



Texas Department *of* Motor Vehicles

# Department Overview and Update

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**Prepared for the  
House Transportation Committee**

**Whitney Brewster  
Executive Director**

**February 13, 2019**

# Table of Contents

<b>Overview of the Texas Department of Motor Vehicles</b> .....	2
Department Organization Chart .....	4
<b>Metrics, Revenues, and Projections</b> .....	5
<b>Sunset Review</b> .....	6
<b>Recommendations to the 86<sup>th</sup> Legislature</b> .....	7
ABTPA Finance Recommendation.....	7
Vehicle Size & Weight Related Recommendations.....	7
Salvage Vehicle Related Recommendations.....	8
Vehicle Consignments Recommendation .....	9
Confidential Investigations Recommendation.....	9
Registration Expirations During a Disaster Recommendation.....	9
Lemon Law Fee Reimbursement Recommendation.....	9
Title Dispute Recommendation .....	9
<b>Compliance and Investigations Division</b> .....	9
<b>Implementation of Legislation from the 85<sup>th</sup> Legislature</b> .....	10
<b>Hurricane Harvey Response</b> .....	12
<b>Department Facilities</b> .....	13
<b>IT Projects</b> .....	13
Registration and Titling System Refactoring.....	13
webDEALER .....	14
eLICENSING .....	14
County Equipment Refresh.....	14
Grant Management and Tracking System .....	14
<b>Conclusion</b> .....	14

# Overview of the Texas Department of Motor Vehicles

The Texas Department of Motor Vehicles (TxDMV) manages the registering and titling of motor vehicles, credentials commercial motor carriers, issues oversize and overweight vehicle permits, regulates the sale and distribution of motor vehicles, and administers vehicle theft prevention grants.

TxDMMV has a nine-member board appointed by the governor, who also designates one board member to serve as chairman. The board selects one of its members to serve as vice chairman. By law, board members must include:

- ❖ 1 county tax assessor-collector
- ❖ 2 franchised auto dealers
- ❖ 1 independent auto dealer
- ❖ 1 representative from the vehicle manufacturing or distribution industry
- ❖ 1 representative from the motor carrier industry
- ❖ 1 county or city law enforcement representative
- ❖ 2 customer (public) representatives

## **FY 2018 By-the-Numbers**

### **VTR**

24,880,151 *Vehicles registered*

7,978,712 *Vehicle Titles issued*

\$1.5+ billion to Fund 6 from Reg.

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### **MVD**

2,736 *Franchise Dealers licensed*

20,119 *Independent Dealers licensed*

271 *Manufacturers/Distributors licensed*

8,361 *Salvage Vehicle Dealers licensed*

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### **MCD**

\$181,318,349 *Revenue from OS/OW Permits*

809,113 *OS/OW permits issued*

51,695 *Active Intrastate MCs*

445,678 *Active Intrastate Vehicles*

238,619 *Phone Calls Handled*

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### **CRD**

697,907 *Customer Contacts Received*

\*\*\*

### **Enforcement Division**

\$841,392 *MV civil penalties collected*

\$148,762 *Reimbursed to consumers*

\$1,151,730 *MC civil penalties collected*

\$612,066 *OS/OW civil penalties collected*

11,304 *Complaints closed*

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### **ABTPA**

11,038 *Recovered stolen vehicles*

3,295 *Arrests for MV theft*

The TxDMV aims to provide user-friendly processes and excellent customer service to its regulated businesses and the motoring public and to achieve the TxDMV Board's strategic goals of optimizing services and innovation and being performance driven and customer centric. To those ends, the department is organized into several divisions, some of which are highlighted below.

The **Vehicle Titles and Registration Division (VTR)** provides vehicle title, vehicle registration, and other related services. The division supports Texas' 254 county tax assessor-collector (TAC) offices who, in turn, provide title and registration services to the public. In addition, the division provides law enforcement access to vehicle ownership information, facilitates the collection of motor vehicle sales taxes, oversees specialty license plate issuance, and distributes disabled parking placards.

The **Motor Vehicle Division (MVD)** licenses motor vehicle manufacturers, distributors, leasing companies, new, used, and salvage motor vehicle dealers, and other industry related entities. The division mediates disputes between new vehicle dealers and manufacturers and dealer-to-dealer protests. The division also provides preliminary licensure determinations for dealers of certain motor vehicles (MV) and trailers, oversees the issuance of license plates specifically for dealers, manufacturers, and converters, and authorizes motor vehicle industry trade shows and displays in Texas.

