, or policies to implement a recommendation. The division revised the completion date.
- **Not Implemented/ Management Accepts the Risk:** The division and department no longer intends to develop a process, system, or policy to address a recommendation.
- **Not Applicable**¹: The recommendation is no longer relevant.

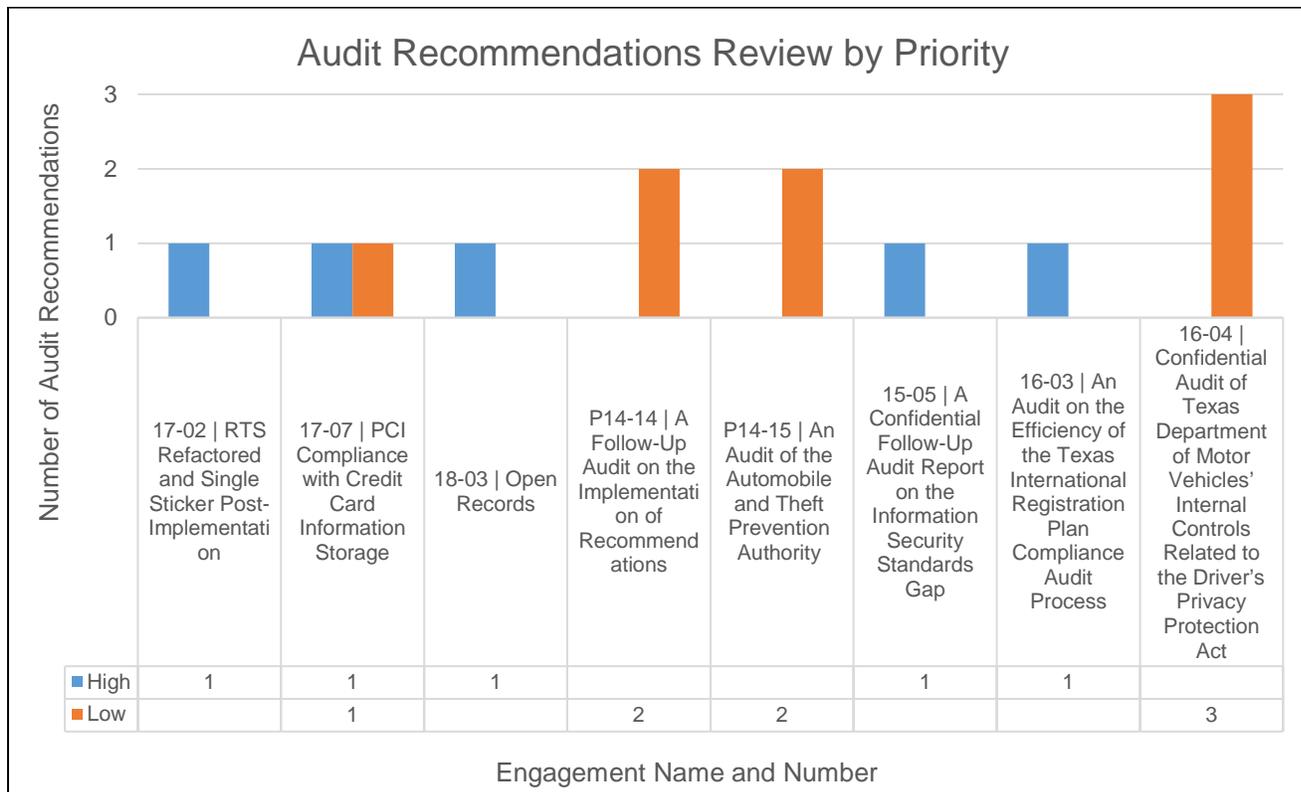
The IAD determines whether appropriate action was taken and assigns an implementation status to the recommendations when the completion date is due or when the division submits an implementation action.

Second Quarter Results

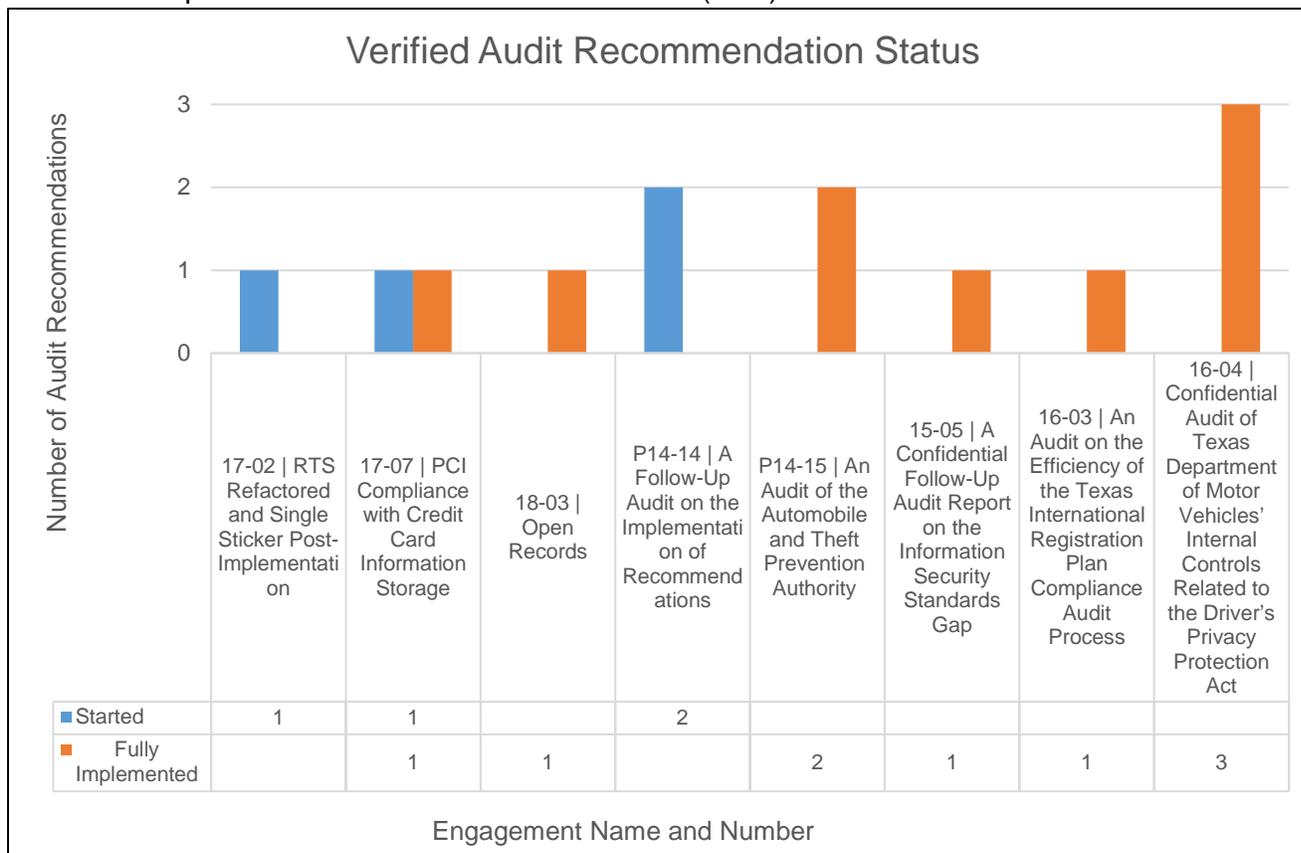
For the second quarter of FY 2018, the IAD reviewed 13 audit recommendations, from 8 internal audit reports, that had an estimated completion date or had been completed between December 1, 2017 and February 28, 2018. Out of the 13 audit recommendations, 5 audit recommendations had a priority of HIGH and 8 audit recommendations had a priority of LOW.

¹ Some recommendations are no longer applicable due to the age of the recommendation and organizational changes.

FY 2018 Second Quarter Follow – Up Results



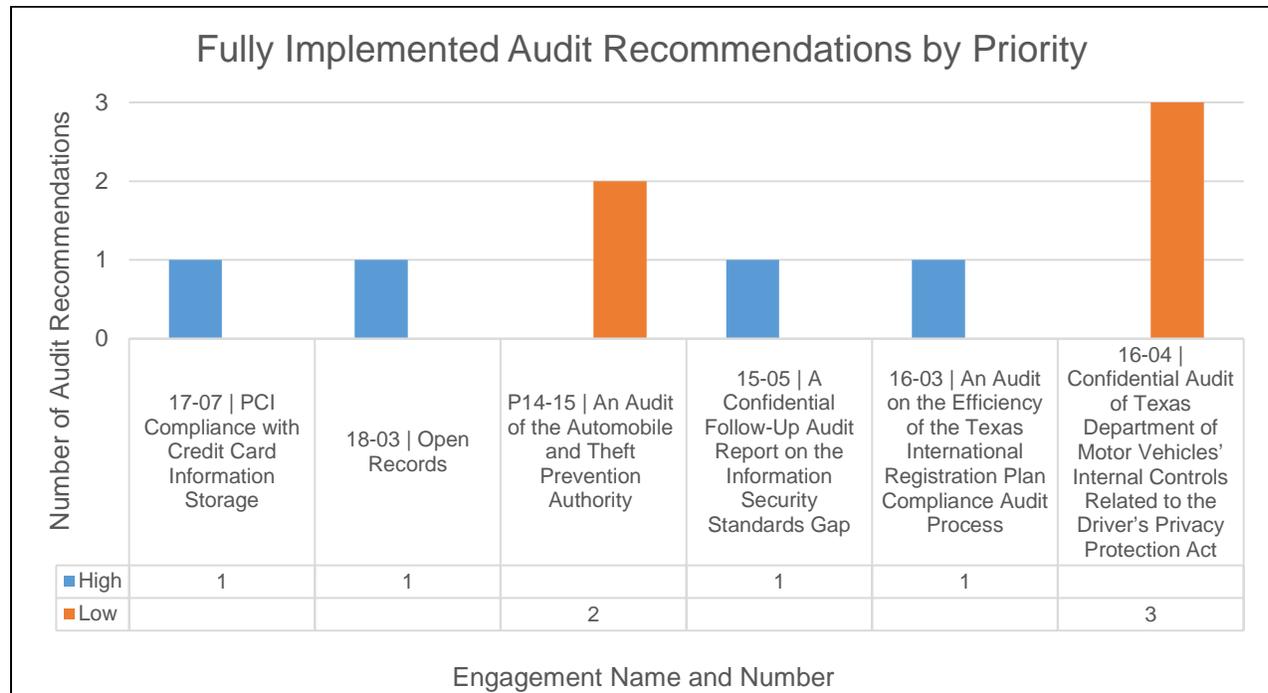
The IAD verified that the department fully implemented nine recommendations (69%) and started the implementation for four recommendations (31%).



FY 2018 Second Quarter Follow – Up Results

Fully Implemented Audit Recommendations

TxDMV management fully implemented nine (69%) of the thirteen audit recommendations. Out of those nine, four had a HIGH priority and five had a LOW priority.



On average, the fully implemented audit recommendations were implemented within 32 days of the estimated completion date. Two audit recommendations were implemented 90 days and 236 days prior to their revised due date. These two audit recommendations were for the audits on the Efficiency of the Texas International Registration Plan Compliance Audit Process and the Texas Department of Motor Vehicles' Internal Controls Related to the Driver's Privacy Protection Act.

Started Audit Recommendations

For the four recommendations that were started but not completed by the estimated completion date, management provided an updated completion date. On average, these updates extended the completion dates by about 144 days. The table below summarizes the recommendations, including priority level and the updated completion date for each report. None of these audit recommendations had previous date revisions. Only one of the started audit recommendations had a priority of HIGH.

| Report Number and Name | Summary of Started Recommendation(s) | Priority | Original Completion Date | Updated Completion Date |
|---|--|----------|--------------------------|-------------------------|
| P14-14 A Follow-Up Audit on the Implementation of Recommendations | The Human Resource Division updated the estimated completion date for one recommendation | LOW | 01/31/2018 | 04/02/2018 |

FY 2018 Second Quarter Follow – Up Results

| Report Number and Name | Summary of Started Recommendation(s) | Priority | Original Completion Date | Updated Completion Date |
|--|--|----------|--------------------------|-------------------------|
| | related to developing a competency model for the Department. | | | |
| P14-14 A Follow-Up Audit on the Implementation of Recommendations | The Office of Innovation and Strategy updated the estimated completion date for one recommendation related to developing and deploying a strategic management system for the agency. | LOW | 12/31/2017 | 03/31/2018 |
| 17-07 Payment Card Industry (PCI) Compliance with Credit Card Information Storage Confidential Audit | The Information Technology Services (ITS) Division updated the estimated completion date for one audit recommendation. | LOW | 01/01/2018 | 05/01/2018 |
| 17-05 RTS Refactored and Single Sticker Post Implementation Audit | The ITS Division updated the estimated completion date for one recommendation related to providing training for internal agency Cognos users on the application's method of data processing and the reporting limitations. | HIGH | 02/28/2018 | 12/31/2018 |

cc: Whitney Brewster, Executive Director
 Shelly Mellott, Deputy Executive Director
 TxDMV Executive Management



March 16, 2018

Mrs. Whitney Brewster, Executive Director
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Subject: Engagement Letter for Social Media Audit

Dear Mrs. Brewster:

The Internal Audit Division (IAD) will be auditing the Texas Department of Motor Vehicles (TxDMV) Social Media policies and procedures. The preliminary audit objectives are to determine:

- if the Department's social media policies and processes have been sufficiently developed to protect the Department's brand.

Audit objectives may be revised during the planning phase of the audit. The IAD will provide management with proposed revisions to the objectives, if any, before the IAD finalizes the objectives.

Our work will also include the Government and Strategic Communications Division (GSC), the Motor Carrier Division (MCD), and the Auto Burglary and Theft Prevention Authority (ABTPA). We will conduct the audit in accordance with generally accepted government auditing standards and the Institute of Internal Auditors *International Professional Practices Framework*.

The planning phase of the audit is scheduled from March 16, 2018 to April 11, 2018 and the fieldwork phase is tentatively scheduled from April 13, 2018 to May 4, 2018. The IAD expects to release the audit report on July 6, 2018.

The IAD will meet periodically with management to discuss interim and final audit results. At minimum, the IAD will provide an e-mail update on the audit progress twice a month. In addition, the IAD will provide management with a draft report and request management responses and action plans (if needed). The client will have up to 10 working days to review the audit report prior to being submitted to the Executive Director and the Deputy Executive Director for final review.

If you have any questions, please contact me at (512) 465-4118. We look forward to working with GSC, MCD, and ABTPA.

