



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

**Chairman's Report to the Governor
on the State of Affairs of the TxDMV**

Transportation Code Section 1001.023(b)(3)

Annual Report 2016



Board Member	Term Expires	Hometown
Raymond Palacios Jr., Chair	2/1/19	El Paso
Blake Ingram, Vice-Chair	2/1/17	Sunnyvale
Robert “Barney” Barnwell III	2/1/19	Magnolia
Luanne Caraway	2/1/19	Kyle
Brett Graham	2/1/17	Denison
Kate Hardy	2/1/21	Trophy Club
Gary Painter	2/1/21	Midland
Guillermo “Memo” Treviño	2/1/21	Laredo
John H. “Johnny” Walker III	2/1/17	Houston

Director contact information

Whitney H. Brewster, Executive Director
 Shelly Mellott, Deputy Executive Director
 Jimmy Archer, Director, Motor Carrier Division
 Daniel Avitia, Director, Motor Vehicle Division
 Ginny Booton, Director, Consumer Relations Division
 Sharon Brewer, Director, Human Resources Division
 David Duncan, General Counsel
 Linda Flores, Chief Financial Officer
 Bill Harbeson, Director, Enforcement Division
 Jeremiah Kuntz, Director, Vehicle Titles & Registration Division
 Caroline Love, Director, Government & Strategic Communications
 Sandra Menjivar-Suddeath, Director, Internal Audit Division
 Eric Obermier, Chief Information Officer
 Judy Sandberg, Director, Enterprise Project Management Office
 Edward Sandoval, Chief Hearings Officer, Office of Administrative Hearings
 Bryan Wilson, Director, Automobile Burglary and Theft Prevention

whitney.brewster@txdmv.gov
shelly.mellott@txdmv.gov
jimmy.archer@txdmv.gov
daniel.avitia@txdmv.gov
gabby.booton@txdmv.gov
sharon.brewer@txdmv.gov
david.duncan@txdmv.gov
linda.flores@txdmv.gov
bill.harbeson@txdmv.gov
jeremiah.kuntz@txdmv.gov
caroline.love@txdmv.gov
sandra.menjivar-suddeath@txdmv.gov
eric.obermier@txdmv.gov
judy.sandberg@txdmv.gov
edward.sandoval@txdmv.gov
bryan.wilson@txdmv.gov

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February 8, 2017

The Honorable Greg Abbott
Office of the Governor
Post Office Box 12428
Austin, Texas 78711-2428

Dear Governor Abbott,

It is my privilege to share with you the state of affairs at the Texas Department of Motor Vehicles (TxDMV). In this report you will find information regarding the responsibilities, activities and accomplishments in 2016 and plans going forward.

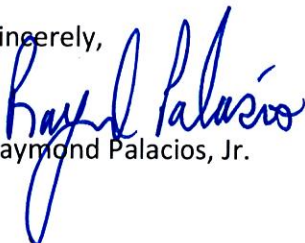
Texas continues to gain recognition as a national leader in the motor vehicle industry by providing cutting edge web-based technology and approaches, such as the recent award-winning application, webDEALER, to improve services to Texans. The continued support of the Office of the Governor and the Texas Legislature is critical as we continue to pursue and develop innovative ways to deliver services to improve the customer and stakeholder experience.

The TxDMV's core values—Transparency, Efficiency, Excellence, Accountability and Stakeholders—guide the agency's steadfast progress toward realizing its vision: to set the standard as the premier provider of customer service in the nation. These values are what guide the board and agency when establishing policies and improving processes impacting our customers and the regulated industries we serve.

The changes that have occurred and continue to take place at the agency over a relatively short period of time are remarkable and have been a tremendous undertaking by staff at the agency. I commend them as they continue to make significant progress towards the agency vision. I believe part of my role as Chairman and the role of our board members is to continue to work with the agency to communicate the vision that will be followed and strategies that will be undertaken for the benefit of our citizens.

Thank you for the opportunity and privilege to serve on the TxDMV Board and the State of Texas under your leadership.

Sincerely,


Raymond Palacios, Jr.



Introduction and Background

The mission of the Texas Department of Motor Vehicles (TxDMV) is to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services. For every \$1 it spends, the TxDMV returns more than \$10 to the state. These funds are primarily used to build and maintain the state's roads and bridges. Each year the agency registers more than 24 million vehicles, regulates vehicle dealers, credentials buses and trucks for intrastate and interstate commerce, issues oversize and overweight permits, awards grants to law enforcement agencies to reduce vehicle burglaries and thefts, and works with its law enforcement partners on enforcing regulations under its purview.

Since its inception, the agency has focused on innovation, customer-centric service delivery and stakeholder collaboration to increase efficiencies in services to Texans. The agency's purpose and deliverables to the state are the direct result of noteworthy legislative directives. As you will see on the following page, this legislative roadmap has guided the agency's focus and work for much of what was accomplished in 2016 and to further the legislative intent for the TxDMV to be an efficient and accountable agency.