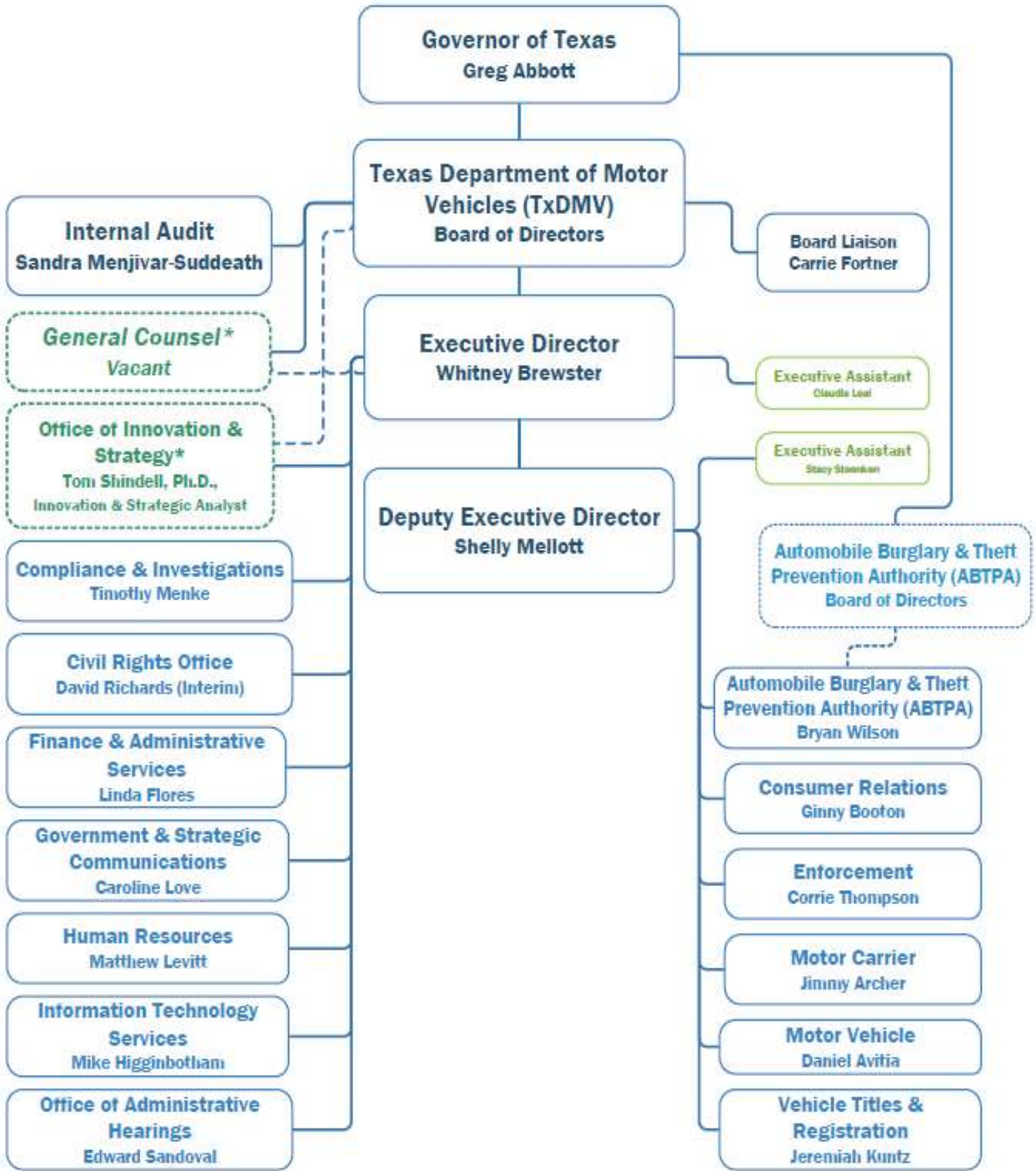
The **Motor Carrier Division (MCD)** regulates the motor carrier (MC) industry to promote the safe, effective, and efficient movement of people and goods. The division issues motor carrier operating authority credentials; issues permits for the operation of oversize/overweight (OS/OW) vehicles; monitors compliance with financial responsibility reporting; oversees commercial fleet registrations; and provides apportioned registration of commercial vehicles engaged in interstate operation (known as TxIRP).

The **Consumer Relations Division** (CRD) serves as the department's main point of contact for the public and industries served by TxDMV. CRD operates the department's customer contact/call center and responds to the bulk of the correspondence and e-mail received by the department. Customers served daily by the division include: the public, dealers, law enforcement and other government agencies, salvage yards, storage facilities, financial institutions, and insurance companies. To ensure a continuous focus on quality customer service, CRD maintains a department database to track consumer complaints, resolutions, compliments and suggestions.

The **Enforcement Division** ensures compliance with the law by the motor vehicle distribution, salvage and motor carrier industries. Complaints from consumers, other agencies, law enforcement, and from within the department are investigated by staff investigators located throughout the state. If violations are found, administrative actions are initiated by the division's staff attorneys. An integral part of the division's activities focuses on the education and training of licensees on relevant laws and regulations. The division also oversees the state's Lemon Law and warranty performance program, which allows consumers to seek relief when they believe they have purchased a vehicle with a defect. The department's **Office of Administrative Hearings** handles hundreds of Lemon Law and warranty performance cases annually that have not been resolved through the division's mediation process.

The **Auto Burglary and Theft Prevention Authority** (ABTPA) provides grants to law enforcement agencies to combat motor vehicle burglaries and thefts. The ABTPA has a seven-member board appointed by the governor to represent law enforcement, consumers, and the insurance industry. The ABTPA fosters a statewide, cooperative network of law enforcement groups, prosecutors, insurance industry representatives, tax assessor-collectors, and citizens to combat motor vehicle burglary and theft through enforcement, prevention, and public awareness. The Authority also funds, monitors, and reports on local law enforcement efforts to combat motor vehicle burglary and theft related to border security (including ports).