Sincerely,

Sandra Menjivar-Suddeath, CISA, CIA, CGAP
Internal Audit Director

Attachments

cc: Raymond Palacios Jr., Chairman, TxDMV Board

April 12, 2018



Texas Department of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Luanne Caraway, Finance and Audit Committee Chairman, TxDMV Board
Brett Graham, Finance and Audit Committee, TxDMV Board
Kate Hardy, Finance and Audit Committee, TxDMV Board
John Henry Walker III, Finance and Audit Committee, TxDMV Board
Mr. Blake Ingram, Vice-Chair, TxDMV Board
Robert "Barney" Barnwell III, TxDMV Board
Guillermo "Memo" Treviño, TxDMV Board
Gary Painter, TxDMV Board
Shelly Mellott, Deputy Executive Director
David Duncan, General Counsel
Carrie Fortner, Board Liaison
Derrick Miller, Internal Audit Division
Caroline Love, Government and Strategic Communications Division Director
Jimmy Archer, Motor Carrier Division Director
Bryan Wilson, Auto Burglary and Theft Prevention Authority Director
Mike Higginbotham, Chief Information Officer

April 2, 2018

Ms. Whitney Brewster, Executive Director
Texas Department of Motor Vehicles
4000 Jackson Avenue
Austin, TX 78731

Subject: Engagement Letter for the Texas Department of Motor Vehicles Inventory Audit

Dear Ms. Brewster:

The Internal Audit Division (IAD) will be auditing the Inventory Process. The preliminary audit objectives are to determine:

- Whether an adequate process exists to accurately and completely track assets;
- Whether an adequate process exists to safeguard assets;
- Whether appropriate access controls exist to safeguard assets; and,
- Whether the department is in compliance with statutory requirements.

Audit objectives may be revised during the planning phase of the audit. We will provide management with proposed revisions to the objectives, if any, before we finalize the objectives.

Our work will involve the Finance and Administrative Services (FAS) Division, and may include Vehicle Titles and Registration (VTR), Information Technology Services (ITS), and Compliance and Investigation (CI) Divisions. We will conduct the audit in accordance with generally accepted government auditing standards and the Institute of Internal Auditors *International Professional Practices Framework*.

The planning phase of the audit is scheduled from April 11, 2018 through May 3, 2018 and the fieldwork phase is tentatively scheduled from May 7, 2018 to June 1, 2018. We expect to release the audit report in late June 2018. Jason Gonzalez, Senior Auditor, and Frances Barker, Internal Auditor, will be conducting the audit engagement.

We will meet periodically with management to discuss interim and final audit results and provide bi-weekly e-mail updates on the audit's status. Before releasing the report, we will provide management with a confidential draft, and we will request formal written responses. These responses should objectively address the audit results and should include a corrective action plan, if necessary. The responses should be submitted to IAD within ten working days. The audit report will include management's formal responses.

If you have any questions, please contact me at (512) 465-4118. We look forward to working with the Finance and Administrative Services Division.

Sincerely,



Sandra Menjivar-Suddeath, CISA, CIA, CGAP
Internal Audit Director

cc: Raymond Palacios Jr., Chairman, TxDMV Board
Luanne Caraway, Finance and Audit Committee Chairman, TxDMV Board
Brett Graham, Finance and Audit Committee, TxDMV Board
Kate Hardy, Finance and Audit Committee, TxDMV Board
John Henry Walker III, Finance and Audit Committee, TxDMV Board
Mr. Blake Ingram, Vice-Chair, TxDMV Board
Robert "Barney" Barnwell III, TxDMV Board
Guillermo "Memo" Treviño, TxDMV Board
Gary Painter, TxDMV Board
Shelly Mellott, Deputy Executive Director
David Duncan, General Counsel
Carrie Fortner, Board Liaison
Linda Flores, Chief Financial Officer
Mike Higginbotham, Chief Information Officer
Tim Menke, CI Division Director
Jeremiah Kuntz, VTR Division Director
Ann Pierce, FAS Assistant Division Director
William Diggs, VTR Chief of Regional Services
Jason Gonzalez, Audit Project Manager

DATE: April 12, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Caroline Love, Government & Strategic Communications Division (GSC)
Agenda Item: 6.A
Subject: 85th Legislative Implementation Update

PURPOSE AND EXECUTIVE SUMMARY

This briefing is part of a continued series of updates providing 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 provides regular updates throughout the 2018-2019 biennium on the status of implementation efforts.

DATE: April 12, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Caroline Love, Government & Strategic Communications Division (GSC)
Agenda Item: 6.B.
Subject: Looking Ahead: 86th Legislature

PURPOSE AND EXECUTIVE SUMMARY

This briefing begins the process of outlining any recommended changes in statute to provide for more efficiency in department operations as we prepare for the 86th Legislative Session.

FINANCIAL IMPACT

None.

BACKGROUND AND DISCUSSION

The 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 will work with all department divisions and offices to identify statutory changes the board could recommend. Those changes will also be evaluated by stakeholders, with staff providing the board with recommendations for further consideration and approval in fall 2018.



Texas Department *of* Motor Vehicles
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Legislative and Public Affairs Briefing

Agenda Items 6.A. and 6.B.

Government & Strategic Communications Division

April 12, 2018

Agenda Item 6.A.

85th Legislative Implementation Update

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 of the House; as well as the chairs of the Senate and House Transportation Committees for further consideration during the session. Several of those recommendations became law. This report includes an update on implementation efforts of those measures as well as efforts related to other newly passed laws with an impact on department operations and activities.

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

Previous updates have been 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 may be performed by a different county allowing 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 31 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 the time frames of county remittance of registration fees to the state to align statute with current process.
- **Implementation:** All items related to website and manual updates, including training provided to staff on new processes, have been completed. Additionally, information has been provided to Tax Assessor-Collectors and law enforcement on relevant provisions of the bill. Amendments to rule related to the one-time fleet fee were proposed at the 10/19/17 TxDMV Board meeting, adopted at the February 2018 meeting and became effective 3/1/18.

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 for the motoring public in TxDMV operations as it relates to the regulation of the motor carrier industry. The language gives TxDMV new tools to address the issue 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), with provisions related to re-application and renewals 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:** All implementation efforts, including training of appropriate staff on new processes, have been completed.

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

- **Summary:** The legislation changes statute to allow the most recently issued “Certified Copy of Original Title” (CCO) to supersede all preceding iterations of title and serve as the only valid proof of ownership, along with other various clarifications to statute. This also includes new recommendations changing state statute to properly 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:** Most implementation efforts for this legislation are complete. Rules related to trailer size updates (43 TAC 271.3) and Vehicle Identification Number (VIN) inspections (43 TAC 217.141-143 and 144) were proposed and adopted, which became effective 11/14/17. All associated stakeholder outreach efforts have been completed. The Certified Copy of Original Title (CCO) provision becomes effective January 1, 2019 to allow adequate time for programming and further outreach/guidance to Tax Assessor-Collectors. Implementation efforts, including system programming and training, 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 considered 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:** While staff has implemented the efforts associated with this legislation, and the associated rules were proposed at the 12/7/17 TxDMV Board meeting, adopted at February meeting, and became effective March 1, 2018.

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:** Implementation efforts related to this legislation are complete, including related updates to forms and manuals, and information provided to the appropriate stakeholder groups on the changes.

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

- **Summary:** The department continues 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 applies 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 its implementation.

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 limited use of small vehicles (e.g. Golf Carts, Neighborhood Electric Vehicles, etc.) by delivery and logistics companies to provide for more efficient package delivery services. This bill amends current law relating to the operation of certain small vehicles used for package delivery and authorizes a \$25 license plate fee for such vehicles. Implementation efforts are

complete, including the creation of a new license plate with the words “Package Delivery” for such vehicles. System programming has been completed as well as updates to the associated manuals and processes. Rules were proposed at the 10/19/17 TxDMV Board meeting, adopted at the February meeting, and became effective 3/1/18.

- **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. The study requirements of this legislation are being combined with the study required in SB 2076, and Texas State University has been awarded the scope of work to complete these studies. Staff held a kick-off meeting with the vendor earlier this month and we are on target to provide the reports as outlined in statute.

- **HB 2663** by Pickett allows for counties to issue a replacement vehicle registration sticker or license plates without a fee if it is determined by the county that the item in question 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 it 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 the opportunity to voluntarily contribute to the Ending Homelessness Fund at the time of vehicle registration as well. Implementation efforts are complete, including the availability of these donation options at time of vehicle registration and vehicle registration renewal. Information and guidance on these options have been provided to Tax Assessor-Collectors, and manual updates are complete.
- **SB 1524** by Nichols allows for the shipment of overweight sealed shipping containers, not more than thirty miles from applicable ports of entry, which are moving as part of an international shipment. 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. Implementation efforts are complete, including the availability of the permit and rule adoption. Rules were proposed at the 8/17/17 meeting of the TxDMV Board, adopted at their December 2017 meeting, and became effective 1/1/18.
- **SB 1001** by Larry Taylor exempts trailers up to 7,500 pounds gross vehicle weight rating 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 the state's portion of 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, with programming allowing for the exemption and updates to the registration manual and website complete. Information on trailers exempt from inspection being placed on renewal notices remains ongoing.

- **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. Implementation efforts are complete, including the availability of the permit and rule adoption. Rules were proposed at the 8/17/17 meeting of the TxDMV Board, adopted in December 2017, and became effective 1/1/18.
- **HB 2319** by Paddie creates a permit specific to Bowie County in northeast Texas allowing for the movement of intermodal shipping containers on specific roadways. Implementation efforts remain underway, and the department continues to coordinate with the TxDOT on the route for these loads. Implementation efforts are complete, including the availability of the permit and rule adoption. Rules were proposed at the 8/17/17 meeting of the TxDMV Board, adopted in December 2017, and became effective 1/1/18.
- **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 vehicle dealer.
- **SB 1952** by Hughes allows licensed out-of-state vehicle 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 and under IRP that have a valid safety inspection in compliance with federal standards and are not domiciled in the state from state safety inspection requirements. Vehicles qualifying for this exemption must still pay any state 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. Rulemaking has been implemented (proposed at the 10/19/17 TxDMV Board meeting, adopted at the February meeting and effective 3/1/18). Associated booklets and website updates have occurred. Staff training, guidance to stakeholders, and process implementation occurred in September 2017.
- **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 was amended late in the session to apply the same exemption to vehicles owned by open enrollment charter schools. Exempt registration was also granted to vehicles owned by open enrollment 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, and the remaining plates were made available in November.

Agenda Item 6.B.

Looking Ahead: 86th Legislature

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 will work with all department divisions and offices to identify statutory changes the board could recommend. Those changes will then be evaluated by stakeholders and then brought to the TxDMV Board for further consideration and adoption in fall 2018.

Upon approval, the changes included in the proposed agenda will be discussed with members of the legislature for potential filing as bills. The Government and Strategic Communications Division will provide regular updates prior to and throughout the session on the status of the approved agenda items.

Key Dates for the 86th Legislature

The 86th Legislative Session is set to begin on January 8, 2019. However, bill filing will begin November 12, 2018; and it is the goal of staff to provide recommendations for the board's further consideration prior to bill filing. The last day to file legislation will be March 8, 2019; and the Legislature will adjourn Sine Die on May 27, 2019.

Other key dates to keep in mind as we move toward the 86th Legislative Session include the department's Sunset Advisory Commission hearings. The TxDMV public hearing will be held on May 23 (and May 24 if needed); and the Sunset Advisory Commission will consider decisions on Sunset member and staff recommendations related to department operations at their August 29 (and August 30 if needed) hearings. Those decisions will define the department's continuing legislation to be filed for the 86th Legislature to consider further.

Development of Recommendations

Staff has begun the process of identifying items to be considered. These include items previously recommended by the TxDMV Board which have not yet become law, as well as any new items for further consideration. We will obtain stakeholder outreach in summer 2018, then obtain further input from the board in late summer/early fall as we prepare final recommendations for approval by prior to November 12, 2018.

DATE: April 12, 2018

Action Requested: Briefing and One Decision

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Judy Sandberg, Enterprise Project Management Office Director
Agenda Item 7A
Subject: Enterprise Projects Update

RECOMMENDATION

This is a briefing which includes one request for decision to delegate contract approval authority to the Executive Director.

PURPOSE AND EXECUTIVE SUMMARY

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

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

FINANCIAL IMPACT

All open and closed projects are within budget. One project, webDealer, is trending to exceed the Agency approved budget. The estimated cost over-run is \$450,000. Funds are available in the Agency Automation fund to cover this overage.

BACKGROUND AND DISCUSSION

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 Governance Team prioritized the projects into 3 groups as shown in the following sections.

Priority Group 1 Projects

1. RTS – project end date is 12/31/2018.
2. webDealer – eTags/Centralized Pay was moved into production on April 9, 2016 before the current project end date of 4/30/2018. However, the eTags/CP delay and webDealer Application Framework end of life issues have affected the eTitles schedule. The eTitles deployment date is under review.
3. webLien – project end date is 8/31/2019. The webLien schedule has also been affected by the eTags/CP delay and webDealer Application Framework end of life issues. The project schedule is also under review.

Priority Group 2 Projects

4. Call Center Upgrade
5. Kiosk Pilot
6. Fraud Data Dashboard

Priority Group 3 Projects

7. Enterprise Reporting
8. External Web Site Renovation

Projects & Operations Committee

Enterprise Projects Quarterly Update

04/12/2018



Texas Department *of* Motor Vehicles

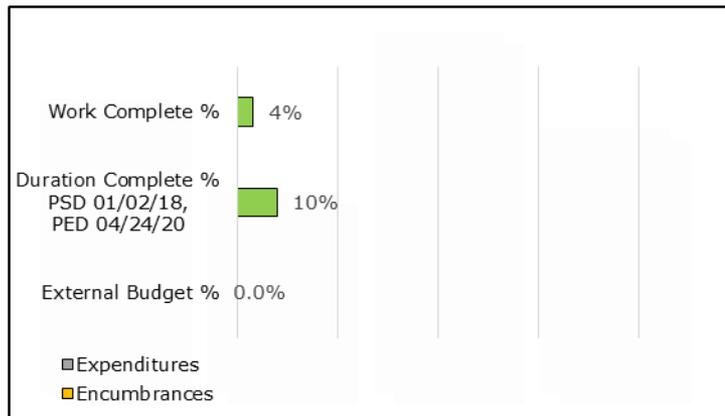
HELPING TEXANS GO. HELPING TEXAS GROW.

FY18-19 Portfolio Schedule

| Priority | Project Name | FY 2018 | | | | | | | | | | | | FY 2019 | | | | | | | | | | | |
|----------|-----------------------------|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
| GROUP 1 | RTS Refactoring | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| | WebDealer | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| | webLIEN | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Group 2 | Call Center Upgrade | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| | Fraud Dashboard | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| | Kiosk Pilot | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| Group 3 | Enterprise Reporting | | | | | | | | | | | | | | | | | | | | | | | | |
| | External WebSite Renovation | | | | | | | | | | | | | | | | | | | | | | | | |



Value to Date



Contract

- Will a contract \geq \$200,000 be needed?
Yes

Purpose/Scope

Telephony system upgrade which includes quality monitoring and workforce management services and additional features.

Benefits

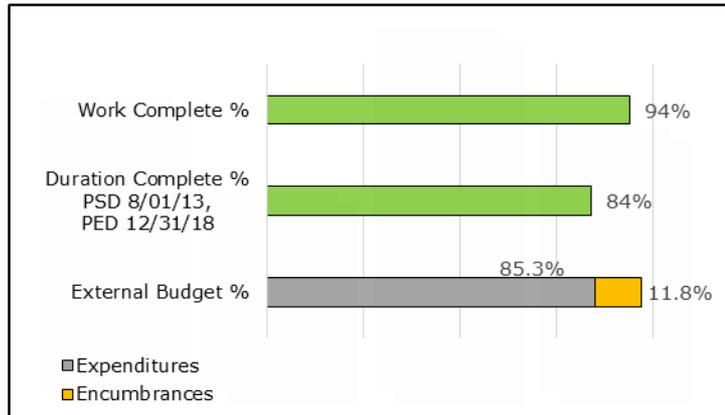
- To the Public** - Increase transparency with customers; Increased customer options; Improved customer service delivery.
- To the Agency** - Increase call center efficiency and effectiveness; Increased accountability; Improved customer service.