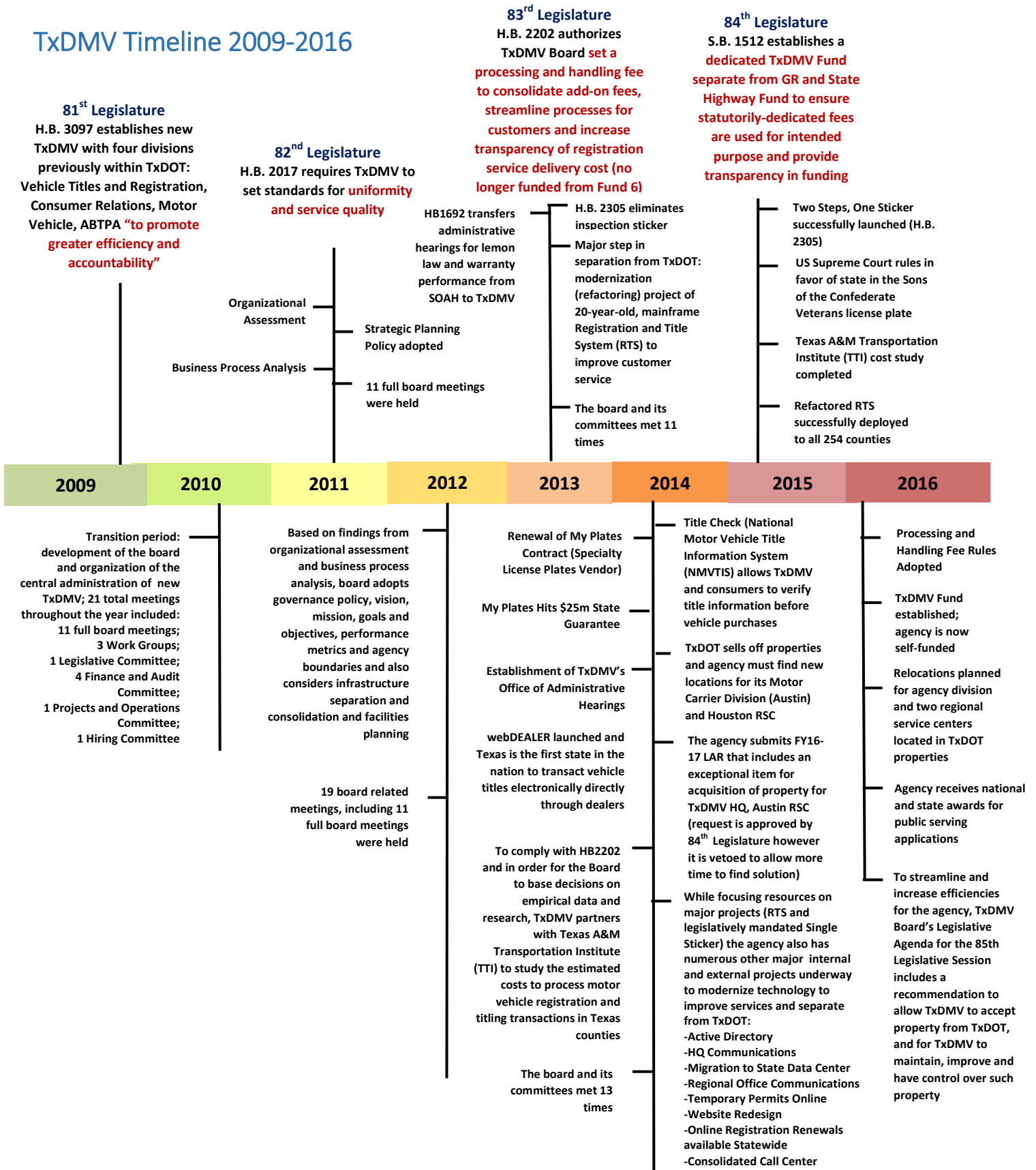
While much has been accomplished towards being a stand-alone agency as established by the legislature, the agency is still dependent on the Texas Department of Transportation (TxDOT) for facilities. Discussions are currently underway among leadership from Office of the Governor, TxDOT, TxDMV, the Texas Legislature and the Texas Facilities Commission on possible solutions. In addition, the board's legislative agenda includes a proposal to the 85th Legislature to allow TxDMV to assume control and maintenance of its current headquarters location (Camp Hubbard at 35th Street and MoPac Expressway in Austin only). The board believes this approach will be the best value for the state while ensuring a long-term solution to housing TxDMV's headquarters.

Accomplishments during 2016 include the implementation of the TxDMV Fund, giving the agency greater flexibility and control over its financial resources now that it is no longer funded by General Revenue. Combined with the successful development and adoption of a processing and handling fee for registration transactions to compensate counties and the TxDMV Fund for the cost of providing the service, Texans will see increased transparency of government and increased revenue for the state's highways and roads. More information about these and other accomplishments is included later in this report.

TxDMV will continuously seek opportunities to improve and build upon innovation and technology to provide exceptional service to citizens and motor vehicle industries in the state. The agency looks forward to collaborating with state leadership to determine the best solutions that make the most sense for the state and the citizens it serves.

Tremendous progress has been made at the agency over a relatively short period of time as you will see in the following timeline.

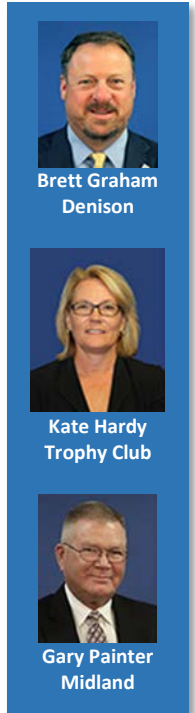
TxDMV Timeline 2009-2016



TxDMV Board

The TxDMV is overseen by a nine-member, governor-appointed board that is the agency’s policy-making arm and provides the strategic direction for the agency. To further its mission during 2016, the board conducted four regularly scheduled board meetings, two Finance and Audit Committee meetings, a Projects and Operations Committee meeting and three Household Goods Rules Advisory Committee meetings. In addition, board members met regularly with staff to stay informed between meetings and participate in working groups on various projects and issues.

There were several changes to the board in 2016. In June, then-TxDMV Board Chair Laura Ryan was appointed by Governor Greg Abbott to serve on the Texas Transportation Commission. On August 23, 2016, Governor Abbott appointed existing board Vice-Chair Raymond Palacios to be the new presiding chairman of the board and appointed three new members: Brett Graham, owner and CEO of Graham International, Kate Hardy, director of General Motors Financial, and Gary Painter, Midland County Sheriff. At its November meeting, the board elected Blake Ingram to be Vice-Chair. All board members’ photos are in Appendix A.