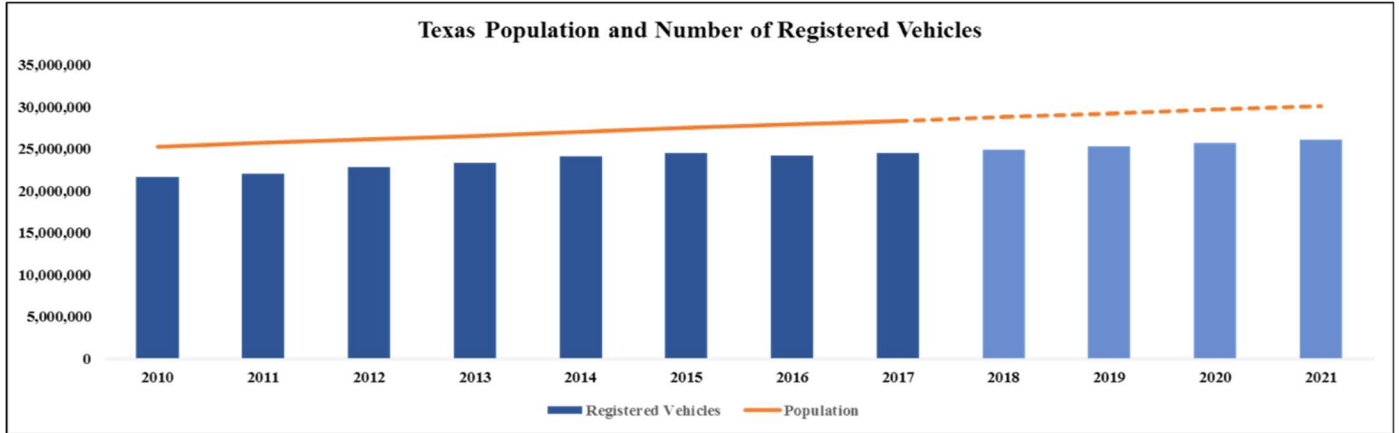
## Department Organization Chart



*\*Position reports to Executive Director and Board of Directors.*

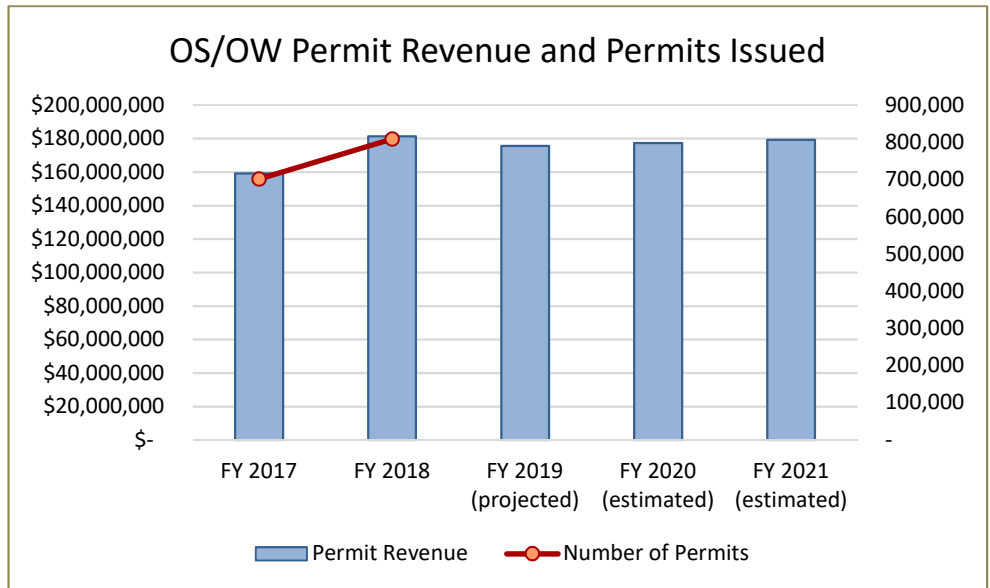
## Metrics, Revenues, and Projections

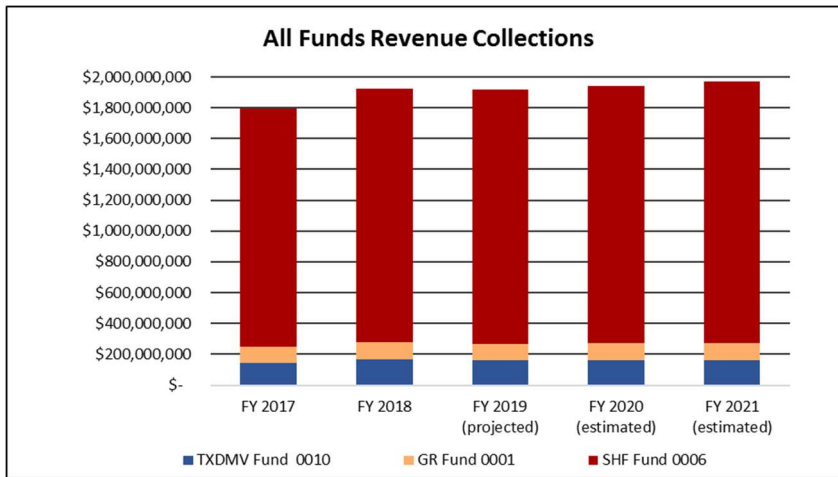
Fiscal Year (FY) 2019 marks the 10th year of operations of the TxDMV as a stand-alone, independent department. During this biennium, the department continued to improve its core functions, such as title issuance, vehicle registration, dealer licensing, oversize/overweight permitting, enforcement and fraud detection and deterring automobile burglary and theft.



The department anticipates continued increases in the number of vehicles registered in the state during the next biennium, but at slower rates than was projected for the current biennium. The department also anticipates slight increases in the number of titles issued. In FY 2018 title issuance was higher than projected because of Hurricane Harvey. Therefore, it is estimated that FY 2019 title numbers will be slightly lower than FY 2018 totals, reflecting a return to more historical levels.

Oversize/overweight permits issued during FY 2018 were 15.3% more than FY 2017. This increase is most likely attributable to the recovery in the oil and gas industry. However, market volatility in that industry could result in lower than projected permits issued, resulting in lower revenues during FY 2019, possibly continuing into the FY 2020-2021 biennium.