Transition

- Post Statement of Work for vendor services.



Value to Date



Purpose/Scope

RTS Refactoring will refresh the RTS technology by modernizing the core RTS system and provide business intelligence reporting capabilities.

Benefits

- ▣ **To the Public** - Improved customer service (system modernization provides opportunities for increased efficiency when implementing improvements).
- ▣ **To the Agency** - Modernization of the RTS system; Business intelligence reporting capabilities; Transitions RTS from TxDOT to the TxDMV infrastructure.

Contract

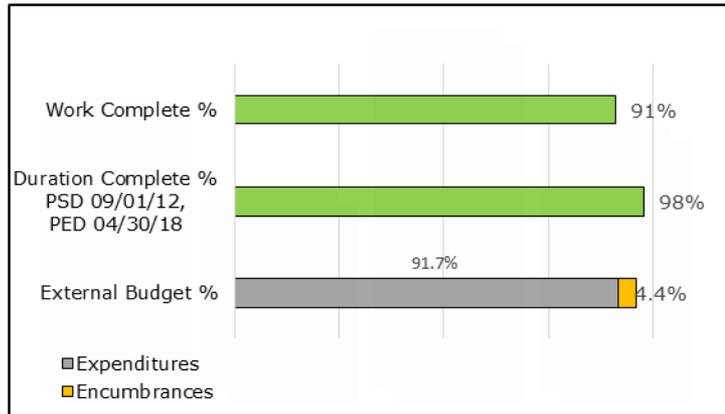
- ▣ Contract ends 8.31.18.

Transition

- ▣ Project ends 12.31.18.
- ▣ Hiring 6 contractors 4.15.18 – 12.31.18 to help IT transition.



Value to Date



Contract

- Contractors to be released after 30-day warranty period for eTags.
- Vendor to be hired for e-Titles >\$200,000.

Purpose/Scope

webDEALER allows a vehicle title to be created, stored and transferred in electronic form, improving the accuracy of the titling process.

Benefits

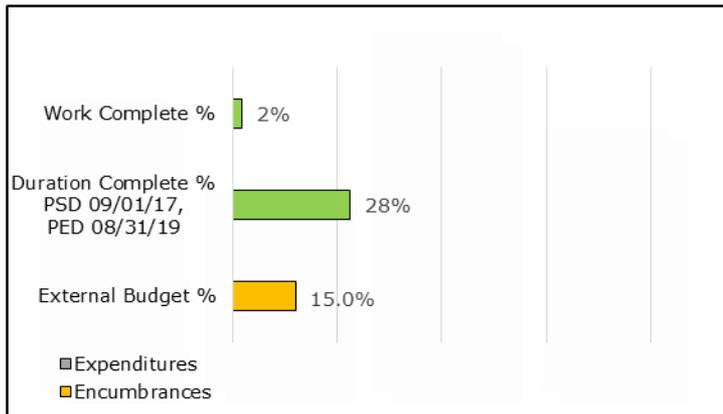
- To the Public** - Reduced costs for titling and registration services from motor vehicle sales; Improved titling and registration time by reducing manual processes.
- To the Agency** - Reduced costs for the county tax office and TxDMV to title and register vehicles; Improved system to track and manage registration and title services from Motor Vehicle Sales; Eliminates RSPS-DTA Processes.

Transition

- eTags/CP 30-day warranty ends 5.8.18. Turn M&O over to IT.
- eTitles – Procure vendor services (Requirements = 100%, Design = 95%, Coding = 0%).



Value to Date



Contract

- Will a contract \geq \$200,000 be needed?
Yes

Purpose/Scope

Provide lien holders with a self-service web-enabled alternative for the addition or removal of liens.

Benefits

- To the Public** - Improve quality of customer service; Provides a secure means to track and verify lienholder information.
- To the Agency** - Improve tracking and management of registration and titling from motor vehicle sales; Continued use of technology to improve customer service.

Transition

- Finalize project charter.
- Enter requirements gathering.
- Procure services.

Delegation of Contract Approval to Executive Director

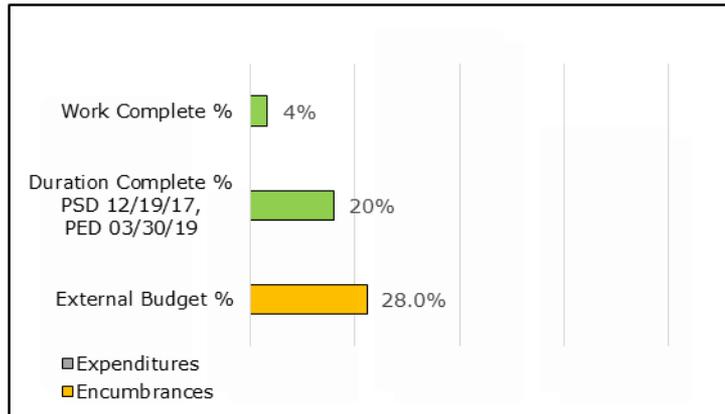
A statement of work for vendor services related to the Call Center Upgrade project has been submitted to Purchasing. The contract amount is estimated to equal or exceed the minimum amount requiring Board approval. Contract award is anticipated during July 2018. We seek the board's approval to delegate authority to the Executive Director in consultation with the Board Chairman to approve contracts related to the Call Center Upgrade project within the budget approved by the Agency Governance Team.

Fraud Data Alert

Priority: Group 2



Value to Date



Contract

- Will a contract \geq \$200,000 be needed?
Yes

Purpose/Scope

Fraud Data Alert will use existing RTS Data to develop Cognos reports that will help identify trends that may indicate fraud.

Benefits

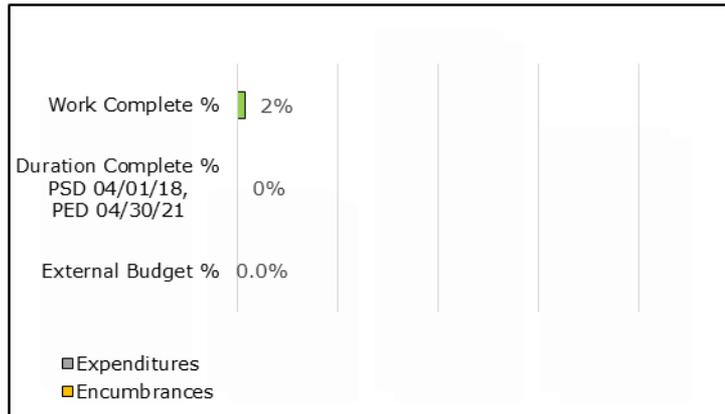
- To the Public** – Build public trust; Improve the quality of customer service.
- To the Agency** – Increase efficiency and effectiveness by using automation to help identify trends for potential fraud.

Transition

- Finish requirements (90%)
- Begin design.
- Analyze proposed scope increase from 8 to 13 reports (cost and schedule).



Value to Date



Contract

- Will a contract \geq \$200,000 be needed?
Yes

Purpose/Scope

The Kiosk Project will pilot self-service kiosks to provide TxDMV customers an option to purchase and to print vehicle registration renewal stickers.

Benefits

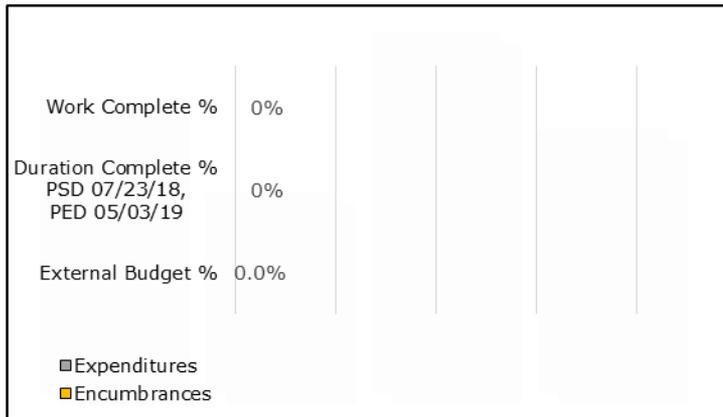
- To the Public** – Improve quality of customer service; Increase customer options for vehicle registration renewal sticker delivery.
- To the Agency** – Continuous improvement of the registration renewal methods, procedures, and technologies.

Transition

- Requirements gathering started.
- Statement of Work in progress.



Value to Date



Contract

- Will a contract \geq \$200,000 be needed?
Yes

Purpose/Scope

Enterprise Reporting (ER) will develop a roadmap and a technology framework to improve the ability to mine, store and report on existing data and information.

Benefits

- To the Public** – Enhance information services for TxDMV customers; Higher quality and availability of information and reports.
- To the Agency** – Streamlines activities, reduces process times and maximize productivity; Continuously improve new methods, procedures and technologies.

Transition

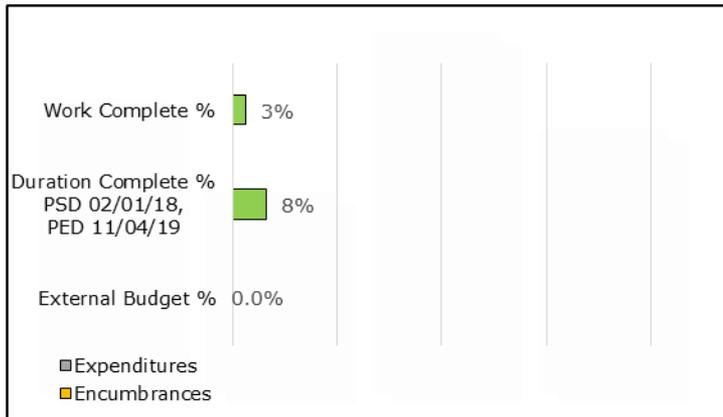
- Project planning in progress.

External Website Renovation

Priority: Group 3



Value to Date



Purpose/Scope

External Website Renovation will update the department's public-facing website in appearance and functionality.

Benefits

- **To the Public** - Improve the quality of customer service; Increase efficiency and effectiveness of TxDMV's external website.
- **To the Agency** - Continued use of technology by integrating customer analytics for continuous improvement.

Contract

- Will a contract \geq \$200,000 be needed?
Yes

Transition

- Project planning in progress.



Portfolio Budget Summary

Project Expenditure Summary - as of 2/28/18

| Project | Total Project Budget | Expenditures | Encumbrances | Remaining Balance |
|--|----------------------|--------------|--------------|-------------------|
| RTS Refactoring | 62,020,840 | 52,905,477 | 7,327,045 | 1,788,318 |
| Web Dealer | 6,467,162 | 5,931,154 | 284,238 | 251,770 |
| Web Lien | 2,514,732 | - | 267,852 | 2,246,880 |
| Mobile Applications ⁽¹⁾ | 300,000 | - | - | 300,000 |
| Kiosk Pilot | 500,000 | - | - | 500,000 |
| Call Center Upgrades ⁽³⁾ | 600,000 | - | - | 600,000 |
| Fraud Data Dashboard | 500,000 | - | - | 500,000 |
| External Website Renovation ⁽³⁾ | 500,000 | - | - | 500,000 |
| E-Renewals/E-Reminder ⁽¹⁾ | 500,000 | - | - | 500,000 |
| Online Certified Records ⁽²⁾ | 500,000 | - | - | 500,000 |
| Enterprise Reporting | 500,000 | - | - | 500,000 |

Notes:

- 1 - Both the Mobile Applications and E-Renewals/E-Reminder projects are closed. Funding will be reallocated at a future date
- 2- The Online Certified Record initiative is being reviewed for level of effort to determine if it should be included in the project portfolio.
- 3 - A portion of funding for these projects has been identified in County Technology Replacement



FY 2017 Closed Projects

- Governance Team Meeting October 20, 2016
 - FileNet Project
- Governance Team Meeting December 21, 2016
 - CAPPs HR Project
- Governance Team Meeting March 27, 2017
 - LACE Replacement Project (effective 03/31/17)
- Governance Team Meeting April 24, 2017
 - Single Sticker Phase II
 - Facility Physical Security
- Governance Team Meeting May 22, 2017
 - County Equipment Refresh Project
- Governance Team Meeting August 28, 2017
 - AMSIT (effective 08/31/17)

Glossary



| | | |
|---|---|--|
| API – Application Programming Interface | M – Migration | SOW – Statement of Work |
| AMSIT – Application Migration Server Infrastructure Transformation | M - Mitigation | SS PII - Single Sticker Phase II |
| BA – Business Analyst | MCD – Motor Carrier Division | TAC – Tax Assessor Collector |
| BAFO – Best and Final Offer | M/CA – Migration/Corrective Action | TCEQ - Texas Commission on Environmental Quality |
| BRD - Business Requirements Document | MS - Mitigation Strategy | TPDF - Texas Project Delivery Framework |
| C ³ – Consolidated Call Center | NIM – Nice Information Management | TS - Registration and Titling System |
| CA - Corrective Action | NSOC - Network Security Operations Center | TxIRP – Texas International Registration Plan |
| CCB - Courtesy Callback | MVD – Motor Carrier Division | TxDOT – Texas Department of Transportation |
| DCS – Data Center Services | OAG - Office of Attorney General | UAT - User Acceptance Testing |
| CAPPS - Centralized Accounting and Payroll/Personnel System | OOS – Out of State | VTR – Vehicle Title and Registration Division |
| CERP – County Equipment Refresh Program | P&H – Process and Handling | WD - webDEALER |
| CIO - Chief Information Officer | PCR – Project Change Request | WFM – Work Force Management |
| CPO - Chief Projects Officer | PED – Project End Date | WS – Work Stream |
| CPA - Comptroller of Public Accounts | PM - Project Manager | WS2+ – Work Stream 2+ |
| CPU – Central Processing Unit | PMLC - Project Management Life Cycle | WS4 – Work Stream 4 |
| CRD – Consumer Relations Division | PMP - Project Management Professional | Y – Yellow (Status) |
| DB2 – IBM Database Server Products | PO – Purchase Order | |
| DCS – Data Center Services | POCN - Purchase Order Change Notice | |
| DEV Development | ROAT - Quality Assurance Team | |
| DIR - Department of Information Resources | PSD – Project Start Date | |
| DPS - Department of Public Safety | R – Red (Status) | |
| DTA – Dealer Title Application | R – Risk | |
| ENF - Enforcement | R/I – Risk/Issue | |
| EPMO - Enterprise Project Management Office | R/T - Registration and Title | |
| ERQ – Enterprise Reporting Quarter | RFO – Request For Offer | |
| ESC – Executive Steering Committee | RO – Regional Office | |
| FAQ – Frequently Asked Questions | RSPS – Remote Sticker Printing System | |
| FTE – Full Time Equivalent | RRTS - Refactored RTS | |
| G – Green (Status) | RSC – Regional Service Center | |
| GT – Governance Team | RTS - Registration & Title System | |
| HB – House Bill | QAT – Quality Assurance Team | |
| HEB - Howard E Butt Grocery Stores | QTR – Quarter | |
| HR – Human Resources | SIT – System Integration Test | |
| I – issue | SAT - System Acceptance Testing | |
| IAM – Identity and Access Management | SCC – Salvage Common Checkout | |
| IT – Information Technology | SDLC - Systems Development Life Cycle | |
| ITSD – Information Technology Services Division | SDLC – Software Development Life Cycle | |
| Jama - Product management software developed By Jama S/W Co. | SMS – Security Management System | |
| JIRA – Issue Tracking Software developed By Atlassian | SOP – Standard Operating Procedures | |
| LACE - Licensing, Administration, Consumer Affairs, and Enforcement | | |
| LAST - Load and Stress Testing | | |
| LPAR – Logical Partition | | |

DATE: April 12, 2018

Action Requested: BRIEFING

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Timothy Menke, Compliance and Investigations Division
Agenda Item: 7B
Subject: Progress Report on Operations of Compliance and Investigations Division

RECOMMENDATION

Provide the Texas Department of Motor Vehicles Board an update on Compliance and Investigations Division activity.