Board Member	Term Expires	Hometown	Represents
Raymond Palacios, Chair	2/1/19	El Paso	Franchised auto dealer
Blake Ingram, Vice-Chair	2/1/17	Sunnyvale	Independent auto dealer
Barney Barnwell	2/1/19	Magnolia	Public member
Luanne Caraway	2/1/19	Kyle	Tax assessor-collector
Brett Graham	2/1/17	Denison	Franchised auto dealer
Kate Hardy	2/1/21	Trophy Club	Vehicle manufacturing or distribution industry
Gary Painter	2/1/21	Midland	Law enforcement
Memo Treviño	2/1/21	Laredo	Public member
Johnny Walker	2/1/17	Houston	Motor carrier industry

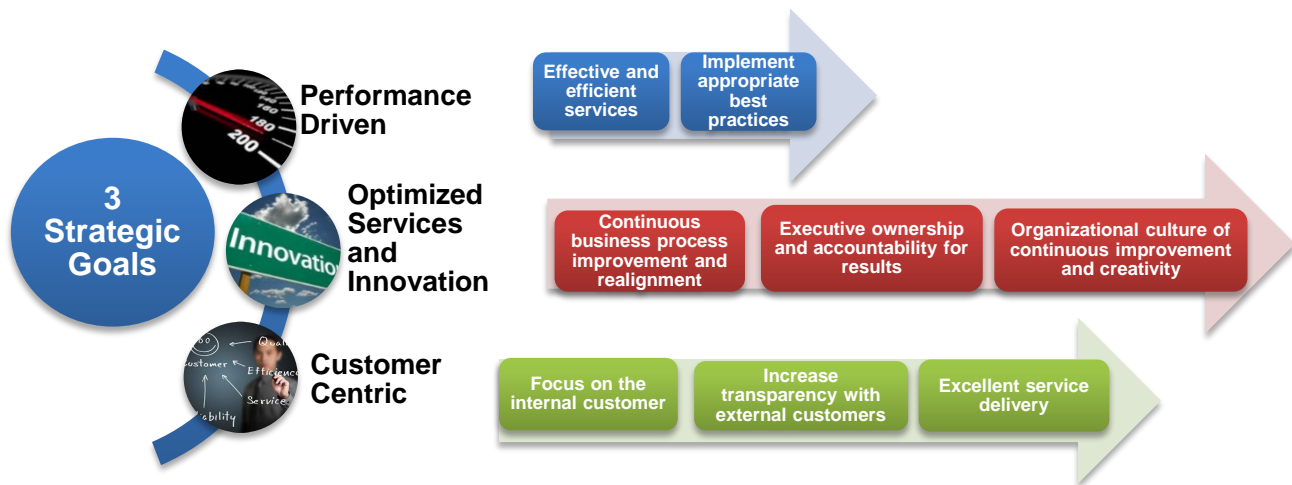
Chairman Palacios appointed board members to serve on the following three board subcommittees:

- **Finance and Audit:** Caraway (Chair), Graham, Hardy, Walker
- **Projects and Operations:** Ingram (Chair), Barnwell, Caraway, Walker
- **Legislative and Public Affairs:** Treviño (Chair), Barnwell, Ingram, Painter

The first Thursday of each month in 2017 has been designated for board meeting dates if there is a need to hold a board meeting in a particular month. The board is required by statute to meet at least quarterly. Notices of meetings are posted on the agency website, as well as in the Texas Register in accordance with statutorily required posting dates. In an effort to maximize transparency, accountability and accessibility, board meeting agendas and materials are also posted on the agency website. Full board meetings are live-streamed on the internet and video archives of those meetings are available on the website.

Board's Strategy for Agency

The board has put into place a strategic plan and key performance indicator (KPI) measures that are tracked and monitored on a monthly basis and reported on a quarterly basis. These KPIs are in addition to the performance measures reported quarterly to the Legislative Budget Board (LBB). The TxDMV Board's strategic focus for the agency is on three distinct, but related, goals:



Agency Operations

Over the past four years, the day-to-day operations of the agency have been overseen by Executive Director Whitney Brewster, with the assistance of Deputy Executive Director Shelly Mellott. The agency is authorized 763 full-time equivalent (FTE) positions and has an organizational structure that consists of both motoring services divisions and divisions and offices that support the administration of the agency. The agency also has 16 regional service centers (RSCs) located throughout the state. The agency organizational chart is included in Appendix B and division descriptions are included in Appendix C.

Operational Plans

As part of the agency's efforts toward continuous improvement in the services it provides both internally and externally, Operational Plans have been developed to assist divisions in focusing on value added projects referred to as initiatives. In FY16, major initiatives included:

- developing and delivering training for household goods movers (Enforcement Division)
- documenting standard operating procedures (Enterprise Project Management Office)
- establishing the TxDMV Fund (Finance and Administrative Services Division)
- cataloguing the agency's publications and compiling a list of required reports (Government and Strategic Communications Division)
- implementing RemedyForce change management software, system uptime reporting, and video teleconferencing (Information and Technology Services Division)
- implementing automated restriction "violation" notifications to permit holders through the Texas Permitting and Routing Optimization System (TxPROS), which eliminated a paper-

based process and also implemented many upgrades and improvements to the Motor Carrier Credentialing System (MCCS) (Motor Carrier Division)

- updating its salvage dealer rules and streamlining the criminal fitness review for licensees (Motor Vehicle Division)
- streamlining the decision writing process and creating a FAQ section on the agency's web site (Office of Administrative Hearings)
- updating standard operating procedures for the RSCs and collapsing numerous registration forms (Vehicle Titles and Registration Division)