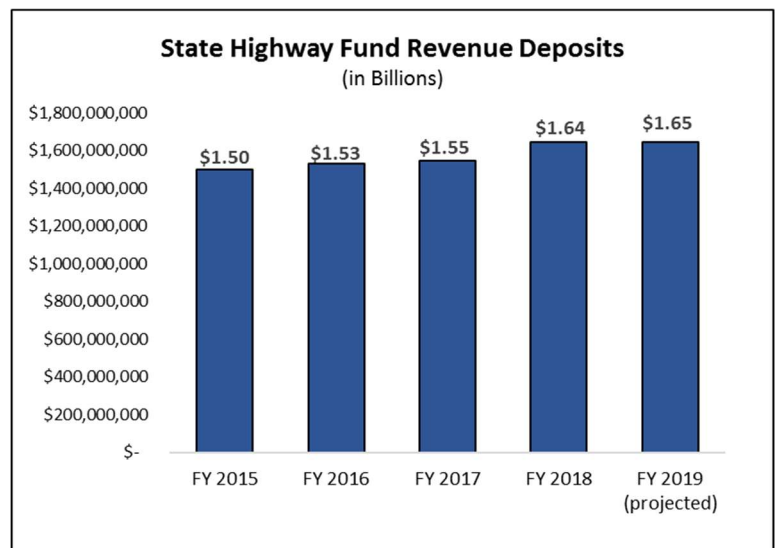




In FY 2018, the TxDMV and its TAC partners collected approximately \$1.92 billion in total revenue (all funds) for the state of Texas. This includes deposits of approximately \$1.64 billion to the State Highway Fund, \$112.5 million to the General Revenue (GR) Fund and \$167.2 million to the TxDMV Fund. The net FY 2018 increase in revenue is approximately \$126.4 million, or 7.0% more revenue than in FY 2017.

The TxDMV Fund was established at the beginning of FY 2017 and since then the department has received most of its appropriations from that fund. Only the appropriation for the ABTPA is not funded from the TxDMV Fund, but rather GR. Every dollar appropriated to the TxDMV generates approximately \$11 in revenue collections for the state. For the next biennium, the Comptroller’s Biennial Revenue Estimate anticipates department operations will generate approximately \$4.09 billion in all revenues—\$3.51 billion for the State Highway Fund, \$224 million for the General Revenue Fund and \$340 million for the TxDMV Fund.

In addition to the above, the Comptroller collects and deposits to GR on behalf of the ABTPA, an annual assessment of \$2 on all motor vehicle insurance policies sold in Texas for the expressed statutory purpose of combating automobile burglary and theft. In FY 2018, the total collected from the assessment was \$49.1 million. The projected total for FY 2020 is \$50.8 million and \$51.3 million in FY 2021.



## Sunset Review

The TxDMV is going through a Sunset review this year. It is the department’s first review with the Sunset Advisory Commission since its creation in 2009. The commission adopted its recommendations for the department which includes continuing the TxDMV for 12 years.

The commission adopted several recommendations that would require statute changes such as:

- Requiring counties to follow standard contracting practices when outsourcing state services to certain entities;
- Changes related to fraud prevention and detection programs and training;
- Changes related to controlling access to department computer systems and the availability of its electronic titling system;
- Allowing audits/compliance review of entities providing registration and title services;

- Authorizing ABTPA grant funds to be used to combat a broader range of motor vehicle crimes, such as title and odometer fraud, beyond the current scope of automobile burglary and theft;
- Changing enforcement authority by removing statutory exceptions from standard enforcement practices for deceptive advertising violations by motor vehicle dealers, authorizing refunds to consumers for motor vehicle and motor carrier violations, and authorizing the use of cease-and-desist authority for unlicensed salvage activity; and
- Eliminating the manufacturer representative and salvage agent license types and the requirement to approve motor vehicle shows and exhibitions; replacing the salvage dealer license endorsements with a single streamlined license and authorizing its terms be set by rule.

The Commission also recommended several management actions; all of which are either in-process or fully implemented. Some of the management recommendations are:

- Establish advisory committees to provide expertise for rulemaking and other issues and adopt rules regarding standard committee structure and operating criteria;
- Improve the department's licensee related complaint and enforcement processes;
- Improve the use of criminal history information for all types of dealer licensing and remove unnecessary application requirements for salvage dealer licenses;
- Develop a comprehensive approach to developing, maintaining, and updating the department's IT infrastructure; and
- Identify and evaluate further opportunities to consolidate and modernize its customer service functions to improve efficiency and customer experience.

## **Recommendations to the 86<sup>th</sup> Legislature**

The Texas Transportation Code directs the TxDMV Board as follows:

Sec. 1001.025. RECOMMENDATIONS TO LEGISLATURE. (a) The board shall consider ways in which the department's operations may be improved and may periodically report to the legislature concerning potential statutory changes that would improve the operation of the department. (b) On behalf of the board, the chair shall report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of relevant legislative committees on legislative recommendations adopted by the board and relating to the operation of the department.

The TxDMV Board approved several recommendations to the legislature for changes to statutes. The recommendations are explained below.

### **ABTPA Finance Recommendation**

Currently ABTPA's method of finance is General Revenue while the remainder of the department is TxDMV Fund which creates more effort in administering and reporting on the department's financials. The TxDMV recommends changing statute to have the ABTPA appropriation amount deposited into a subaccount within the TXDMV Fund each fiscal year. This change would allow for all TxDMV appropriations to have the same method of finance.