PURPOSE AND EXECUTIVE SUMMARY

Discuss Compliance and Investigations Division's progress related to hiring and liaison activity.

FINANCIAL IMPACT

As budgeted.

BACKGROUND AND DISCUSSION

HIRING:

The Compliance and Investigations Division director has filled the executive assistant position from internal applicants and has interviewed candidates for the investigator positions in Fort Worth and Austin. Offers will be extended to two Austin candidates the week of April 2. The Fort Worth investigator position will be re-announced and the search expanded. Houston investigator candidates will be interviewed April 5.

The Compliance and Investigations director interviewed candidates for the field service representative manager position and is in the assessment phase.

Announcements for five field service representative positions have closed, and interviews will take place in April for Corpus Christi, Dallas, Houston, San Antonio, and Wichita Falls.

The announcement for the criminal intelligence analyst position has closed, and candidates will be interviewed in April.

The announcement for the Compliance and Investigations Division attorney position has closed, and candidates will be interviewed in April.

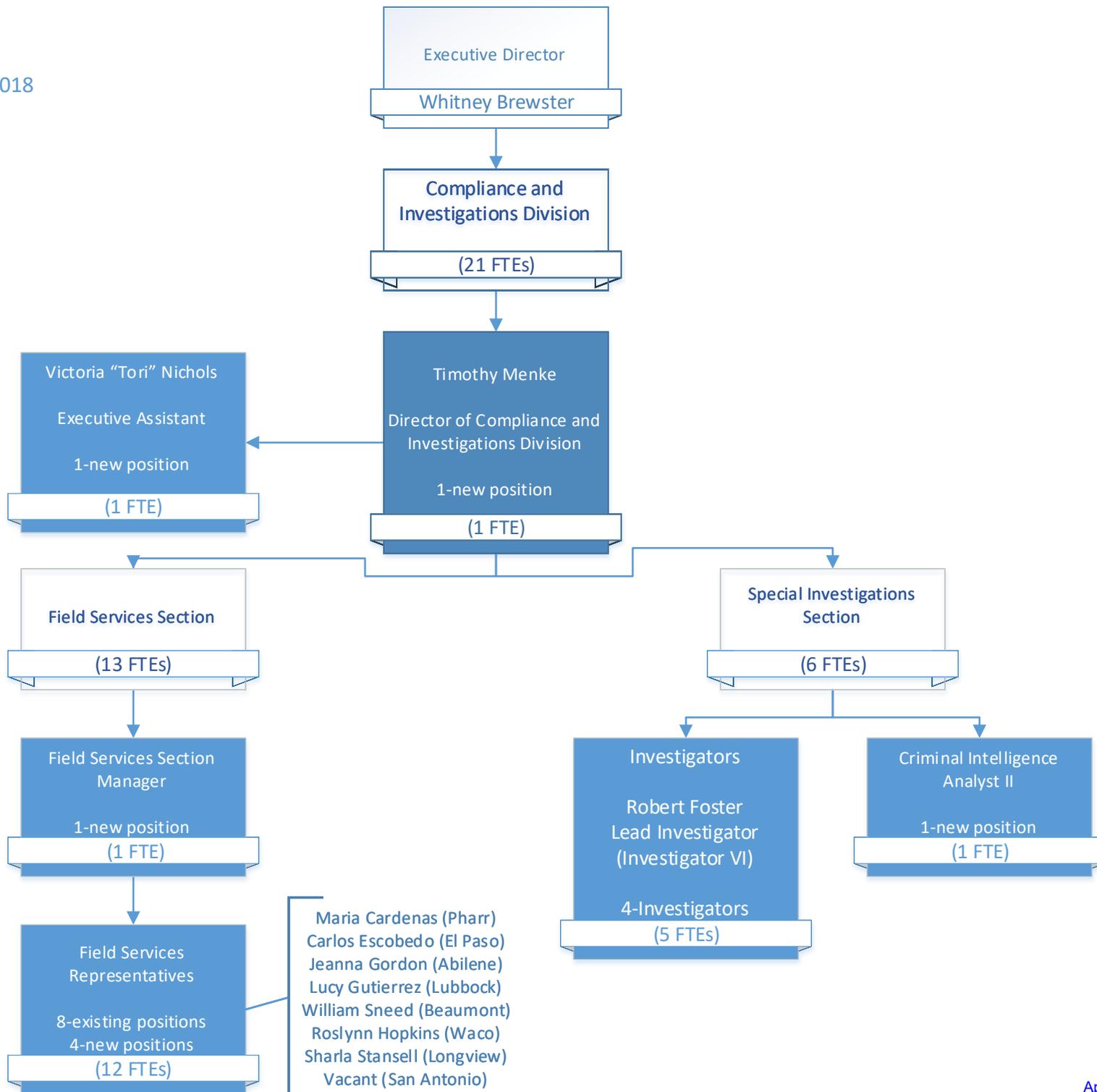
The Compliance and Investigations Division director expects to be fully staffed by June 1.

OUTREACH:

The Compliance and Investigations Division director has been in contact with the Dallas Fusion Center, North Texas Fusion Center, Houston Fusion Center, and Austin Joint Intelligence Center. All centers have agreed to collaborate with the Texas Department of Motor Vehicles and pledged support.

The Tarrant County Auto Theft Task Force and Harris County Auto Theft Task Force have agreed to house the Compliance and Investigations Division investigators.

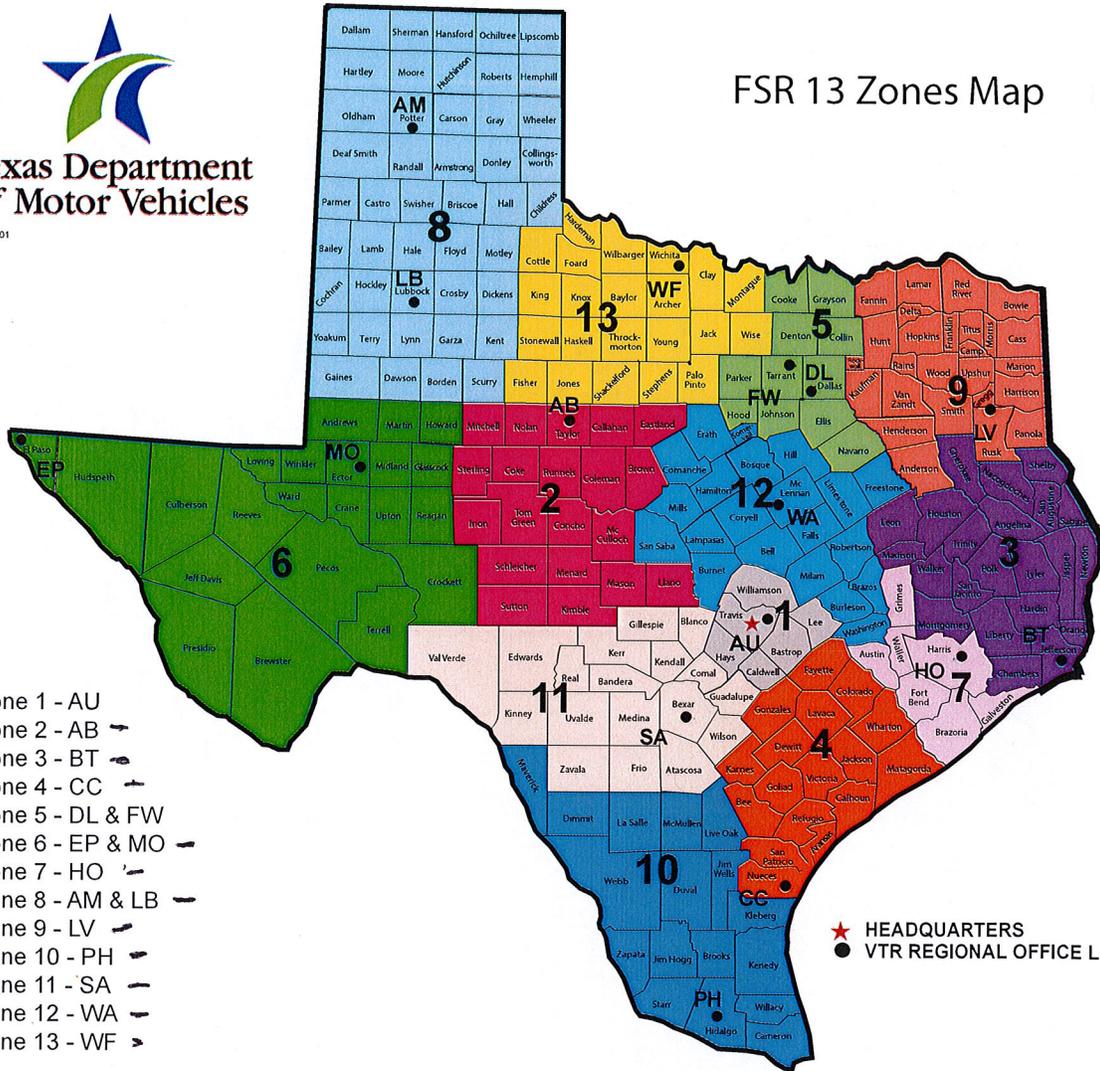
April 12, 2018





Texas Department of Motor Vehicles
VTR-601

FSR 13 Zones Map



DATE: April 12, 2018

Action Requested: Briefing

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Vehicle Titles and Registration Division
Agenda Item: 8
Subject: Assembled Vehicles Working Group Update

RECOMMENDATION

This is only a briefing, and no decisions are requested.

PURPOSE AND EXECUTIVE SUMMARY

The Assembled Vehicles Working Group met February 28 and March 1. The Vehicle Titles and Registration Division hosted the meeting in the Lone Star Room with Executive Director Brewster providing opening comments and expressing appreciation for the participants' attendance and support. The Office of General Counsel, Motor Vehicle Division, and the Government and Strategic Communications Division also represented the department. In addition to department staff, attendees represented the Department of Public Safety, National Highway Traffic Safety Administration, Factory Five Racing, DF Kit Car, Specialty Equipment Market Association, Texas Automobile Dealers Association, American Association of Motor Vehicle Administrators, Assembled Vehicles Coalition of Texas, Tax Assessor-Collectors, and Auto Theft Task Forces.

Participants were presented with the working group charter and Texas laws and administrative rules related to titling, registration, dealers, and manufacturers. The National Highway Traffic Safety Administration presented on federal laws and regulations and provided insight into the agency's interpretation letters. The American Association of Motor Vehicle Administrators provided an overview of the association's best practices related to unconventional vehicles. This information provided a basis for the collaborative discussion of current title processes related to various vehicle types and industry practices. The two-day meeting concluded with multiple participants agreeing to discuss the initial findings of the working group and provide feedback for consideration independently.

The department received a letter from the Specialty Equipment Market Association relative to the interpretation letters discussed and intellectual property. The letter recommended the department seek input from the National Highway Traffic Safety Administration's Chief Counsel regarding these topics. The department contacted other representatives who committed to providing feedback. They indicated they were working on proposals and suggestions and would submit them prior to the next working group meeting. The next meeting is currently scheduled for April 26.

DATE: April 12, 2018

Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Vehicle Titles and Registration Division
Agenda Item: 9
Subject: Specialty Plate Designs

RECOMMENDATION

The Vehicle Titles and Registration Division (VTR) seeks board approval or denial of four vendor plate designs submitted for your consideration.

PURPOSE AND EXECUTIVE SUMMARY

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) (1). The board's approval criteria is clarified in Administrative Code §217.52, *Marketing of Specialty License Plates through a Private Vendor*.

The renewed vendor contract (paragraph #11, *Inventory Management Controls*) specifies that following the board's contingent approval of a plate, the vendor must get at least 200 commitments within six months of the approval for a plate to be produced. (Equally, existing plates must maintain 200 registered 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 21 vendor plates. Of the 21, six did not achieve the required 200 commitments and were not produced.)

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 10-day "like/dislike/comment-by-email" survey, called an e-View, 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 e-View "dislikes" in 2010 (presumably because of college football rivalry) and has since sold over 1,500 plates.

All four plate designs were presented to the public in a March 2018 e-View. No negative comments were received. The count of the public's "like/dislikes" are below with the designs. Transportation Code Section 504.008 allows the department to vary the designs of specialty plates to accommodate their use on vehicles other than passenger cars or light trucks. For this reason, during the board meeting, VTR will display each new specialty plate collection.

(New) Monarch Butterfly:

151 people liked this design and 14 did not.

(New) Texas State Rifle Association Crossover:

109 people liked this design and 59 did not.

(Redesign) Prairie View A&M:

126 people liked this design and 45 did not.

(Redesign) RE/MAX:

92 people liked this design and 74 did not.



TEXAS Specialty PLATE BUSINESS



Vehicle Titles and
Registration Division
Special Plates Unit
(7 FTEs) 4/22/2018



Division Director
Jeremiah Kuntz

Texas Department
of Motor Vehicles

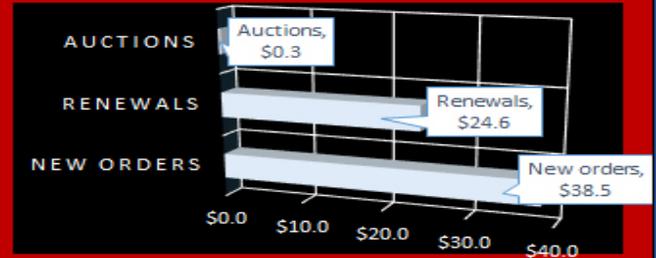
CURRENT SPECIALTY LICENSE PLATE (SLP) PROGRAM

Total SLP offered: **474**

- o Military plates: **180**
- o Other restricted use plates: **50**
- o State specialty plates: **125**
- o Vendor specialty plates: **119**



MY PLATES PROGRAM, EIGHT YEARS-IN = \$63.4 M REVENUE TO GR



GOLD STAR License Plates

Established
2012

2012

1998

2008



Registered as of 01/2018

TEN MOST PROFITABLE DESIGNS IN THE MY PLATES PROGRAM

| Rank | Name | Released | New orders | Revenue to the GR Fund from new orders | Average year term purchased | Revenue to GR per year |
|------|---------------------|----------|------------|--|-----------------------------|------------------------|
| 1 | Lone Star Black | 2009 | 81,877 | \$6,767,801 | 3 | \$28 |
| 2 | Texas Black 1845 | 2011 | 27,532 | \$3,665,807 | 3 | \$44 |
| 3 | Small Star Black | 2010 | 17,420 | \$2,877,866 | 4 | \$41 |
| 4 | Classic Black | 2016 | 18,915 | \$2,298,692 | 2 | \$61 |
| 5 | T for Texas - Black | 2009 | 17,258 | \$1,657,106 | 3 | \$32 |
| 6 | Small Star Silver | 2011 | 6,600 | \$1,074,493 | 4 | \$41 |
| 7 | Texas Vintage Black | 2009 | 8,048 | \$1,061,628 | 3 | \$44 |
| 8 | Texas White | 2009 | 7,491 | \$765,948 | 3 | \$34 |
| 9 | Lone Star Pink | 2011 | 6,713 | \$559,630 | 2 | \$42 |
| 10 | Come And Take It | 2011 | 5,442 | \$499,501 | 3 | \$31 |



War Time U.S. Military Deaths



Sources: Department of Defense and Department of Veterans Affairs

NEW PLATES to be implemented in April 2018



Quail



Porsche Club
of America



Texas 2000

SPECIAL PLATES UNIT CUSTOMER SERVICE FY 2018 TO DATE (SEPT - FEB)

21,421
Personalized Plate
Applications Reviewed
(6% declined)

11,342
Telephone Calls

89
Walk-in Customers

5,607
Email

684
Refunds

19
Public Information/
Open Records

4,390
Correspondence
(including plate applications)

Texas

65

BB01BB

Monarchs Of Our Skies



April 12, 2015

TSRA

TEXAS

66



B01BBB

April 12, 2018

TEXAS STATE RIFLE ASSOC.