Survey of Employee Engagement (SEE)

In 2016 the agency completed its fourth SEE and the results were very positive. Every employee received an invitation to participate anonymously and 563 responses were submitted, resulting in a 78.1% response rate, a nine percent increase since 2013. A response rate this high means the survey results reflect the opinions of a large majority of TxDMV staff. Employees rated the agency's reputation and understanding their role in the organization highest, indicating a strongly engaged workforce. The Level of Employee Engagement, a new SEE measure, is 41%. Employees who are engaged are willing to go above and beyond in the execution of their job duties. They are more likely to be more present in the workplace and are willing to help others. National research indicates that typically 30% of the employees in an organization will be engaged. Employees rated highest on three categories: 1) Strategic (each employee understands their role in the organization and considers the agency's reputation to be positive), 2) Supervision and 3) Workgroups.

Fraud Prevention Initiative

In recent years TxDMV has participated in investigations involving employees, county employees and deputies. In 2016 the Executive Director formed an internal Anti-Fraud, Waste and Abuse Working Group to develop policies, procedures, resource plans and cost estimates in an effort to develop and implement a program to prevent, detect, investigate and report fraud, waste and abuse impacting the agency.

Telecommuting Initiative - Pilot Launched

In October 2016 the agency launched a telecommuting program pilot, allowing some employees to work from a location other than their office. The Executive Director appointed a committee of employees to help improve agency policies and guidelines for telecommuting. Four divisions are participating in the pilot: Consumer Relations Division (CRD), Enterprise Project Management Office (EPMO), Information Technology Services Division (ITSD), and the Motor Vehicle Division (MVD). A limited number of employees (14) from these divisions are telecommuting one to two days per week during the pilot. To be eligible for telecommuting, employees must have at least one year of continuous employment with TxDMV, a current performance evaluation rating of achieving or exceeding expectations, no current corrective or disciplinary actions, the ability to work independently and have job duties that can successfully be performed at an alternate work location.

Historically Underutilized Business (HUB) Program

TxDMV co-hosted the fourth Annual HUB Expo in Austin on April 7 along with the Texas Historical Commission, State Office of Court Administration, Texas Education Agency, General Land Office and Texas Workforce Commission. The HUB Expo provides opportunities for HUB vendors to connect

directly with state agencies and universities to better understand the Texas procurement process and how they can do business with the State of Texas. The event was a huge success with participation from 284 individuals representing 248 HUB companies. Additionally, 48 entities participated as exhibitors including numerous Texas state agencies and universities as well as the City of Austin and the Lower Colorado River Authority.

Budget

The TxDMV's method of finance for Fiscal Year (FY) 16 was 100% funding through General Revenue (GR), as compared to the FY14-15 biennial method of finance, which was a combination of GR and the State Highway Fund. The transition of funding from the State Highway Fund and GR to the TxDMV Fund was the result of the enactment of S.B. 1512 (84th Legislature, Regular Session), which authorized the creation of the TxDMV fund and redirected some of the non-registration fees to that fund to support covering the costs of agency operations.

The agency's FY16 appropriation was \$168.2 million, with 763 full-time equivalent positions. TxDMV year-end expenditures totaled \$127.6 million. Significant expenditure categories included salaries, operating expenses (postage, reproduction/printing and contract services) associated with the agency's core mission, license plate production and registration and titling activities. Capital budget expenses totaled \$19 million primarily consisting of expenditures for the Data Center Services (\$7.4 million) and technology projects (\$8.8 million).

The TxDMV's overall expenditures in FY16 decreased by 3.6% when compared to FY15. This decrease is primarily due to decreases in automation related projects of approximately \$3 million for computer programming and data processing services, and software maintenance since major components of refactoring projects were completed during FY15.

Revenue

In FY16, TxDMV revenues totaled approximately \$1.75 billion, a 1.6% increase from FY15. Of this, TxDMV deposited approximately \$222.4 million to General Revenue, and \$1.5 billion to the State Highway Fund (Fund 0006). The largest source of this revenue increase is attributed to registration as the number of registered vehicles finished 1.6% higher in FY16 compared to FY15. Motor vehicle title revenue also increased in FY16, with an increase of 5.1% from FY15. The number of titles issued by the agency was 4.3% higher compared to FY15 and seasonally adjusted car sales were above 17 million units for nearly the entire year. Natural increases in population, strong auto sales within the state and positive overall economic conditions were major factors in registration and title revenue growth.

Revenue increases in motor vehicle registration and titles were partially offset by significant decreases in oversize/overweight permitting revenue, as fewer permits were issued to motor carriers due to the continued decline in the oil and gas industry. In FY16, the number of oversize/overweight permits issued by the agency totaled 665,575, which is a decrease of 17% compared to FY15 when 803,501 permits were issued. Combined revenues from commercial transportation fees were flat compared to FY15. Revenue associated with Business Dealer Licenses was down 2.6% for the year when compared to FY15. Overall, TxDMV FY16 revenues were almost 1% higher than projected, with revenues of \$1.75 billion compared to estimated collections of \$1.73

billion. TxDMV staff will continue to monitor prevailing economic conditions and track agency deposits to General Revenue, the State Highway Fund and the TxDMV Fund to ensure revenue is in line with estimated collections.