### **Vehicle Size & Weight Related Recommendations**

- A person who loads vehicles beyond the legal weight can be subject to administrative sanctions by the department but loading a vehicle beyond legal size limits is not subject to the same which creates an inconsistency in enforcement measures and allows loaders to avoid enforcement even if responsible for the vehicle exceeding size limits. The TxDMV recommends allowing administrative sanctions by the department for loading a vehicle beyond legal size limits.

- The law mandates a specific process for issuing OS/OW permits by phone in certain circumstances even though customers have moved away from using that option (online issuance has largely replaced it). Also, the law does not clearly mandate a permit be in the vehicle in all instances when operating under the permit which can create problems for OS/OW enforcement. The TxDMV recommends repealing the statutorily required process for issuing OS/OW permits by phone and establishing a general requirement that all OS/OW permits be carried in the vehicle operating under the permit.
- The department does not have the capacity to distribute funds to local governments so that task is performed by the Comptroller, but the law has inconsistencies when specifying who should do such distributions. The TxDMV recommends replacing certain OS/OW permit fund distribution to local government statutory language with a general statutory requirement that the Comptroller does such distributions.
- A motor carrier that has been placed out-of-service for safety reasons by either the federal government or the Texas Department of Public Safety cannot legally operate on roads, but TxDMV does not have the authority to deny such a carrier an OS/OW permit. This can create a situation where TxDMV is issuing a permit to a carrier who cannot use it because the carrier cannot legally be on the road. The TxDMV recommends allowing the denial of an OS/OW permit to a motor carrier that is in out-of-service status by either the federal government or the Texas Department of Public Safety.
- The department is frequently instructed by the Texas Department of Transportation (TxDOT) or others that an OS/OW permit needs an escort vehicle, but the TxDMV, with a few exceptions, has no authority to require an escort. Furthermore, escorts do not have clear legal authority to stop or direct traffic as part of the movement of a vehicle with a permit. TxDMV recommends allowing it to require escort vehicles as part of using an OS/OW permit and allowing escorts to do limited traffic control in conjunction with the permit.
- The department is funded in part by allocations from the fees it collects for each type of OS/OW permit it issues, but sometimes the law creating a permit has not provided for the needed allocation to ensure the department's funding. This results in permits issued for which the department does not receive any revenue to cover its operating costs. The TxDMV recommends setting a default allocation to the TxDMV Fund of a percentage of the fee for any newly created type of OS/OW permit unless the statute creating the permit provides an allocation.
- Currently an OS/OW permit can be purchased by one entity and then used by another, which can create problems for accountability and oversight of proper usage of the permit. The TxDMV recommends requiring the entity that purchases an OS/OW permit be the entity that uses it.
- The department encourages all transported loads that may be near a legal weight limit to have a weight certificate to aid in compliance and to protect the shipper and carrier, but the law does not establish when such certificates are required which can leave carriers exposed to violations and penalties. The TxDMV recommends requiring a certificate of weight be provided when requested by a carrier and, for total weights more than 200,000 pounds, requiring a certificate of weight always be created and sent to the department prior to the operation on a road.

### Salvage Vehicle Related Recommendations

- The department is required to promulgate an inventory form for use by salvage dealers, but the form never leaves the dealer's possession, is not part of any record kept by the department and is not necessary to be promulgated for enforcement or inspection purposes. The TxDMV recommends repealing the requirement that the inventory form be promulgated by the department.
- Currently insurance companies must report to the department when a salvage/nonrepairable claim has been paid on a vehicle that will remain in the owner's possession. The department marks that vehicle's record to prevent future registration and title transfers of the vehicle until the vehicle is issued a salvage/nonrepairable title. The actual retitling depends on the owner doing so. This creates a risk such as

a vehicle being sold to an unsuspecting buyer without the title accurately showing the vehicle's salvage/nonrepairable status. The TxDMV recommends allowing the automatic retitling of a salvage/nonrepairable title when an insurance company makes the report currently required.

- The law requires the department to mark a title record if a vehicle has been in a flood but does not specify what constitutes a "flood vehicle." The law also has standards related to salvage/nonrepairable title appearance that are unneeded. The TxDMV recommends defining the term "flood vehicle," requiring such vehicles be salvage titled, and updating statute related to salvage/nonrepairable title appearance.

### Vehicle Consignments Recommendation

Motor vehicle dealers can sell only from their licensed premises, but a subsection of law states that if a dealer consigns for sale more than five vehicles per year at a location other than the licensed one then the consignment location must also be licensed. This creates confusion about whether and when sales can be conducted at a location other than the licensed one. The TxDMV recommends amending the subsection creating the confusion.

### Confidential Investigations Recommendation

Information from ongoing enforcement investigations by the department of entities it licenses is not allowed to be kept confidential. This can jeopardize enforcement actions and discourage people from coming forward with when a licensee may have committed an infraction. The TxDMV recommends allowing information related to ongoing investigations of department licenses be kept confidential (with some exceptions) until final action is taken in the investigation.

### Registration Expirations During a Disaster Recommendation

After Hurricane Harvey, when many deadlines and legal requirements were suspended by the governor, it became clear there are instances when customers may need more time to renew their vehicle registrations because the local tax assessor collector office is closed. The TxDMV recommends, if the local tax assessor collector office is closed in accordance with law and rule, allowing 30 instead of 5 days after expiration of a vehicle registration before a citation can be issued.

### Lemon Law Fee Reimbursement Recommendation

In Lemon Law disputes, the law requires the filing fee be reimbursed by the losing party per administrative order. This adds an unnecessary aspect to the order process since the fee reimbursement is not optional. The TxDMV recommends making the reimbursement of the Lemon Law filing fee directly required by law rather than order.