0000000000

P
A&M

TEXAS

67



B01BBB

April 12, 2018

PRAIRIE VIEW A&M UNIVERSITY



TEXAS

68



B01BBB

GET IT SOLD WITH RE/MAX

Each Office Independently Owned and Operated

April 12, 2018

Date: April 12, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jeremiah Kuntz, Director, Vehicle Titles and Registration Division
Agenda Item: 10
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 217, Vehicle Titles and Registration Amendments, §217.27
 (Relating to clarifying requirements and procedures for the approval or denial of personalized license plates)

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 clarify requirements and procedures for the approval or denial of personalized license plates and make the rule consistent with current practice.

FINANCIAL IMPACT

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

BACKGROUND AND DISCUSSION

The proposed amendments:

- clarify requirements and procedures for approval or denial of personalized license plates;
- identify the director of the Vehicle Titles and Registration Division, or the director's designee, as the initial decision maker;
- clarify that the director may approve or deny an application for a personalized plate, and may recall or cancel a previously issued personalized license plate;
- identify and clarify the criteria that the director considers in evaluating plate patterns; and
- add an appeal mechanism for rejections and revocation of personalized license plates.

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, §217.27, Vehicle
5 Registration Insignia.

6

7 EXPLANATION OF PROPOSED AMENDMENTS

8 Proposed amendments to §217.27 clarify requirements and
9 procedures for the approval or denial of personalized license
10 plates, and make the rule consistent with current practice.

11

12 The proposed amendments identify the director of the Vehicle
13 Titles and Registration Division, or the director's designee, as
14 the initial decision maker. The proposed amendments clarify
15 that the director may approve or deny an application for a
16 personalized plate, and may recall and cancel a previously
17 issued personalized plate. The proposed amendments identify and
18 clarify the criteria that the director considers in evaluating
19 plate patterns. More specifically, the proposed amendments
20 establish criteria for identifying personalized plates that may
21 be viewed as indecent, vulgar, or derogatory. Criteria are
22 added to identify plates that contain references to gangs,
23 violence, drugs, or the military.

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

1 The proposed amendments add an appeal mechanism for rejections
2 and revocation of personalized license plates. A decision of
3 the director may be appealed to the executive director or the
4 executive director's designee within 20 days of cancellation
5 notification or non-issuance. The decision of the executive
6 director or the executive director's designee is final and may
7 not be appealed.

8
9 A person whose vanity plate registration has not been issued or
10 has been recalled shall elect to receive either a refund or a
11 credit of the special vanity plate service fee for the prorated
12 remaining registration period.

13
14 FISCAL NOTE

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

20
21 Jeremiah Kuntz, Director of the Vehicle Titles and Registration
22 Division, has determined that there will be no impact on local
23 economies or overall employment as a result of enforcing or

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

1 administering the proposed amendments.

2

3 PUBLIC BENEFIT AND COST

4 Mr. Kuntz has also determined that for each year of the first
5 five years the amendments are in effect, the public benefit
6 anticipated as a result of enforcing or administering the
7 amendments will be to clarify the procedures and requirements
8 for the approval or rejection of personalized license plates
9 under §217.27. There are no anticipated economic costs for
10 persons required to comply with the amendments as proposed.
11 There will be no adverse economic effect on small businesses,
12 micro-businesses, or rural communities.

13

14 TAKINGS IMPACT ASSESSMENT

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

21

22 GOVERNMENT GROWTH IMPACT STATEMENT

23 The department has determined that during the first five years

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

1 the proposed amendments are in effect, no government program
2 would be created or eliminated. Implementation of the proposed
3 amendments would not require the creation of new employee
4 positions or elimination of existing employee positions.
5 Implementation would not require an increase or decrease in
6 future legislative appropriations to the department or an
7 increase or decrease of fees paid to the department.
8 Additionally, the proposed amendments do not create a new
9 regulation, or expand, limit, or repeal an existing regulation.
10 The proposed amendments do not affect the number of individuals
11 subject to the rule's applicability and will not affect this
12 state's economy.

13

14 SUBMITTAL OF COMMENTS

15 Written comments on the proposed amendments may be submitted to
16 David D. Duncan, General Counsel, Texas Department of Motor
17 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
18 to *rules@txdmv.gov*. The deadline for receipt of comments is
19 5:00 p.m. on _____.

20

21 STATUTORY AUTHORITY

22 The amendments are proposed under Transportation Code,
23 §1002.001, which provides the board of the Texas Department of

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

1 Motor Vehicles (board) with the authority to adopt rules that
2 are necessary and appropriate to implement the powers and the
3 duties of the department under the Transportation Code; and more
4 specifically, Transportation Code, §504.0011, which provides
5 that the board may adopt rules to implement and administer
6 Chapter 504, License Plates.

7

8 CROSS REFERENCE TO STATUTE

9 Transportation Code, Chapter 504.

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

1 SUBCHAPTER B. MOTOR VEHICLE REGISTRATION

2 §217.27. Vehicle Registration Insignia.

3 (a) On receipt of a complete initial application for
4 registration with the accompanying documents and fees, the
5 department will issue vehicle registration insignia to be
6 displayed on the vehicle for which the registration was issued
7 for the current registration period.

8 (1) If the vehicle has a windshield, the symbol, tab, or
9 other device prescribed by and issued by the department shall be
10 attached to the inside lower left corner of the vehicle's front
11 windshield in a manner that will not obstruct the vision of the
12 driver.

13 (2) If the vehicle has no windshield, the symbol, tab, or
14 other device prescribed by and issued by the department shall be
15 attached to the rear license plate, except that registration
16 receipts, retained inside the vehicle, may provide the record of
17 registration for vehicles with permanent trailer plates.

18 (3) If the vehicle is registered as a former military
19 vehicle as prescribed by Transportation Code, §504.502, the
20 vehicle's registration number shall be displayed instead of
21 displaying a symbol, tab, or license plate.

22 (A) Former military vehicle registration numbers shall
23 be displayed on a prominent location on the vehicle in numbers

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

1 and letters of at least two inches in height.

2 (B) To the extent possible, the location and design of
3 the former military vehicle registration number must conform to
4 the vehicle's original military registration number.

5 (b) Unless otherwise prescribed by law, each vehicle
6 registered under this subchapter:

7 (1) must display two license plates, one at the exterior
8 front and one at the exterior rear of the vehicle that are
9 securely fastened at the exterior front and rear of the vehicle
10 in a horizontal position of not less than 12 inches from the
11 ground, measuring from the bottom, except that a vehicle
12 described by Transportation Code, §621.2061 may place the rear
13 plate so that it is clearly visible; or

14 (2) must display one plate that is securely fastened at
15 or as close as practical to the exterior rear of the vehicle in
16 a position not less than 12 inches from the ground, measuring
17 from the bottom if the vehicle is a road tractor, motorcycle,
18 trailer or semitrailer.

19 (c) Each vehicle registered under this subchapter must
20 display license plates:

21 (1) assigned by the department for the period; or

22 (2) validated by a registration insignia issued by the
23 department for a registration period consisting of 12

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

1 consecutive months at the time of application for registration.
2 Vehicles may be registered for 24 consecutive months only in
3 accordance with Transportation Code, §548.102. However, the
4 vehicle must be registered for 24 consecutive months and all
5 fees must be paid for each year of registration, regardless of
6 the number of months remaining on the inspection at the time of
7 registration, if both of the following occur:

8 (A) the vehicle receives a two-year inspection under
9 §548.102; and

10 (B) the application for registration is made in the
11 name of the purchaser under Transportation Code, §501.0234.

12 (d) The department will [~~cancel or~~] not issue any license
13 plate containing an alpha-numeric pattern that meets one or more
14 of the following criteria. The department may recall and cancel
15 any personalized license plate that was issued if the department
16 subsequently determines or discovers that the personalized
17 license plate was not in compliance with these guidelines when
18 issued, or if due to changing language usage, meaning or
19 interpretation, the personalized license plate has become non-
20 compliant with these guidelines. When reviewing a personalized
21 plate pattern, the department need not consider the applicant's
22 subjective intent or declared meaning.

23 (1) The alpha-numeric pattern conflicts with the

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

1 department's current or proposed regular license plate numbering
2 system.

3 (2) The ~~[executive]~~ director of the department's
4 Vehicle Titles and Registration Division or the director's
5 designee finds that the alpha-numeric pattern, including plate
6 patterns that would do so by means of foreign or slang words or
7 phrases, by use of phonetic, numeric or reverse spelling,
8 acronyms, by being viewed in mirror image, or in a code which
9 only a small segment of the community may be able to readily
10 decipher, that may be considered objectionable or misleading,
11 including that the pattern may be viewed as, directly or
12 indirectly:

13 (A) indecent (defined as including a reference or
14 connotation to a sexual [sex] act, [an excretory function or
15 material, or] sexual body parts, excrement, or bodily fluids or
16 functions. Additionally, "69" formats are prohibited unless used
17 in combination with the vehicle make, for example, "69 CHEV".);

18 (B) a vulgarity (defined as profane, swear, or curse
19 words);

20 (C) derogatory (defined as an expression [~~of hate~~
21 ~~directed toward people or groups]~~ that is demeaning to,
22 belittles, or disparages any person, group, race, ethnicity,
23 nationality, gender, sexual orientation, or refers to [people or

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

1 ~~groups, or associated with]~~ an organization that advocates such
2 expressions);

3 (D) a reference to race, ethnicity, gender or sexual
4 orientation whether the reference is derogatory or not;

5 (E) [~~(D)~~] a reference to gangs, illegal activities,
6 violence, [~~or substances, or,~~] implied threats of harm, or
7 expressions that describe, advertise, advocate, promote,
8 encourage, glorify, or condone violence, crime or unlawful
9 conduct;

10 (F) a reference to illegal drugs, controlled
11 substances, the physiological state produced by such substances,
12 intoxicated states, or references that may express, describe,
13 advertise, advocate, promote, encourage, glorify such items or
14 states;

15 (G) [~~(E)~~] a representation [~~misrepresentation~~] of, or
16 reference to, law enforcement, military branches, or other
17 governmental entities and their titles~~[-]~~, including any
18 reference to public office or position, military or law
19 enforcement rank or status, or any other official government
20 position or status; or

21 (H) deceptively similar to a military, restricted
22 distribution, or other specialty plate.

23 (3) The alpha-numeric pattern is currently issued to

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

1 another owner.

2 (e) A decision to cancel or not issue a plate under
3 subsection (d) may be appealed to the executive director of the
4 department or the executive director's designee within 20 days
5 of notification of the cancellation or non-issuance. The
6 requesting party may submit written arguments, but shall not be
7 entitled to a contested case hearing. The executive director or
8 the executive director's designee will consider the requesting
9 party's arguments and issue a decision no later than 30 days
10 after the submission of the appeal, unless additional
11 information is sought from the requestor, in which case the time
12 for decision is tolled until the additional information is
13 provided. The decision of the executive director or the
14 executive director's designee is final and may not be appealed.
15 An appeal is denied by operation of law 31 days from the
16 submission of the appeal, or if the requestor does not provide
17 additional requested information within ten days of the request.

18 (f) [(e)] The provisions of subsection (a) of this section
19 do not apply to vehicles registered with annual license plates
20 issued by the department.

21 (g) Any person whose initial or vanity registration plate
22 has been recalled shall elect to receive either a refund or a
23 credit of the special vanity plate service fee for the prorated

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

- 1 remaining registration period.

DRAFT



Date: April 12, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Corrie Thompson, Director, Enforcement Division
Agenda Item: 11
Subject: Proposal of Rule under Title 43, Texas Administrative Code, Chapter 215, Motor Vehicle Distribution Amendments, §215.85 (Relating to used motor vehicle referral fees)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the proposed amendments is to add new §215.85(d) and (e) clarifying how a licensed dealer may pay a referral fee.

FINANCIAL IMPACT

There will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments. There are no anticipated economic costs for persons required to comply with the proposed amendments.

BACKGROUND AND DISCUSSION

The amendments make the following changes:

- new subsection (d) provides that a licensed dealer may pay a referral fee in cash or value to an individual who has purchased a vehicle from the licensed dealer within the five year period preceding the referral. The payment of the referral fee may be contingent upon the new referred individual purchasing a vehicle from the license dealer, or a fee may be paid for the referral of a new potential customer.
- new subsection (e) provides that the referral fees may not be offered or provided to an individual who is employed by the licensed dealer.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 215, Motor Vehicle Distribution,
4 Subchapter C, Licenses, Generally, §215.85, Brokering, Used
5 Motor Vehicles.

6

7 EXPLANATION OF PROPOSED AMENDMENTS

8 The purpose of the proposed amendments is to clarify how a
9 licensed dealer may pay a referral fee.

10

11 Amendments add new subsection (d) to provide that a licensed
12 dealer may pay a referral fee in cash or value to an individual
13 who has purchased a vehicle from the licensed dealer within the
14 five year period preceding the referral. The payment of the
15 referral fee may be contingent upon the new referred individual
16 purchasing a vehicle from the license dealer, or a fee may be
17 paid for the referral of a new potential customer.

18

19 Amendments add new subsection (e) to provide that the referral
20 fees may not be offered or provided to an individual who is
21 employed by the licensed dealer.

22

23 FISCAL NOTE

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

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

6
7 Corrie Thompson, Director of the Enforcement Division, has
8 determined that there will be no significant impact on local
9 economies or overall employment as a result of enforcing or
10 administering the proposed amendments.

11

12 PUBLIC BENEFIT AND COST

13 Ms. Thompson has also determined that for each year of the first
14 five years the amendments are in effect, the public benefit
15 anticipated as a result of enforcing or administering the
16 amendment will clarify used motor vehicle referral fees. There
17 are no anticipated economic costs for persons required to comply
18 with the proposed amendments. There will be no adverse economic
19 effect on small businesses, micro-businesses, or rural
20 communities.