FY16 Annual Financial Report

The agency's Annual Financial Report for the year ending August 31, 2016 was submitted in compliance with the Texas Comptroller of Public Accounts (CPA) deadline on November 20, 2016. The report was transmitted to state oversight agencies, including CPA, the Office of the Governor, and the Legislative Budget Board (LBB). The report is available online at http://www.txdmv.gov/reports-and-data/doc_download/5475-annual-financial-report-fy-2016

Facilities

The agency houses most of its employees at its Austin headquarters location in TxDOT buildings at 4000 Jackson Avenue, also known as Camp Hubbard. However, one division, Motor Carrier, with approximately 121 employees, is located at another TxDOT property located nearby on Bull Creek Road that has been sold. Plans are currently underway to relocate that division in early 2018 to space TxDOT has provided in Building 6 on Camp Hubbard. In addition, there are 16 TxDMV regional service centers (RSCs) located around the state, two of which are scheduled to move in 2017 (San Antonio, Corpus Christi). Appropriations to pay for these moves were received during the previous session. The agency has been working closely with the Office of the Governor and TxDOT to identify a solution for housing TxDMV headquarters operations. To streamline and increase efficiencies for the agency, TxDMV Board's Legislative Agenda for the 85th Legislative Session includes a recommendation to allow TxDMV to accept property from TxDOT, and for TxDMV to maintain, improve and have control over such property with the goal of minimizing costs to the state. It is anticipated this would apply only to the Camp Hubbard location in Austin, where TxDMV headquarters is currently housed. A list of all properties occupied by TxDMV are in Appendix D.

Enterprise Projects

In keeping with its strategic initiative to continuously improve services for all customers, and as TxDMV continues efforts to separate from TxDOT, several major enterprise projects are underway that are geared toward enhancing existing technology and defining business process improvements.

The Enterprise Project Management Office (EPMO), comprised of project managers and business analysts, is in place at the agency to properly manage the oversight of projects. The Texas Department of Information Resources (DIR) Project Delivery Framework is used as the foundation for project management methodology. A robust governance process is in place at the agency with the use of executive steering committees (ESCs) for projects providing executive oversight, timely management of the scope, schedule and budget, as well as support for the project objectives, the role of the project manager and EPMO. EPMO works in conjunction with the agency's Information Technology Services Division on projects that directly impact the agency's internal infrastructure. The TxDMV Board receives regular updates on the status of enterprise projects. The following projects are currently underway:

Registration and Title System (RTS)

RTS is TxDMV's database of motor vehicle records and is used by the agency, county tax assessor-collectors, and deputies to perform registration and title transactions for the motoring public. The information in RTS is also accessed by law enforcement, other state agencies such as the Texas Comptroller's office, Office of Attorney General, as well many other users. The system contains nearly 100 million current and archived vehicle registration and title records. TxDMV entered into a contract in 2013 with Deloitte Consulting LLP to refactor RTS by updating the code from a mainframe shared with TxDOT to a JAVA web-based system. This was a key part of ending the agency's dependency on TxDOT to provide technology support. The total external budget is approximately \$62 million, which is spread over a five-year period and the end project date is December 31, 2018. In 2016, several code releases were deployed to meet legislative directives (for example: new military license plate designs, Processing and Handling Fee, TxDMV Fund) and to continually enhance the system along with resolving system defects (an expected aspect of the ongoing maintenance of a new system). The agency works closely with internal and external users to identify priority code releases and the timing of the releases to minimize impact on the county offices. As the system continues to stabilize since its statewide launch to over 3,000 work stations in 508 county offices and sub-stations across the state, the combined support teams of TxDMV, Deloitte and the DIR continue to focus on sustaining high-level system availability and system performance to provide the best possible service to the motoring public.

eLICENSING (project is registered with LBB as LACE (Licensing, Administration, Consumer Relations and Enforcement System) Replacement)



TxDMV is currently in the process of replacing an outdated, paper-based system with a new self-service hub for submitting vehicle dealer license applications online. All motor vehicle licensees operating in Texas will be affected. The agency anticipates the new system will be available in the next calendar year 2017. The new system will offer many benefits, such as providing license applicants with 24-hour online access to licensing information. Users will be able to submit license and motor vehicle event-related applications at any time using the system's guided, paperless application process that supports faster processing by TxDMV. Additionally, the system will provide the public with information for finding motor vehicle businesses by location, license type, product lines and more.

webDEALER

This award-winning project allows dealers to process title applications and new registrations online, greatly reducing both the time required to process transactions and the need for dealers to physically take paperwork for every car sale to a county tax assessor-collector office. webDEALER is available to franchised dealers, used-vehicle dealers, and commercial fleet buyers (companies such as Enterprise, Avis, and Hertz) statewide. The newest version of webDEALER released earlier in the year was developed based on county and dealer feedback. By listening to users' valuable input, webDEALER now enables counties to review a transaction for completeness without having to approve the transaction in RTS.

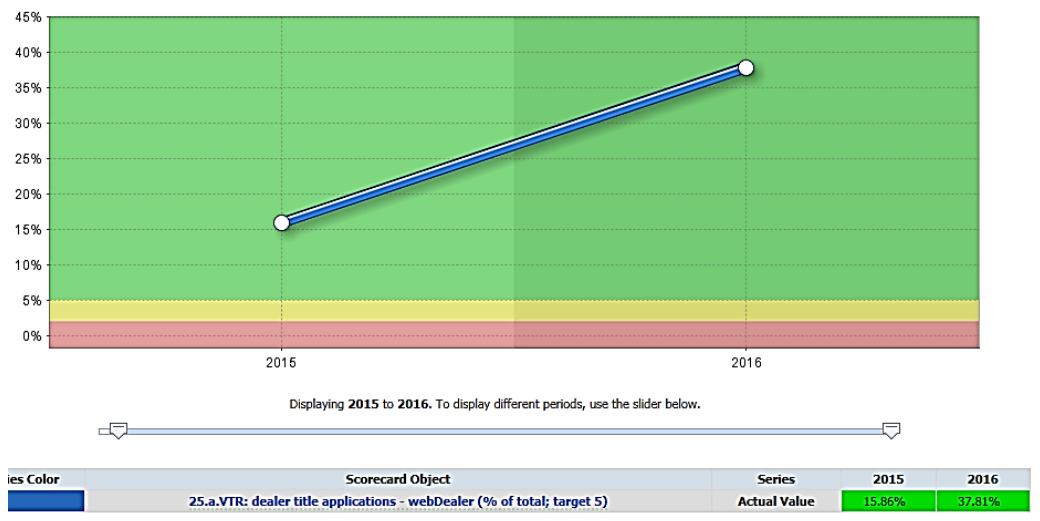
In 2016, several new phases of the application are underway:

- **webSALVAGE** enables insurance companies and salvage pool operators to submit applications for salvage and nonrepairable vehicle titles to the department electronically

much like webDEALER does for the dealer industry. The application speeds up the process, ensures greater accuracy and provides for greater security. A pilot program with Copart in New Braunfels was successful and now webSALVAGE will be expanded to include other Copart locations and Insurance Auto Auctions.

- **eTAGs** is the current system used by dealers to issue buyer’s tags for vehicles sold and will be integrated into the webDEALER application. This change will bring all dealers on the webDEALER application and streamline buyer’s tag issuance and the title application process by reducing the entry of duplicate information. Dealers will now have a single log-in for both processes and will be able to pay for buyer’s tags and the state’s portion of the inspection fee for vehicles sold to out of state residents.
- **Centralized Payments** will facilitate the payment of fees in conjunction with the submission of title applications and eliminate the need for webDEALER users to submit payments outside of the application.
- **eTitles** creates, stores, and transfers vehicle titles electronically; eTitles will facilitate the electronic transfer of dealer reassignments as well as assist dealers with taking assignment of eTitles from customers.

According to key performance indicators (KPI) reported to the TxDMV Board, the adoption rate has increased dramatically. The number of dealer title transactions using webDEALER has increased from 15.86% in 2015 to 37.81% as of October 2016. As of the date of this report over 2 million titles have been processed through webDEALER.



Application Migration and Server Infrastructure Transformation (AMSIT)

The AMSIT project is the separation of TxDMV applications that currently reside on TxDOT servers and transitioning those applications to DCS. In addition, the Network Security Operations Center (NSOC), TxDMV’s backup data center, is in progress.

Single Sticker Phase II (Two Steps, One Sticker)

The Single Sticker Program was implemented with a phased approach. Phase I, which began March 1, 2015, allowed Texans to sync their vehicle registration and inspection expiration dates without having to obtain two inspections in one year. Once the expiration dates were synced, the single registration sticker was evidence of both registration and inspection (H.B. 2305, 83rd Legislature). With the completion of the transition year, Single Sticker Phase II began in March 2016 with the enforcement of the statutory timeframes as required by law. Programming of most TxDMV systems was completed, so that the system electronically checks the state inspection database to determine if a vehicle has a passing inspection before registration is issued. Single Sticker Phase II also includes work to complete the implementation of the Two Steps, One Sticker initiative as it applies to the interstate commercial vehicle industry. The implementation of this piece of Single Sticker Phase II will automate the inspection verification process for commercial vehicles registered in the Texas International Registration Plan (TxIRP). This automation will include specific registration enforcement rules for the following five registration programs administered in TxIRP: apportioned, multi-year token trailer, forestry, rental, and multi-year fleet registration. As part of Phase II, a “When Do I Inspect?” look-up tool was added to the TwoStepsOneSticker.com website to assist the public and dealers. The tool provides information on the 90-day timeframe requirement for a owner’s vehicle inspection date and calculates the 180-day window for used vehicle sales in accordance with state statute. As of March 1, 2017, Single Sticker will be fully implemented.



As part of the agency’s public outreach efforts for phase II of the single sticker program, TxDMV Executive Director Whitney Brewster (seated right) provides information during the morning news show on Austin’s KVUE-TV earlier in the year.

Facility Physical Security

This project will install an integrated security management system for all of TxDMV’s 16 RSCs to improve customer and employee safety and security and protect state assets with 24-hour security system monitoring. This project is another step forward in ending TxDMV’s dependency on TxDOT. The working end date for this project is August 31, 2017, but is ahead of schedule.

County Equipment Refresh

This project is a workstation and printer equipment upgrade to the 508 county tax assessor-collector offices in the state to improve customer service with increased reliability and reduced maintenance costs. The working end date for this project is August 31, 2017, but is ahead of schedule.

Completed TxDMV projects

During 2016, the agency successfully completed the following enterprise projects:

Regional Office Communications (January 2016)

This project upgraded the technology infrastructure (data and voice) at the regional offices, enabling TxDMV to separate from TxDOT's network.

RTS Name Parsing (March 2016)

First, middle, and last names contained in one field were parsed into separate fields to allow for search capability by name in RTS in an effort to improve customer service.

Consolidated Call Center (July 2016)

The project applied an enterprise strategy to call center implementation to improve the customer service experience with features such as courtesy callback options, live chat, and enhanced operational tools.

Centralized Accounting and Payroll/Personnel System (CAPPs) HR/Payroll (October 2016)

The TxDMV's conversion to CAPPs has reduced conflicting data payroll and leave accounting and has enhanced e-learning and recruitment.

FileNet (October 2016)

This project updated TxDMV's Data Management System to IBM's FileNet P8 and Kofax in the TxDMV environment to improve customer service and centralize the agency's document management and reporting systems.