### Title Dispute Recommendation

The current process for title disputes involves hearings at the tax assessor-collector's office. The hearing process often results in the same entity that denied the title being the one who conducts the hearing, and there have been inconsistencies in the conduct and outcome of hearings across the state. As an alternative to the hearing process a bonded title can be issued but only after the department has issued a bonded title rejection. Also, the department is frequently sued in instances when it has taken no action subject to the dispute and has no reason to be a party to the suit itself. The TxDMV recommends replacing title dispute hearings with a statutorily allowed appeals process within the department and having all proof of ownership issues follow the bonded title process. The department also recommends making it clear in statute the department is not a party to a title lawsuit unless the action of the department is the matter being litigated.

## Compliance and Investigations Division

The 85<sup>th</sup> Legislature provided new funding to the TxDMV for special investigations. During implementation, it was determined a new, stand-alone division would be better suited to address the special investigations function. This new division, called the Compliance and Investigations Division (CID), processes complaints and

investigates allegations of fraud related to motor vehicle titles and registrations, provides support for law enforcement, and works on compliance with tax assessor-collectors' offices and the department's regional service centers. Already the division has opened more than 30 felony investigations resulting in 22 felony arrests, recovered nearly \$1.1 million in stolen vehicles, fines, restitutions, and penalties, responded to 1200 requests for assistance from law enforcement agencies, conducted more than 70 anti-fraud training courses, and performed 816 TAC compliance and 533 asset inventory reviews.

The types of cases handled and activities performed include:

- Odometer Fraud - tampering with a vehicle's odometer to reduce the mileage so to increase the resale value of the vehicle;
- Title Fraud - altering any document required by the department to transfer a title including an altered or fake title, false information on a title application form, false release of lien, or false rebuilt affidavit;
- Registration Fraud - fraudulent data reported or entered in the department's databases to reduce or eliminate vehicle registration fees;
- Cloned Vehicles - removing a vehicle identification number from a legal vehicle and attaching it to a stolen or salvage titled vehicle to conceal the identity of the vehicle;
- Misuse of Office/Internal Investigations - officials and employees in TAC offices and within the TxDMV intentionally misusing their position to engage in theft, forgery, kick-backs, bribery, selling access, false statements on official documents, intentional destruction official documents to obstruct justice, or selling official equipment; and
- Law Enforcement Outreach & Support - investigators are embedded in the offices of the ABTPA-funded Harris and Tarrant County Auto Theft Task Forces; coordinate activities with Texas Department of Public Safety Fusion Centers, ABTPA auto theft taskforces, county auditors, National Odometer and Title Fraud Enforcement Association, and the American Association of Motor Vehicle Administrators; respond to requests for assistance from federal, state, and local law enforcement agencies to research and provide data for odometer and title fraud, cloned/stolen vehicles, misuse of office in TAC offices, narcotics smuggling, and human trafficking; assist law enforcement on search warrants.

## Implementation of Legislation from the 85<sup>th</sup> Legislature

Several bills enacted by the 85<sup>th</sup> Legislature impacted the TxDMV. Many of those bills and the department's implementation activities related to them are described below:

- **HB 1790** by Pickett implemented a TxDMV Board recommendation to replace the requirement for the department to provide a hearing process in instances when law enforcement has seized a person's handicap parking placard and instead allows a straight forward application process for a new placard in such instances. The process is implemented and amendments to the corresponding administrative rules have been made.
- Several TxDMV Board recommendations to improve the department's authority regarding motor carrier operations were included in **HB 3254** by Phillips. Most of the changes related to improving the department's enforcement authority against "chameleon carriers" (motor carriers who attempt to operate under other names to avoid penalties and other previous infractions) and carriers that violate the vehicle size and weight chapters of law. The bill also gives motor carriers six months to satisfy any deficiency with their application before needing to reapply for Texas operating authority. Lastly, the requirement that household goods carriers' file all their tariffs with the department has been fully implemented, and those tariffs are now available to the public at the department's "Truck Stop" website.
- The TxDMV Board recommendations for the Title Act became law in **SB 2076** by Rodriguez. Most significantly, the law makes clear that starting January 1, 2019, the most recently issued certified copy of title is the only valid title document. The recommendations relating to what constitutes a vehicle identification number inspection, when one is required, and who can perform them were implemented when administrative rules were adopted in November 2017. All the other changes from SB 2076 (updating

data elements of the certificate of title, the statutory size of travel/house trailers, the nature of odometer disclosure statements, and various terms related to salvage/nonrepairable titles, streamlining when a county may perform titling transactions for residents of a county whose county offices are closed, and allowing one-time voluntary titling of certain trailers and semitrailers) have been fully implemented. An amendment to SB 2076 required the department, in coordination with the Department of Public Safety, to study the efficiency and necessity of the titling, registration, and inspection of vehicles in the state and determine if any elements of the three programs can be eliminated. The report on the study was distributed to the legislature in December 2018. In a similar vein, **HB 1959** by Thompson of Harris requires the department to conduct a study of alternative technologies for the registration of commercial vehicles and report its findings to the Legislature. The department is finalizing the report for distribution to the Legislature in March.