21

22 TAKINGS IMPACT ASSESSMENT

23 The department has determined that this proposal affects no

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 private real property interests and that this proposal does not
2 restrict or limit an owner's right to property that would
3 otherwise exist in the absence of government action, and so does
4 not constitute a taking or require a takings impact assessment
5 under Government Code, §2007.043.

6

7 GOVERNMENT GROWTH IMPACT STATEMENT

8 The department has determined that during the first five years
9 the proposed amendments are in effect, no government program
10 would be created or eliminated. Implementation of the proposed
11 amendments would not require the creation of new employee
12 positions or elimination of existing employee positions.
13 Implementation would not require an increase or decrease in
14 future legislative appropriations to the department or an
15 increase or decrease of fees paid to the department.

16 Additionally, the proposed amendments do not create a new
17 regulation, or expand, limit, or repeal an existing regulation.
18 The proposed amendments do not affect the number of individuals
19 subject to the rule's applicability and will not affect this
20 state's economy.

21

22 SUBMITTAL OF COMMENTS

23 Written comments on the proposed amendments may be submitted to

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 David D. Duncan, General Counsel, Texas Department of Motor
2 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
3 to *rules@txdmv.gov*. The deadline for receipt of comments is
4 5:00 p.m. on _____.

5

6 STATUTORY AUTHORITY

7 The amendments are proposed under Transportation Code,
8 §1002.001, which provides the board of the Texas Department of
9 Motor Vehicles with the authority to adopt rules that are
10 necessary and appropriate to implement the powers and the duties
11 of the department; and more specifically, Transportation Code,
12 Chapter 503.002 which provides the board may adopt rules for the
13 administration of Chapter 503.

14

15 CROSS REFERENCE TO STATUTE

16 Transportation Code, Chapter 503.

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 SUBCHAPTER C. LICENSES, GENERALLY

2 §215.85. Brokering, Used Motor Vehicles.

3 (a) Transportation Code, §503.021 prohibits a person from
4 engaging in business as a dealer, directly or indirectly,
5 including by consignment without a GDN. Except as provided by
6 this section, [The phrase]"directly or indirectly" includes the
7 practice of arranging or offering to arrange a transaction
8 involving the sale of a used motor vehicle for a fee,
9 commission, or other valuable consideration. A person who is a
10 bona fide employee of a dealer holding a GDN and acts for the
11 dealer is not a broker for the purposes of this section.

12 (b) A buyer referral service, program, plan, club, or any
13 other entity that accepts a fee for arranging a transaction
14 involving the sale of a used motor vehicle is required to meet
15 the requirements for and obtain a GDN, unless the referral
16 service, program, plan, or club is operated in the following
17 manner.

18 (1) There is no exclusive market area offered to a dealer
19 by the program. All dealers are allowed to participate in the
20 program on equal terms.

21 (2) Participation by a dealer in the program is not
22 restricted by conditions, such as limiting the number of line-
23 makes or discrimination by size of dealership or location. The

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 total number of participants in the program may be restricted if
2 the program is offered to all dealers at the same time, with no
3 regard to the line-make.

4 (3) All participants pay the same fee for participation
5 in the program. The program fee shall be a weekly, monthly, or
6 annual fee, regardless of the size, location, or line-makes sold
7 by the dealer.

8 (4) A person is not to be charged a fee on a per referral
9 fee basis or any other basis that could be considered a
10 transaction-related fee.

11 (5) The program does not set or suggest to the dealer any
12 price of a motor vehicle or a trade-in.

13 (6) The program does not advertise or promote its plan in
14 a manner that implies that the buyer, as a customer of that
15 program, receives a special discounted price that cannot be
16 obtained unless the customer is referred through that program.

17 (c) All programs must comply with Subchapter H of this
18 chapter (relating to Advertising).

19 (d) A licensed dealer may pay a referral fee in cash or
20 value to an individual who has purchased a vehicle from the
21 licensed dealer within the five year period preceding the
22 referral. The fee may be made contingent upon the new referred
23 individual purchasing a vehicle from the licensed dealer, or a

Texas Department of Motor Vehicles
Chapter 215, Motor Vehicle Distribution

1 fee may be paid for the referral of a new potential purchaser.

2 (e) A referral fee under subsection (d) of this section may

3 not be offered or provided to an individual who is employed by a

4 licensed dealer.

DRAFT



Date: April 12, 2018
Action Requested: APPROVAL

To: Texas Department of Motor Vehicles (TxDMV) Board
From: Jimmy Archer, Director, Motor Carrier Division
Agenda Item: 13
Subject: Proposal of Rules under Title 43, Texas Administrative Code, Chapter 219, Oversize and Overweight Vehicles and Loads Amendments, §§219.60-219.64
(Relating to authorizing travel with properly secured equipment, authorizing travel during daylight and at nighttime, making rule language consistent with current practice or policy, and cleaning up rule language)

RECOMMENDATION

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

PURPOSE AND EXECUTIVE SUMMARY

The purpose of the proposed amendments is to:

1. authorize a crane with a permit to travel with properly secured equipment to the extent the equipment is necessary for the crane to perform its intended function;
2. authorize a crane to travel at nighttime without a front or rear escort vehicle if the crane is overweight and does not exceed legal size limits;
3. provide uniform requirements for permitted cranes to travel at nighttime; and
4. clean up the rule language.

FINANCIAL IMPACT

There will be no fiscal implications for state or local governments as a result of enforcing or administering the proposed amendments. There are no anticipated economic costs for persons required to comply with the proposed amendments. The proposed amendments may increase interstate commerce by allowing properly secured equipment to be transported with the crane, so industry does not have to transport the equipment in a separate vehicle.

BACKGROUND AND DISCUSSION

Industry asked the department to consider amending our rules to allow properly secured equipment to be transported with the crane. Industry must comply with different standards when they cross the state line into Texas because other states currently allow properly secured equipment to be transported on the crane, rather than being transported in a separate vehicle. Proposed amendments authorize a crane with a permit to travel with properly secured equipment to the extent the equipment is necessary for the crane to perform its intended function, consistent with the definition of a “nondivisible vehicle” in §219.2.

The department received calls from law enforcement and industry after drivers were stopped by law enforcement for traveling at nighttime without a front and rear escort vehicle when the permitted crane (annual permit) was overweight, but did not exceed legal size limits. The proposed amendments authorize a permitted crane to travel at nighttime without a front or rear escort vehicle if the crane is overweight, but does not exceed legal size limits. This amendment is consistent with the department’s general rule for a permitted vehicle traveling at nighttime, as well as the information on the department’s webpage for the single-trip mileage permit for cranes.

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1 Proposed Preamble

2 The Texas Department of Motor Vehicles (department) proposes
3 amendments to Chapter 219, Oversize and Overweight Vehicles and
4 Loads, Subchapter E, Permits for Oversize and Overweight Unladen
5 Lift Equipment Motor Vehicles, §219.60, Purpose and Scope;
6 §219.61, General Requirements for Permits for Oversize and
7 Overweight Unladen Lift Equipment Motor Vehicles; §219.62,
8 Single-Trip Mileage Permits; §219.63, Quarterly Hubometer
9 Permits; and §219.64, Annual Permits.

10

11 EXPLANATION OF PROPOSED AMENDMENTS

12 Proposed amendments authorize a crane that is permitted under
13 Chapter 219, Subchapter E to travel with properly secured
14 equipment in accordance with manufacturer's specifications to
15 the extent the equipment is necessary for the crane to perform
16 its intended function. For example, counterweights are necessary
17 at the job site to stabilize the crane. The Federal Highway
18 Administration authorizes the states to determine whether such
19 equipment should travel with the crane or be removed for
20 transport on a separate vehicle. Other states authorize properly
21 secured equipment to be transported with the crane in accordance
22 with the manufacturer's specifications.

23

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1 Industry representatives asked the department to consider
2 amending our rules because the Texas rules are not consistent
3 with the laws and rules of other states. Industry is required to
4 comply with different standards when they cross the state line
5 into Texas. The department proposes these amendments to allow
6 properly secured equipment to be transported with the crane in
7 accordance with the definition of a "nondivisible vehicle" in
8 §219.2.

9
10 The department proposes other amendments because it received
11 calls from industry and law enforcement after drivers were
12 stopped by law enforcement for traveling at nighttime without a
13 front and rear escort vehicle when the permitted crane (annual
14 permit) was overweight, but did not exceed legal size limits
15 under Transportation Code, Chapter 621, Subchapter C. Except as
16 otherwise specified in Chapter 219, Subchapter E, proposed
17 amendments authorize a permitted crane to travel at nighttime
18 without a front or rear escort vehicle if the crane is
19 overweight, but does not exceed legal size limits under
20 Transportation Code, Chapter 621, Subchapter C. These proposed
21 amendments are consistent with the language in §219.11(1)(2)
22 (A)(i), as well as the information on the department's webpage
23 regarding single-trip mileage permits for cranes.

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1

2 Unlike a crane that exceeds legal size, a front and rear escort
3 vehicle is not required to protect the safety of the traveling
4 public or to protect the roadways from an overweight crane,
5 except as otherwise specified in Chapter 219, Subchapter E. The
6 language in §219.62 and §219.63 currently requires a crane that
7 exceeds 175,000 pounds gross weight to have a front and rear
8 escort vehicle to prevent traffic from traveling beside the
9 crane as it crosses a bridge.

10

11 A front and rear escort vehicle is needed to protect the safety
12 of the traveling public when the permitted crane is traveling at
13 nighttime and exceeds any of the legal size limits under
14 Transportation Code, Chapter 621, Subchapter C. Proposed
15 amendments provide uniform requirements for permitted cranes to
16 travel at nighttime, including existing requirements that were
17 previously only listed on the department's website.

18

19 Other proposed amendments improve the terminology, correct
20 errors, modify the language for consistency with other rules in
21 Chapter 219, delete language that duplicates language in Chapter
22 219 or in statute, make the rules consistent with current
23 practice, and restructure portions of Chapter 219 due to

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1 deletions.

2

3 FISCAL NOTE

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

9

10 Jimmy Archer, Director of the Motor Carrier Division, has
11 determined that there will be no significant impact on local
12 economies or overall employment as a result of enforcing or
13 administering the proposed amendments.

14

15 PUBLIC BENEFIT AND COST

16 Mr. Archer has also determined that for each year of the first
17 five years the amendments are in effect, the public benefit
18 anticipated as a result of enforcing or administering the
19 amendments will be rules that promote interstate commerce, and
20 rules that clearly spell out uniform requirements and
21 restrictions regarding crane permits. There are no anticipated
22 economic costs for persons required to comply with the proposed
23 amendments, including the amendments that spell out the current

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1 process for a single-trip mileage permit when the crane has any
2 group of axles that exceeds the limits specified in Figure 1 and
3 Figure 2 in §219.62(f). There will be no adverse economic
4 effect on small businesses, micro-businesses, or rural
5 communities.

6

7 TAKINGS IMPACT ASSESSMENT

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

14

15 GOVERNMENT GROWTH IMPACT STATEMENT

16 The department has determined that during the first five years
17 the proposed amendments are in effect, no government program
18 will be created or eliminated. Implementation of the proposed
19 amendments will not require the creation of new employee
20 positions or elimination of existing employee positions.
21 Implementation will not require an increase or decrease in
22 future legislative appropriations to the department or an
23 increase or decrease of fees paid to the department.

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1 Additionally, the proposed amendments do not create a new
2 regulation or expand an existing regulation. The proposed
3 amendments do not limit or repeal an existing regulation, other
4 than removing the requirement for a crane with an annual permit
5 to have a front and rear escort vehicle while traveling at
6 nighttime when the crane is overweight and does not exceed legal
7 size under Transportation Code, Chapter 621, Subchapter C. The
8 proposed amendments do not affect the number of individuals
9 subject to the rule's applicability. The proposed amendments
10 will not affect this state's economy, other than to possibly
11 increase interstate commerce by allowing certain properly
12 secured equipment to be transported with the permitted crane.

13

14 SUBMITTAL OF COMMENTS

15 Written comments on the proposed amendments may be submitted to
16 David D. Duncan, General Counsel, Texas Department of Motor
17 Vehicles, 4000 Jackson Avenue, Austin, Texas 78731 or by email
18 to rules@txdmv.gov. The deadline for receipt of comments is
19 5:00 p.m. on _____.

20

21 STATUTORY AUTHORITY

22 The amendments are proposed under Transportation Code,
23 §1002.001, which provides the board of the Texas Department of

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1 Motor Vehicles (board) with the authority to adopt rules that
2 are necessary and appropriate to implement the powers and the
3 duties of the department; and more specifically, Transportation
4 Code, §623.002 which authorizes the board to adopt rules that
5 are necessary to implement and enforce Chapter 623.

6

7 CROSS REFERENCE TO STATUTE

8 Transportation Code, Chapters 621 and 623.

DRAFT

Texas Department of Motor Vehicles
Chapter 219, Oversize and Overweight Vehicles and Loads

1 SUBCHAPTER E. PERMITS FOR OVERSIZE AND OVERWEIGHT UNLADEN LIFT
2 EQUIPMENT MOTOR VEHICLES

3 §219.60. Purpose [~~and Scope~~].

4 [~~In accordance with Transportation Code, Chapter 623,~~

5 ~~Subchapters I and J, the department may issue a permit for the~~

6 ~~operation of an oversize or overweight crane which is designed~~

7 ~~for use as lift equipment when the crane cannot comply with one~~

8 ~~or more of the restrictions set out in Transportation Code,~~

9 ~~Chapter 623, Subchapter C, and §621.101.] The [following]~~

10 sections in this subchapter set forth the requirements and

11 procedures applicable to [~~those~~] permits issued for cranes under

12 the provisions of Transportation Code, Chapter 623, Subchapters

13 I and J.

14

15 §219.61. General Requirements for Permits for Oversize and

16 Overweight Unladen Lift Equipment Motor Vehicles.

17 (a) General information.

18 (1) Unless otherwise noted, permits issued under this

19 subchapter are subject to the requirements of this section.

20 (2) Cranes are eligible for an annual permit under this

21 subchapter.

22 (3) Cranes are also eligible for the following permits

23 under this subchapter at weights above those established by

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1 §219.11(d)(2) of this title (relating to General
2 Oversize/Overweight Permit Requirements and Procedures):

3 (A) single-trip mileage permits; and

4 (B) quarterly hubometer permits.

5 (4) If a truck-tractor is used to transport a trailer-
6 mounted crane, the combination of vehicles is limited to the
7 dimensions and weights listed in this subchapter.

8 [~~Unladen lift equipment motor vehicles (cranes) permitted under~~
9 ~~this subchapter are eligible for:]~~

10 [~~(1) permit weight limits above those established by~~
11 ~~§219.11(d)(2) of this title (relating to General~~
12 ~~Oversize/Overweight Permit Requirements and Procedures);]~~

13 [~~(2) single trip mileage permits;]~~

14 [~~(3) quarterly hubometer permits; and]~~

15 [~~(4) annual permits.]~~

16 (b) Permit application. An application shall be made on a
17 form and in a manner prescribed by the department. The applicant
18 shall provide all applicable information, including:

19 (1) name, address, telephone number, and email address

20 (if requested) of the applicant;

21 (2) year and make of the crane;

22 (3) vehicle identification number of the crane;

23 (4) width, height, and length of the crane;

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1 (5) crane [~~unit~~] axle and tire information, including the
2 number of axles, distance between axles, gauge per axle, axle
3 weights, number of tires, and tire size; and

4 (6) any other information required by law.