Key Accomplishments during 2016

Processing and Handling Fee Rules Adopted and Implementation Efforts

The TxDMV Board was authorized by the legislature to implement a processing and handling (P&H) fee to increase transparency for taxpayers by displaying the true cost government bears in providing registration services, increase funding to the State Highway Fund and provide greater uniformity in services across the state to consumers (H.B. 2202, 83rd Legislature). The legislature also created the TxDMV Fund (S.B. 1512, 84th Legislature) effective September 1, 2016 so that the agency is no longer funded by GR and the State Highway Fund.

When the agency began the rulemaking process, the TxDMV Board directed staff to establish a P&H fee at the lowest possible rate to minimize impacts to motorists, cover the costs for registration services for the state and counties and not accumulate a significant balance within the TxDMV Fund. In addition, the board directed staff to consider opportunities to modernize processes to enhance the customer experience. TxDMV believes there is room for change to improve procedures and streamline services for Texans. Agency staff conducted an internal review of agency processes and found ways to increase efficiencies, trim its budget, streamline processes and take on additional responsibilities to decrease costs to counties and most importantly, improve the customer experience. TxDMV also received input from impacted stakeholder groups as well as a report from the Texas A&M Transportation Institute on the estimated costs incurred by counties, the agency and subcontractors to process registration transactions.

As a result of these efforts, at its June 27, 2016, board meeting, the TxDMV Board was able to adopt rules that resulted in a fee decrease for consumers who renew their registration online in an effort to incentivize online registration renewal and decrease the walk-in clientele at the county. The anticipated end result of the rules are modernized processes that will create efficiencies, drive down costs, and, most importantly, provide better service to the citizens of Texas provided by both the county and state. To further lower the cost to customers, the agency is working with the Department of Information Resources to implement ACH (Automated Clearing House) functionality for customers conducting online transactions.

Agency staff completed an extensive, full-scale and successful effort this year to make all the programming changes related to the P&H fee. The critical deadline for programming the new fee into RTS, online registration renewal, webDEALER, and webSUB systems was November 1, 2016. Meeting the November 1st deadline ensured Texans with registrations expiring in January were able to renew as soon as their window for registration renewal began. This was quite an accomplishment due to other time-sensitive, legislatively mandated programming and code releases involved for the RTS project overall.

Additional components related to increasing efficiencies were also included in the rules. Centralization of the printing and mailing of registration stickers by the agency now gives consumers the ability to self-track where their sticker is as well as a discount for choosing to complete their transaction online.

Additionally, a recognition program is now in place to recognize county tax assessor-collectors and their offices for outstanding performance and efficiency in processing title and registration transactions. The voluntary program will recognize offices that implement cost saving measures; customer satisfaction and feedback programs; and fraud, waste, and abuse awareness and prevention programs.

Training webinars on the P&H fee, which included information on the use of a central vendor to print and mail online registration renewals, concluded in October for the changes effective November 1. The training sessions were designed to provide basic P&H fee information to all counties as well as subcontractors that use the webSUB application and full-service deputies that process renewals and title paperwork.

Informational inserts explaining the breakdown of the fees are provided with registration renewals and on the TxDMV website:



WHERE YOUR MONEY GOES

REGISTRATION FEE

The registration fee supports the construction and maintenance of the state's transportation system and county roads and bridges. The registration fee varies by vehicle weight. The typical registration fee is \$50.75 plus the \$1 DPS fee.

Registration DPS Fee: The \$1 fee goes toward maintenance and operation of the Insurance Verification Program (TexasSure) and is also used to support the Texas Department of Public Safety's driver license and personal identification certificate system.

INSPECTION FEE*

The state portion of the inspection fee is appropriated to several funds including Texas Mobility, Clean Air, Texas Emissions Reduction Plan, and Low Income Repair Assistance Program. The fee is based on the inspection type the vehicle received and may be up to \$30.75.

*Inspection stations assess their service fee separately at time of inspection.

PROCESSING AND HANDLING FEE

The \$4.75 processing and handling fee covers the costs of processing your vehicle registration. These costs include state and county services, printing of annual renewal notices, registration stickers, and other related services and materials.

LOCAL FEES

County Road & Bridge: Counties may charge up to \$10. All of the fee is deposited in your county's Road & Bridge Fund.

Optional County Fee for Transportation (Mobility Fund): Counties may charge up to \$20 to fund long-term transportation projects.

Child Safety: Counties may charge up to \$1.50 to promote child safety programs, including health and nutrition education and school crossing guards.





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

VISIT US ONLINE
www.TxDMV.gov

Other noteworthy accomplishments increasing efficiencies and services include:

- The review and revision of motor vehicle dealer forms and letters, which reduced 304 letters down to just 48 and 82 forms down to 35, and
- The development and implementation of an automated restriction notification system for TxPROS permits. Now there's a better, faster and more reliable notification system for motor carriers when permitted routes change.

TxDMV Receives Awards

The agency's progress over the past year is garnering statewide and national attention in the industry as evidenced by the following awards:

Two Steps, One Sticker

The American Association of Motor Vehicle Administrators (AAMVA) awarded TxDMV with the Excellence in Government Partnership Award. In addition, the Two Steps, One Sticker press release earned a PACE (Public Affairs and Consumer Education) Award. Both awards were presented at the AAMVA Region II conference in Louisville, Kentucky on June 15.

webDEALER

AAMVA awarded TxDMV the Trailblazer Award, which was presented at the AAMVA Annual International Conference in Williamsburg, Virginia on August 18. webDEALER was also selected for an Excellence Award in the "High Value Impact/High Value Business Impact" category by the Texas Association of State Systems for Computing and Communications (TASSCC). The award honors projects that have clearly demonstrated improved government or higher education operations where the benefits impact multiple stakeholders and includes high value impact through tangible fiscal outcomes or qualitative outcomes. The award was presented at the TASSCC Annual Conference on August 9, 2016 in Galveston.