- **SB 2075** by Rodriguez contains the TxDMV Board recommendations related to vehicle registrations. The most significant changes allow online registration renewal receipt to serve as proof of registration until 31 days after renewal and makes the fleet registration fee a one-time rather than an annual fee. Also, fully implemented is allowing motor bus apportioned plates, disabled veteran plates on motor homes, and aligning the county revenue remittance schedule as outlined in statute to reflect current procedures. Allowing counties to provide a replacement registration sticker or license plate without charge if a renewal sticker or plate was lost in the mail has been implemented as well.
- Three new oversize/overweight permits were authorized: 1) **SB 1524** by Nichols created an annual overweight permit for sealed intermodal shipping containers, even if carrying what would otherwise be considered a divisible load, if certain configuration and safety requirements are met (such as number of axles, safety roll bars, etc.) The price is \$6,000 with 50% to the State Highway Fund, 30% distributed among the counties and 16% to municipalities selected on the permit application, and 4% to the TxDMV Fund. It may only be used within 30 miles of a port authority or port of entry in a county contiguous to the Gulf of Mexico or a bay or inlet opening into the gulf, and travel must begin or end at a port authority or port of entry, and only on TxDOT designated roadways and bridges. To date, 165 of these permits have been issued. 2) **SB 1383** by Perry authorized an annual overweight permit for the transportation of fluid milk if certain configurations and safety standards are met. The permit price is \$1,200 with 75% to the State Highway Fund, 15% to effected counties, and 10% to the TxDMV Fund. TxDOT designates allowable routes, and this permit is the only permit now allowing for the transport of fluid milk. One permit has been issued. 3) **HB 2319** by Paddie included an amendment creating an annual overweight permit for sealed intermodal shipping containers only usable in Bowie County for a few miles of state roads to allow transit from Arkansas through Texas to Louisiana. The permit is \$1,000 and six have been issued.
- Two bills passed dealing with safety inspections that impact registration functions. Per **HB 1793** by Pickett, a commercial motor vehicle registered in this state or under TxIRP that has a valid inspection in compliance with federal standards and that is not domiciled in the state is no longer required to have a state safety inspection but must still pay the fees associated with the state inspection. Also, **SB 1001** by Taylor of Galveston increases the exemption from inspection weight threshold for trailers, semitrailers, pole trailers, and mobile homes from 4,500 to 7,500 pounds gross weight but still requires vehicles in the newly exempt weight range to pay the \$7.50 state inspection fee at the time of registration.
- A new “package delivery” license plate was authorized by **HB 561** by Murphy for use on certain types of vehicles that pick-up and deliver mail parcels, and packages under certain conditions. The legislature also created with various bills almost 50 new specialty license plates, almost all of which were military related.

## Hurricane Harvey Response

Upon realizing the breadth and scope of the damage caused by Hurricane Harvey, the Governor asked state agencies which laws and regulations could be temporarily waived to help the people of the state recover from the storm. The TxDMV proposed a set of waivers designed to ease the burden on motor vehicle owners, TACs, and to ensure motor carriers could deliver relief supplies and remove debris. The Governor granted these waivers in early September of 2017. Additionally, disaster declarations by the President allowed the activation of Emergency Relief Permits for OS/OW loads of relief supplies for disaster areas and to haul away debris.

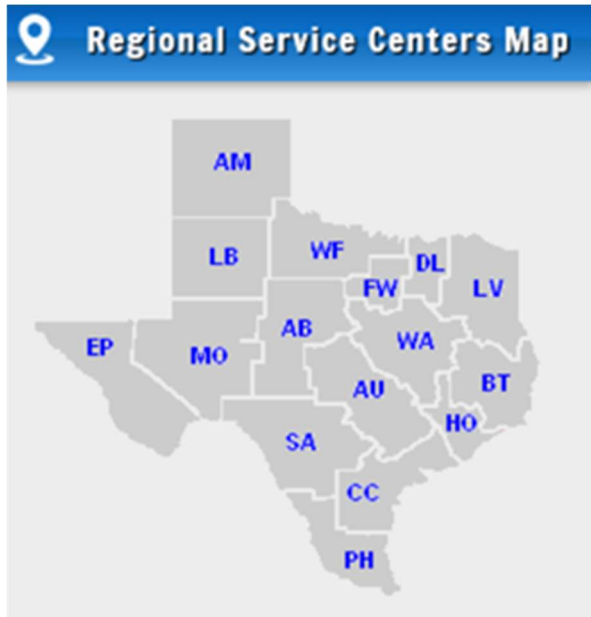
The waivers granted by the Governor were:

- Suspension of expired vehicle registration enforcement to allow residents of 58 counties an additional 45 days (8-31-17 to 10-15-17) to register their vehicle beyond expiration without being ticketed. The Governor extended this suspension in 49 counties for an additional 30 days (10-16-17 to 11-15-17);
- Waiving the \$2 fee for a duplicate registration receipt for residents of 58 counties for 45 days (8-31-17 to 10-15-17);
- Extension of the requirement that vehicles be transferred into the new owner's name from 30 days to 75 days in the affected counties thereby preventing late penalties;
- Waiving the waiting period and requirement for insurance companies to provide two written notices to the last known address of each owner before applying for a nonrepairable title when unable to obtain the title from the owner;
- Suspension of size and weight restrictions and OS/OW permitting requirements for vehicles active in relief efforts (applied only to disaster-declared counties and any Texas county through which transport is necessary to reach the disaster area); and
- Suspension of TxIRP and temporary permits for operators of intrastate commercial motor vehicles traveling from other states to assist with disaster relief thereby decreasing the registration requirements for operators of commercial motor vehicles providing to aid to Texas and Louisiana.

The department created a special title application form for use by insurance companies that acquired ownership or possession of a motor vehicle through payment of a claim because of Hurricane Harvey when the vehicle's title was unavailable from the owner. To handle the additional workload, temporary staff were hired to process the 218,951 salvage/nonrepairable vehicle title applications received between October and December 2017, almost two and half times more applications than were received in the same period the prior year. This volume was successfully handled while continuing to meet the statutory five-day processing requirement. A \$125,000 grant from the American Association of Motor Vehicle Administrators helped offset the cost of the temporary staff. The department also issued 379 Emergency Relief Permits to allow overweight vehicle carriers to deliver loads consisting entirely of relief supplies and allow transport of materials, such as debris, from disaster areas to facilitate the delivery of relief supplies.