5 (c) Payment of permit fees. Fees for permits issued under
6 this subchapter are payable as described in §219.11(f).

7 (d) Restrictions.

8 (1) A crane [~~vehicle~~] permitted under this subchapter is
9 subject to the restrictions specified in §219.11(1)(1), (3), and
10 (4), and the permittee is responsible for obtaining information
11 concerning current restrictions from the department.

12 (2) A crane [~~vehicle~~] permitted under this subchapter may
13 travel through highway construction or maintenance areas
14 provided the dimensions do not exceed the construction
15 restrictions as published by the department.

16 (3) A crane permitted under this subchapter may only be
17 operated during daylight, unless:

18 (A) the crane is overweight only. An escort vehicle
19 is not required unless otherwise specified in this subchapter;

20 or

21 (B) the crane is accompanied by a front and rear
22 escort vehicle and does not exceed:

23 (i) 10 feet, 6 inches in width;

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1 (ii) 14 feet in height; or

2 (iii) 95 feet in length.

3 [~~(e) Void permits. A permit will be voided when the~~
4 ~~department is informed by law enforcement that a citation has~~
5 ~~been issued for a violation of a permit's terms and conditions.]~~

6 (e) [(f)] Transferability. Unless otherwise noted, a permit
7 issued under this subchapter may not be transferred between
8 cranes or between permittees.

9 [~~(g) Records retention. A crane permitted under this~~
10 ~~section must keep the permit and any attachments to the permit~~
11 ~~in the crane until the day after the date the permit expires.]~~

12 (f) [(h)] Escort requirements. In addition to any other
13 escort requirements specified in this subchapter, cranes
14 permitted under this subchapter are subject to the escort
15 requirements specified in §219.11(k).

16 (g) Properly secured equipment. A crane permitted under
17 this subchapter may travel with properly secured equipment, such
18 as outriggers, booms, counterweights, jibs, blocks, balls,
19 cribbing, outrigger pads, and outrigger mats, in accordance with
20 the manufacturer's specifications to the extent the equipment is
21 necessary for the crane to perform its intended function,
22 provided the axle weights, axle group weights, and gross weight
23 do not exceed the maximum permit weights listed in this

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1 subchapter.

2

3 §219.62. Single-Trip [~~Single Trip~~] Mileage Permits.

4 (a) General information.

5 (1) Permits issued under this section are subject to the
6 requirements of §219.61 of this title (relating to General
7 Requirements for Permits for Oversize and Overweight Unladen
8 Lift Equipment Motor Vehicles).

9 (2) A single-trip mileage permit:

10 (A) is limited to a maximum of seven consecutive days;

11 (B) is routed from the point of origin to the point of
12 destination and has the route listed on the permit; and

13 (C) allows the crane to be returned to the point of
14 origin on the same permit, provided the return trip is made
15 within the time period stated in the permit.

16 (3) A crane exceeding 175,000 pounds gross weight must:

17 (A) have front and rear escort vehicles to prevent
18 traffic from traveling beside the crane as it crosses a bridge;

19 (B) cross all multi-lane bridges by centering the crane
20 on a lane line;

21 (C) cross all two-lane bridges in the center of the
22 bridge; and

23 (D) cross each bridge at a speed not greater than 20

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1 miles per hour.

2 (4) A crane exceeding 12 feet in width must be centered
3 in the outside traffic lane of any highway that has paved
4 shoulders.

5 (5) Except as otherwise provided in this section, the
6 permitted crane [~~The permitted vehicle~~] must not cross a load-
7 restricted [~~load restricted~~] bridge when exceeding the posted
8 capacity of the bridge. [~~such.~~]

9 (b) Maximum permit weight limits.

10 (1) The maximum permit weight for any single axle must
11 not exceed 30,000 pounds or 850 pounds per inch of tire width,
12 whichever is less.

13 (2) The maximum permit weight for any group of axles on a
14 crane is determined by calculating the "W" weight for the group,
15 using the formulas shown in Figure 2: 43 TAC §219.62(f),
16 "Maximum Permit Weight Formulas," and comparing the calculated
17 "W" weight with the corresponding "W" weight that is established
18 in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

19 (3) The maximum permit weight per inch of tire width for
20 axles that are steerable must not exceed 950 pounds, and the
21 maximum permit weight per inch of tire width for axles that are
22 not steerable must not exceed 850 pounds.

23 [~~(4) A crane that does not have any group of axles that~~

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1 ~~exceeds the limits established in Figure 1: 43 TAC §219.62(f),~~
2 ~~"Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),~~
3 ~~"Maximum Permit Weight Formulas," will be permitted with a~~
4 ~~single-trip mileage permit or a quarterly hubometer permit for~~
5 ~~travel on any route that does not include a load restricted~~
6 ~~bridge.]~~

7 (4) ~~(+5)~~ An applicant with a [A] crane that has any
8 group of axles that exceeds the limits established by Figure 1:
9 43 TAC §219.62(f), "Maximum Permit Weight Table," and Figure 2:
10 43 TAC §219.62(f), "Maximum Permit Weight Formulas," must submit
11 the following to the department to determine if a permit can be
12 issued:

13 (A) a detailed diagram, on a form prescribed by the
14 department, which illustrates the required information listed in
15 §219.61(b)(5);

16 (B) the exact beginning and ending points relative to a
17 state highway; and

18 (C) the name and contact information of the applicant's
19 TxDOT-approved licensed professional engineer. [will be
20 eligible, on an individual case-by-case basis, for a single-trip
21 mileage permit only. Permit approval or denial will be based on
22 a detailed route study and an analysis conducted by TxDOT of
23 each bridge on the proposed travel route to determine if the

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1 ~~road(s) and bridge(s) are capable of sustaining the movement.]~~

2 (5) The department will select and provide the applicant
3 with a tentative route based on the size of the crane, excluding
4 the weight. The applicant must inspect the tentative route and
5 advise the department, in writing, that the route is capable of
6 accommodating the crane.

7 (6) Before the department will issue a permit, the
8 applicant's TxDOT-approved licensed professional engineer must
9 submit to TxDOT a written certification that includes a detailed
10 structural analysis of the bridges on the proposed route
11 demonstrating that the bridges and culverts on the travel route
12 are capable of sustaining the crane. The certification must be
13 approved by TxDOT and submitted to the department before the
14 department will issue the permit.

15 ~~[(6) A road or bridge that has been analyzed and~~
16 ~~determined to be incapable of sustaining the crane will be~~
17 ~~excluded from the permit route.]~~

18 (c) Permit application and issuance.

19 (1) An application for a single-trip mileage permit under
20 this section must be made in accordance with §219.61(b) of this
21 title and must also include the origin and destination points of
22 the crane.

23 (2) Upon receipt of the application, the department will

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1 review and verify size and weight information, check the route
2 and mileage to be traveled, compute the permit fee, and advise
3 the applicant of the permit fee.

4 (3) Upon receipt of the permit fee, the department will
5 advise the applicant of the permit number and will provide a
6 copy of the permit to the applicant.

7 (d) Permit fees and refunds.

8 (1) Minimum fee. The minimum fee for a single-trip
9 mileage permit is either the calculated permit fee or \$31,
10 whichever is the greater amount.

11 (2) Permit fee calculation. The permit fee for a single-
12 trip mileage permit is calculated by multiplying the number of
13 miles traveled, the highway use factor, and the total rate per
14 mile, and then adding the indirect cost share to the product.

15 (A) Highway use factor. The highway use factor for a
16 single-trip mileage permit is 0.6.

17 (B) Total rate per mile. The total rate per mile is the
18 combined mileage rates for width, height, and weight for the
19 crane [~~unit~~]. The rate per mile for a trailer-mounted [~~trailer~~
20 ~~mounted~~] crane is based on the overall width, overall height,
21 and all axle weights, including the truck-tractor axles.

22 (i) The mileage rate for width is \$.06 per mile for
23 each foot (or fraction thereof) above legal width.

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1 (ii) The mileage rate for height is \$.04 per mile for
2 each foot (or fraction thereof) above legal height.

3 (iii) The mileage rate for a single axle or any axle
4 within a group that exceeds 20,000 pounds, but is less than or
5 equal to 25,000 pounds, is calculated by multiplying \$.045 times
6 the amount by which the axle or axle group weight exceeds the
7 legal weight for the axle or axle group and dividing the
8 resultant figure by 1,000 pounds.

9 (iv) The mileage rate for a single axle or any axle
10 within a group that exceeds 25,000 pounds, but is less than or
11 equal to 30,000 pounds, is calculated by multiplying \$.055 times
12 the amount by which the axle or axle group weight exceeds the
13 legal weight for the axle or axle group and dividing the
14 resultant figure by 1,000 pounds.

15 (3) Exceptions to fee computations. A crane with two or
16 more axle groups that does not have a spacing of at least 12
17 feet between the closest axles of the opposing groups must have
18 the permit fee calculated by the following method.

19 (A) The axle group with the lowest weight will have the
20 axle closest to the next axle group temporarily disregarded from
21 its group in order to create a spacing of at least 12 feet
22 between the two groups for fee calculation purposes.

23 (B) An axle group will not have more than one axle

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1 disregarded.

2 (C) The permit fee for the axle group with the
3 temporarily disregarded axle must be based on the actual weight
4 of the entire axle group minus the legal weight for the
5 remaining axles of the group.

6 (4) Refunds. Fees for permits issued under this section
7 are non-refundable.

8 (e) Amendments. A single-trip mileage permit issued under
9 this section may not be amended unless an exception is granted
10 by the department.

11 (f) Weight table and formulas. The following table entitled
12 "Maximum Permit Weight Table" is Figure 1: 43 TAC §219.62(f),
13 and the list of formulas entitled "Maximum Permit Weight
14 Formulas," is Figure 2: 43 TAC §219.62(f).

15 Figure 1: 43 TAC §219.62(f) (No change.)

16 Figure 2: 43 TAC §219.62(f) (No change.)

17

18 §219.63. Quarterly Hubometer Permits.

19 (a) General information.

20 (1) Permits issued under this section are subject to the
21 requirements of §219.61 of this title (relating to General
22 Requirements for Permits for Oversize and Overweight Unladen
23 Lift Equipment Motor Vehicles).

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1 (2) A quarterly hubometer permit:

2 (A) is effective for three consecutive months;

3 (B) allows the crane [~~vehicle~~] to travel on all state-
4 maintained highways; and

5 (C) allows the crane [~~unit~~] to travel on a state-wide
6 basis.

7 (3) A crane permitted under this section must not exceed
8 any of the following dimensions:

9 (A) 12 feet in width;

10 (B) 14 feet, 6 inches in height; or

11 (C) 95 feet in length.

12 (4) With the exception of cranes that are overlength
13 only, cranes operated with a quarterly hubometer permit must be
14 equipped with a hubometer. The permittee must maintain the
15 hubometer in good working condition.

16 (5) A crane exceeding 175,000 pounds gross weight must:

17 (A) have front and rear escort vehicles to prevent
18 traffic from traveling beside the crane as it crosses a bridge;

19 (B) cross all multi-lane bridges by centering the crane
20 on a lane line;

21 (C) cross all two-lane bridges in the center of the
22 bridge; and

23 (D) cross each bridge at a speed not greater than 20

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1 miles per hour.

2 ~~[(6) A crane exceeding 12 feet in width must be centered~~
3 ~~in the outside traffic lane of any highway that has paved~~
4 ~~shoulders.]~~

5 ~~[(7) A crane will be permitted for night movement~~
6 ~~provided that it does not exceed 10 feet 6 inches in width, 14~~
7 ~~feet in height, or 95 feet in length. A crane moving at night~~
8 ~~must be accompanied by a front and rear escort vehicle.]~~

9 (6) ~~[(8)]~~ The permitted crane ~~[vehicle]~~ must not cross a
10 load-restricted ~~[load restricted]~~ bridge when exceeding the
11 posted capacity of the bridge.

12 (7) ~~[(9)]~~ The permit may be amended only to indicate:

13 (A) a new hubometer serial number; or

14 (B) a new license plate number.

15 (b) Maximum permit weight limits.

16 (1) The maximum permit weight for any single axle must
17 not exceed 30,000 pounds or 850 pounds per inch of tire width,
18 whichever is less.

19 (2) The maximum permit weight for any group of axles on a
20 crane will be determined by calculating the "W" weight for the
21 group, using the formulas in Figure 2: 43 TAC §219.62(f),
22 "Maximum Permit Weight Formulas," and comparing the calculated
23 "W" weight with the corresponding "W" weight that is established

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1 in Figure 1: 43 TAC §219.62(f), "Maximum Permit Weight Table."

2 (3) The maximum permit weight per inch of tire width for
3 axles that are steerable must not exceed 950 pounds, and the
4 maximum permit weight per inch of tire width for axles that are
5 not steerable must not exceed 850 pounds.

6 [~~(4) A crane that does not have any group of axles that~~
7 ~~exceeds the limits established in Figure 1: 43 TAC §219.62(f),~~
8 ~~"Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),~~
9 ~~"Maximum Permit Weight Formulas," will be permitted with a~~
10 ~~single-trip mileage permit or a quarterly hubometer permit for~~
11 ~~travel on any route that does not include a load restricted~~
12 ~~bridge.]~~

13 (4) [(5)] A crane that has any group of axles that
14 exceeds the limits established by Figure 1: 43 TAC §219.62(f),
15 "Maximum Permit Weight Table," and Figure 2: 43 TAC §219.62(f),
16 "Maximum Permit Weight Formulas," is not eligible for a permit
17 under this section; however, it is eligible for a permit under
18 §219.62 of this title (relating to Single-Trip Mileage Permits).

19 [~~will be eligible, on an individual case by case basis, for a~~
20 ~~single-trip mileage permit only; permit approval or denial will~~
21 ~~be based on a detailed route study and an analysis conducted by~~
22 ~~TxDOT of each bridge on the proposed travel route to determine~~
23 ~~if the road(s) and bridge(s) are capable of sustaining the~~

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1 ~~movement.]~~

2 ~~[(6) A bridge that has been analyzed and determined to be~~
3 ~~incapable of sustaining the crane will be excluded from the~~
4 ~~permit route.]~~

5 (c) Initial permit application and issuance.

6 (1) An application for an initial quarterly hubometer
7 permit must be made in accordance with §219.61(b) of this title.
8 In addition, the applicant must provide the current hubometer
9 mileage reading and an initial \$31 processing fee.

10 (2) Upon verification of the crane [~~unit~~] information and
11 receipt of the permit fee, the department will provide a copy of
12 the permit to the applicant, and will also provide a renewal
13 application form to the applicant.

14 (d) Permit renewals and closeouts.

15 (1) An application for a permit renewal or closeout must
16 be made on a form and in a manner prescribed by the department.

17 (2) Upon receipt of the renewal application, the
18 department will verify crane information, check mileage traveled
19 on the last permit, calculate the new permit fee, and advise the
20 applicant of the permit fee.

21 (e) Permit fees.

22 (1) Minimum fee. The minimum fee for a quarterly
23 hubometer permit is either the calculated permit fee or \$31,

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1 whichever is the greater amount.

2 (2) Fees for overlength cranes [~~units~~]. A crane that is
3 overlength only is not required to have a hubometer. The fee for
4 this permit is \$31. [~~must obtain a quarterly hubometer permit~~
5 ~~with a fee of \$31, and is not required to have a hubometer.~~]

6 (3) Quarterly hubometer permit fee calculation. The
7 permit fee for a quarterly hubometer permit is calculated by
8 multiplying the hubometer mileage, the highway use factor, and
9 the total rate per mile, and then adding the indirect cost share
10 to the product.

11 (A) Hubometer mileage. Mileage for a quarterly
12 hubometer permit is determined by the crane's current hubometer
13 mileage reading minus the crane's hubometer mileage reading from
14 the previous quarterly hubometer permit.

15 (B) Highway use factor. The highway use factor for a
16 quarterly hubometer permit is 0.3.

17 (C) Total rate per mile. The total rate per mile is the
18 combined mileage rates for width, height, and weight for the
19 crane.

20 (i) The mileage rate for width is \$.06 per mile for
21 each foot (or fraction thereof) above legal width.

22 (ii) The mileage rate for height is \$.04 per mile for
23 each foot (or fraction thereof) above legal height.

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1 (iii) The mileage rate for a single axle or any axle
2 within a group that exceeds 20,000 pounds, but is less than or
3 equal to 25,000 pounds, is calculated by multiplying \$.045 times
4 the amount by which the axle or axle group weight exceeds the
5 legal weight for the axle or axle group and dividing the
6 resultant figure by 1,000 pounds.

7 (iv) The mileage rate for a single axle or any axle
8 within a group that exceeds 25,000 pounds, but is less than or
9 equal to 30,000 pounds, is calculated by multiplying \$.055 times
10 the amount by which the axle or axle group weight exceeds the
11 legal weight for the axle or axle group and dividing the
12 resultant figure by 1,000 pounds.

13 (4) Special fee provisions. A crane with two or more axle
14 groups that do not have a spacing of at least 12 feet between
15 the closest axles of the opposing groups must have the permit
16 fee calculated by the following method.

17 (A) The axle group with the lowest weight will have the
18 axle closest to the next axle group temporarily disregarded from
19 its group in order to create a spacing of at least 12 feet
20 between the two groups for fee calculation purposes.

21 (B) An axle group will not have more than one axle
22 disregarded.

23 (C) The permit fee for the axle group with the

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1 temporarily disregarded axle must be based on the actual weight
2 of the entire axle group minus the legal weight for the
3 remaining axles of the group.

4

5 §219.64. Annual Permits.

6 (a) General information. Permits issued under this section
7 are subject to the requirements of §219.61 of this title
8 (relating to General Requirements for Permits for Oversize and
9 Overweight Unladen Lift Equipment Motor Vehicles).

10 (1) A crane permitted under this section must not exceed:

11 (A) the weight limits established in §219.11(d)(1),
12 (2), and (3) of this title (relating to General
13 Oversize/Overweight Permit Requirements and Procedures);

14 (B) a gross weight of 120,000 pounds;

15 (C) legal length and height limits as specified in
16 Transportation Code, Chapter 621, Subchapter C; and

17 (D) 10 feet in width.

18 (2) A permit issued under this section may not be
19 amended.

20 (3) A crane permitted under this section must not cross a
21 load-restricted [~~load-restricted~~] bridge or a load-restricted
22 [~~load-restricted~~] road when exceeding the posted capacity of
23 such.

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1 ~~[(4) A crane permitted under this section may travel at~~
2 ~~night with front and rear escort vehicles.]~~

3 ~~[(5) The fee for an annual permit issued under this~~
4 ~~section is \$100.]~~

5 (b) Permit application and issuance.

6 (1) Initial permit application. An application for an
7 annual permit under this section must be made in accordance with
8 §219.61(b) of this title.

9 (2) Permit issuance. Upon receipt of the application and
10 the appropriate permit fee, the department will verify the
11 application information and provide the permit to the applicant.

Figure 1: 43 TAC §219.62(f)

MAXIMUM PERMIT WEIGHT TABLE

| Length (L) Feet | Weight (W) (lb/ft) | Length (L) Feet | Weight (W) (lb/ft) | Length (L) Feet | Weight (W) (lb/ft) |
|--------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| 4 | 7520 | 30 | 3676 | 55 | 3111 |
| 5 | 6345 | 31 | 3646 | 56 | 3094 |
| 6 | 5947 | 32 | 3616 | 57 | 3077 |
| 7 | 5698 | 33 | 3586 | 58 | 3061 |
| 8 | 5500 | 34 | 3557 | 59 | 3045 |
| 9 | 5326 | 35 | 3529 | 60 | 3030 |
| 10 | 5169 | 36 | 3501 | 61 | 3015 |
| 11 | 5027 | 37 | 3474 | 62 | 3000 |
| 12 | 4898 | 38 | 3448 | 63 | 2985 |
| 13 | 4781 | 39 | 3423 | 64 | 2971 |
| 14 | 4675 | 40 | 3399 | 65 | 2957 |
| 15 | 4579 | 41 | 3376 | 66 | 2943 |
| 16 | 4492 | 42 | 3354 | 67 | 2929 |
| 17 | 4413 | 43 | 3333 | 68 | 2915 |
| 18 | 4340 | 44 | 3313 | 69 | 2901 |
| 19 | 4272 | 45 | 3293 | 70 | 2887 |
| 20 | 4208 | 46 | 3274 | 71 | 2874 |
| 21 | 4146 | 47 | 3255 | 72 | 2861 |
| 22 | 4087 | 48 | 3236 | 73 | 2848 |
| 23 | 4030 | 49 | 3218 | 74 | 2835 |
| 24 | 3974 | 50 | 3200 | 75 | 2822 |
| 25 | 3920 | 51 | 3182 | 76 | 2809 |
| 26 | 3867 | 52 | 3164 | 77 | 2796 |
| 27 | 3815 | 53 | 3146 | 78 | 2783 |
| 28 | 3764 | 54 | 3128 | 79 | 2771 |
| 29 | 3714 | 55 | 3111 | 80 | 2759 |

Figure 2: 43 TAC §219.62(f)

MAXIMUM PERMIT WEIGHT FORMULAS

$$W = T / (L + 4)$$

- “W” - The value of the equivalent distributed load expressed in pounds per linear foot.
- “T” - The sum of the axle loads or equivalent axle loads of any group of two or more axles expressed in pounds. Any combination of axle loads may be considered as a group, up to the total number of axles for the unit.
- “L” - The length between axles, expressed in feet and measured to the nearest inch, from the center of the first axle to the center of last axle in the axle group, series of groups, or total axles for the unit.

A unit with axle groups composed of various numbers of tires per axle or with axle groups with a gauge distance greater than 6.0 feet on each axle may have additional reduction factors applied to each axle before summing “T.” The revised equivalent axle load is calculated by the following formula.

$$A = (RS)(\text{THE AXLE LOAD})$$

- “A” - Equivalent axle load for axles with gauge greater than 6.0 feet and/or more than four tires.
- “R” - A reduction factor for a unit with a gauge distance greater than 6.0 feet, calculated by the following formula.

$$R = (6.0 + G) / (2 G)$$

- “G” - The gauge distance, expressed in feet and measured to the nearest inch, from the center of the outside dual wheels on one side of the axle to the center of the outside dual wheels on the opposite side of the axle. The gauge distance of an axle equipped with two tires per axle must be measured to the nearest inch from center of tire to center of opposite tire.
- “S” - A reduction factor based on the number of tires per axle.
 S = 1.0 for axles with four or fewer tires, and
 S = 0.96 for axles with eight tires.



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.

- 3.1.1.8. 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 TxDMV 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 Legitimizing

- 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 activities 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.

| GOAL | STRATEGY | # | MEASURE | Baseline | Target | Actual | OWNER |
|--------------------|----------------------------------|----|---|---------------------------|---------------------------|--------|-------|
| Performance Driven | Effective and efficient services | 1 | Average processing time for new franchise license applications | 45 days | 35 days | | MVD |
| | | 2 | Average processing time for franchise renewals | 11 days | 5 days | | MVD |
| | | 3 | Average processing time of franchise license amendments | 20 days | 8 days | | MVD |
| | | 4 | Average processing time for new Dealer's General Distinguishing Number (GDN) license applications | 35 days | 17 days | | MVD |
| | | 5 | Average processing time for GDN renewals | 14 days | 7 days | | MVD |
| | | 6 | Average processing time for GDN license amendments | 19 days | 7 days | | MVD |
| | | 7 | Average turnaround time for single-trip routed permits | 33.88 mins | 32 mins | | MCD |
| | | 8 | Average turnaround time for intrastate authority application processing | 1.47 days | 1.4 days | | MCD |
| | | 9 | Average turnaround time for apportioned registration renewal applications processing | 2 days | 2 days | | MCD |
| | | 10 | Average turnaround time to issue salvage or non-repairable vehicle titles | 5 days | 4 days | | VTR |
| | | 11 | Average time to complete motor vehicle complaints with no contested case proceeding | 131 days | 120 days | | ENF |
| | | 12 | Average time to complete motor vehicle complaints with contested case proceeding | 434 days | 400 days | | ENF |
| | | 13 | Average time to complete salvage complaints with no contested case proceeding | 131 days | 120 days | | ENF |
| | | 14 | Average time to complete salvage complaints with contested case proceeding | 434 days | 400 days | | ENF |
| | | 15 | Average time to complete motor carrier complaints with no contested case proceeding | 297 days | 145 days | | ENF |
| | | 16 | Average time to complete motor carrier complaints with contested case proceeding | 133 days | 120 days | | ENF |
| | | 17 | Average time to complete household goods complaints with no contested case proceeding | 432 days | 145 days | | ENF |
| | | 18 | Average time to complete household goods complaints with contested case proceeding | 371 days | 180 days | | ENF |
| | | 19 | Average time to complete Oversize/Overweight (OS/OW) complaints with no contested case proceeding | 40 days | 35 days | | ENF |
| | | 20 | Average time to complete OS/OW complaints with contested case proceeding | 265 days | 250 days | | ENF |
| | | 21 | Percent of lemon law cases resolved prior to referral for hearing | 76% | 60% | | ENF |
| | | 22 | Average time to complete lemon law cases where no hearing is held | 147 days | 65 days | | ENF |
| | | 23 | Average time to complete lemon law cases where hearing is held | 222 days | 150 days | | ENF |
| | | 24 | Percent of total renewals and net cost of registration renewal: A. Online B. Mail C. In Person | A. 15% B. 5% C. 80% | A. 16% B. 5% C. 79% | | VTR |
| | | 25 | Total dealer title applications: A. Through Webdealer B. Tax Office | Baseline in development | A. 5% B. 95% | | VTR |

| GOAL | STRATEGY | # | MEASURE | Baseline | Target | Actual | OWNER | |
|-----------------------------------|---|---|--|--|--|--|-------|-----------|
| Optimized Services and Innovation | | 26 | Percent of total lien titles issued: A. Electronic Lien Title B. Standard Lien Title | A. 16% B. 84% | A. 20% B. 80% | | VTR | |
| | | 27 | Percent of total OS/OW permits: A. Online (self-issued) B. Online (MCD-issued) C. Phone D. Mail E. Fax | A. 57.47% B. 23.03% C. 11.33% D. 1.76% E. 6.4% | A. 58% or greater B. 25% or greater C. 10% or less D. 1.7% or less E. 5.3% or less | | MCD | |
| | | 28 | Average time to complete lemon law and warranty performance cases after referral | Baseline in development | 25 days | | OAH | |
| | | 29 | Average time to issue a decision after closing the record of hearing | Baseline in development | 30 days | | OAH | |
| | | Implement appropriate best practices | 30 | Percent of audit recommendations implemented | Baseline in development | 90% annual goal for these recommendations which Internal Audit included in a follow-up audit | | IAD |
| | | Continuous business process improvement and realignment | 31 | Percent of projects approved by the agency's governance team that finish within originally estimated time (annual) | 57% | 100% | | EPMO |
| | | | 32 | Percent of projects approved by the agency's governance team that finish within originally estimated budget (annual) | 71% | 100% | | EPMO/ FAS |
| | | | 33 | Percent of monitoring reports submitted to Texas Quality Assurance Team (TXQAT) by or before the due date | 79% | 100% | | EPMO |
| | | | 34 | Percent of project manager compliance with EPMO project management standards based upon internal quality assurance reviews | Baseline in development | 100% | | EPMO |
| | | Executive ownership and accountability for results | 35 | Percent of employees due a performance evaluation during the month that were completed on time by division. | Baseline in development | 100% | | HR |
| | | 36 | Percent of goals accomplished as stated in the directors performance evaluation | Baseline in development | Measure annually at the end of the fiscal year | | EXEC | |
| | Organizational culture of continuous improvement and creativity | 37 | Employees who rate job satisfaction as above average as scored by the Survey of Employee Engagement (SEE) | 3.47 (SEE 2012) | 3.65 | 3.60 (SEE 2013) | HR | |
| | | 38 | Increase in the overall SEE score | 337 (SEE 2012) | 360 | 351 (SEE 2013) | HR | |
| Focus on the internal customer | Focus on the internal customer | 39 | Percent of favorable responses from customer satisfaction surveys | Baseline in development | 90% | | EPMO | |
| | | 40 | Annual agency voluntary turnover rate | 6.5% (FY 2013) | 5.0% | | HR | |
| | Increase transparency with external customers | 41 | Number of education programs conducted and number of stakeholders/customers attending education programs | 4.48/80.61 | 4/80 | | MCD | |
| | | 42 | Number of education programs conducted and number of stakeholders/customers attending education programs | 36/335 | 42/390 | | VTR | |
| | | 43 | Number of eLearning training modules available online through the Learning Management System and number of modules completed by stakeholders/customers | eLearning Modules Available - 28 Completed - 735 | Available - 31 Completed - 814 | | VTR | |

| GOAL | STRATEGY | # | MEASURE | Baseline | Target | Actual | OWNER |
|--|----------------------------|-----------------|--|--|--|--------|---------------|
| Customer Center | | 44 | Number of Shows and Exhibits attended to educate stakeholders/customers about TxDMV services and programs | 6 | 7 | | MVD |
| | | 45 | Number of education programs conducted and number of stakeholders/customers attending education programs | 3/250 | 3/250 | | ENF |
| | | 46 | Number of education programs conducted and number of stakeholders/customers attending education programs | 3/150 | 4/300 | | ABTPA |
| | | 47 | Percent of customers and stakeholders who express above average satisfaction with communications to and from TxDMV | Baseline in development | 80% | | All Divisions |
| | Excellent Service Delivery | 48 | Average hold time | 9 min | 9 min | | CRD |
| | | 49 | Abandoned call rate | 22% | 20% | | CRD |
| | | 50 | Average hold time | Baseline in development | 1 min | | ITS |
| | | 51 | Abandoned call rate | Baseline in development | 5% | | ITS |
| | | 52 | Average hold time | Credentialing - 1.6 minutes Permits - 2.08 minutes CFS - 54.38 seconds | Credentialing - 1.5 minutes Permits - 2 minutes CFS - 50 seconds | | MCD |
| | | 53 | Abandoned call rate | Credentialing - 7% Permits - 6.42% CFS - 5.63% | Credentialing - 6% Permits - 5% CFS - 5% | | MCD |
| 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. | | | | | | | |