## Department Facilities

The TxDMV's headquarters is located on Camp Hubbard at 4000 Jackson Avenue in Austin. In that location, the department fully or partially occupies three buildings owned by TxDOT. The department occupied buildings on land previously owned by TxDOT on Bull Creek Road in Austin for its motor carrier operations. TxDOT sold that land in 2015 but included a provision allowing the TxDMV to remain on the property until February of 2018. After meetings and discussions with TxDOT, the Office of the Governor and other state leadership, it was decided



to permanently relocate TxDMV personnel from the Bull Creek Road property to Camp Hubbard. The relocation occurred in January 2018 when more than one hundred employees relocated to the fifth floor of a Camp Hubbard building previously only occupied by TxDOT personnel. This relocation resulted the centralization of all TxDMV headquarters operations on the same property.

The discussions also resulted in a proposal for TxDOT to be able to transfer the Camp Hubbard property to TxDMV. The 85<sup>th</sup> Legislature passed SB 1349 to allow the TxDMV to own and control real property and to authorize TxDOT to transfer Camp Hubbard. The department and TxDOT are actively working through the steps needed to transfer the property. Many maintenance and management functions are already being funded and performed by the TxDMV. No transfer of the property will likely occur until TxDOT vacates the Camp Hubbard property and moves into its planned, new Austin area campus.

The TxDMV also operates 16 regional service centers around the state. Seven of those centers (Dallas, Ft. Worth, Waco, El Paso, San Antonio, Corpus Christi, and Houston) are in commercially rented space, while the other 9 remain in TxDOT owned buildings. The 84<sup>th</sup> Legislature provided requested funding for the department to relocate two centers from TxDOT owned to commercially leased property. The Corpus Christi regional service center relocated in April 2017. The San Antonio regional service center relocated in August 2017. The department does not currently plan on relocating any other regional offices.

## IT Projects

A primary strategic initiative of the TxDMV is to continuously improve services for all customers by enhancing the way it does business internally and externally. There are several major enterprise projects in progress or recently completed that upgrade existing technology and make business process improvements. A few of these projects are highlighted below.

### Registration and Titling System Refactoring

The Registration and Titling System (RTS) is the TxDMV's database of motor vehicle records. In 2013, the department began a "refactoring" project to modernize RTS and deploy a new point-of-sale system to all TAC offices along with transitioning RTS from a mainframe to a more modern platform. Rolling out the new system was done in a phased approach over several months with the final migration off the mainframe occurring during Thanksgiving weekend of 2015. Since then, the agency has released numerous updates to the system that remedy inefficiencies and add enhancements. The project officially closed in December 2018, and the department is planning for the next stages of improving the system's functionality and enhancing its capabilities.

## webDEALER

webDEALER is the TxDMV's nationally recognized electronic titling application program that allows dealers to process title applications and new registrations online. Since its inception in 2013, dealers and TACs have continued to adopt this new way of doing business to reduce processing time and increase efficiency by eliminating data entry and the use of paper transactions. In the past year, the program's utility has been expanded to include salvage and nonrepairable vehicles and to incorporate the department's existing eTAG program used by dealers to issue paper tags to their customers purchasing a vehicle. Use of webDEALER by TACs and dealers continues to increase with more than 40% of title transactions being submitted through the system in December 2018.

## eLICENSING

In mid-2017, the TxDMV replaced its old, paper-based licensing system for motor vehicle and salvage vehicle licensees. The new system, known as eLICENSING, provides an online, 24-hour, self-service website for motor vehicle industry licensing. Customers can submit applications for new licenses, license renewals, license amendments, and promotional events electronically at their convenience thereby improving the speed, efficiency and effectiveness of the licensing process. In addition to eliminating redundant data entry problems, eLICENSING has reduced license application processing times by almost 90%, from an average of 25 days to less than three, and processing times continue to improve. The program has received the High Value Impact Award from the Texas Association of State Systems for Computing and Communications and multiple awards from the American Association of Motor Vehicle Administrators.

## County Equipment Refresh

The TxDMV is required to periodically refresh the hardware used to access RTS located at all TAC offices to ensure computer systems and security features are current and working properly. The department receives express capital item funding for this function. To minimize impact to TACs, the deployment occurred during nights and weekends with a clearly defined, county agreed upon schedule one month in advance of each deployment. The most recent project finished in 2017 and refreshed 3000 workstations and 3000 printers located in approximately 515 offices throughout the state of Texas. The old equipment was made available for disposal and/or auction in accordance with state laws and asset control procedures. Current plans are to change the refresh process to replacing one-third of equipment a year starting in FY 2021. This change would keep the equipment modernized with less impact to users while meeting the LBB replacement cycle.

## Grant Management and Tracking System

The TxDMV developed a new, on-line grant management and tracking system (GMTS) that allows ABTPA grant applications to be written, submitted, and approved through a web-based portal. Grant adjustments, progress reports, expenditure reports and inventory reports are also now all submitted and managed through the system. GMTS allows TxDMV to store supporting documents related to and effectively monitor and report on the performance of ABTPA grant recipients' activities thereby ensuring effective use of state resources.

## Conclusion

The Texas Department of Motor Vehicles looks forward to working with the 86th Legislature to further enhance services provided to our customers and stakeholders. The department continues to embrace the Sunset Review process as an opportunity to continue improving operations and processes, and remain available to provide the information and resources necessary to help inform decision-making.