Consolidated Call Center

This project, completed earlier this year, modernized the call centers (utilized in the agency by the Consumer Relations Division, Motor Carrier Division, and Information Technology Division) to enhance the customer service experience (a new feature includes customer call back) and earned the Best IT Collaboration Among Organizations Award from the Center for Digital Government and was presented at the Texas Digital Government Summit on June 20, 2016. In addition, Mr. Chris Kanute, with TxDMV's ITSD, was selected as a 2016 Outstanding IT Service and Support Winner.

The TASSCC (Texas Association of State Systems for Computing and Communications) President's Award for IT Excellence

This award was presented to Eric Obermier, Chief Information Officer of the TxDMV. The President's Award for IT Excellence recognizes individual leadership and excellence in information technology who works for a state agency or institution of higher education. This prestigious award recognizes an IT manager who has benefitted his/her organization through hard work and strong leadership. Special consideration is given to those who have played a strong role in mentoring and sharing their information technology experience/knowledge with others, promoting intergovernmental cooperation and collaboration, and supporting the goals of the TASSCC organization.

Historically Underutilized Business (HUB) Program

On September 21, 2016, TxDMV received three awards from the Texas Industries for the Blind and Handicapped. The agency was recognized for being in the top 10 among Texas state agencies in the following categories:

- Temporary Services expenditures,
- Commodity expenditures, and
- Services expenditures.

This year marks the first time the TxDMV has made the top 10 in all three categories.

Legislative Update

84th Legislature Interim Activities

During 2016, the Texas State Legislature held interim hearings at which agency staff provided testimony and made follow-up visits to members of the legislature and staff of the Office of the Governor to keep all stakeholders informed of agency activities. Legislative interim activities are listed in Appendix E.

85th Legislature

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 worked with all the department's divisions and offices to identify statutory changes the board could recommend and proposals were evaluated by impacted stakeholders. At its November meeting, the TxDMV Board adopted the legislative agenda to be the official recommendations to the legislature. Discussions are underway with members of the legislature for potential filing as bills. The Proposed Agenda for the 85th Legislative Session is on the TxDMV website at <http://www.txdmv.gov/reports-and-data>.

Clean-Up and Repeat Items

The TxDMV Board's 84th Legislative Agenda resulted in the filing of the department's omnibus bills: H.B. 2701 by Pickett and S.B. 1043 by Nichols, however, neither bill became law due to timing issues towards the end of the session. Many of the elements of those bills are included in this recommended legislative agenda and are noted accordingly.

Most notably, one of the repeated items relates to making the Token Trailer license plate permanent in Texas. This is intended to make Texas more competitive with other states offering such plates, and the industry is excited about the opportunities to register more token trailers in Texas due to this being the type of registration offered.

Conforming with Federal Laws and Requirements

Several other items contained in the proposed legislative agenda relate to conforming Texas statutes with recent changes to federal laws and regulations. Many of these items relate to motor carrier size and weight limits, such as allowing for vehicles to carry up to 500 extra pounds if they have idle reduction technology, heavier weights for emergency vehicles, automobile transporter length and back haul standards and trailer transporter towing unit weights. In addition, recent

regulations added at the federal level relating to odometer disclosure statements require some clarifications in state statute to provide uniformity and clarity on how such information is provided and recorded.

New Recommendations

There are several new recommendations contained within the proposed legislative agenda. As mentioned previously, the board recommends the ability for TxDMV to assume the maintenance and operations of the Austin headquarters location at the Camp Hubbard from TxDOT to assist with the continued effort for TxDMV to be a self-sustaining agency.

Another item in the proposed agenda would streamline the timing of the repair attempts needed to qualify for filing a complaint under the Lemon Law. The House Judiciary and Civil Jurisprudence Committee held a hearing on the Lemon Law program earlier this year and was interested in simplifying the process for consumers. Additionally, many states' lemon law programs adhere to the same processes as these proposed changes.

A customer service recommendation would change the definition of "proof" of registration. Currently, if customers wait until the end of the month to renew their vehicle registration online, the only way to have "proof" of registration is to get the registration sticker from the county office. The legislative agenda proposes to allow the online registration renewal system receipt to serve as proof of registration for 30 days. The hope is that this will shorten lines at county offices.

Another customer service recommendation relates to clarifying what the process is for when a tax assessor-collector office is closed for an extended time for any reason (natural disaster, staff unavailability, etc.). The proposal clarifies that other counties can process transactions from the closed county.

Stakeholder Involvement

TxDMV staff worked to involve stakeholders throughout the development of the legislative agenda and to understand impacts. The stakeholder groups are:

- Alliance of Automobile Manufacturers
- Tax Assessor Collectors Association
- Texas Association of Counties
- Texas Conference of Urban Counties
- Texas Farm Bureau
- Texas Automobile Dealers Association
- Texas Automotive Recyclers Association
- Texas Independent Automobile Dealers Association
- Texas Recreational Vehicle Association
- Texas Trucking Association
- Multiple insurance, trade and law enforcement entities in the salvage motor vehicle industry sector

FY18-19 Legislative Appropriations Request (LAR)

The TxDMV continuously monitors best practices and models in order to improve the efficiencies of its programs, prioritizing those that improve customer service delivery and those that reduce costs for the customer and the state. As part of these ongoing efforts, three major initiatives have been identified as critical to TxDMV's continued success. These initiatives are integrated into the FY18-19 baseline, capital budget and exceptional item appropriation request:

- Acquisition and relocation of facilities
- Automation Projects and Technological Innovation Activities
- Creation of a Special Investigations Unit (SIU)

The LAR also includes requests for the Automobile Burglary and Theft Prevention Authority for a 4% reinstatement and grants.

TxDmv's LAR was submitted on August 12, 2016 to the LBB and Office of the Governor. The majority of the department's request will be funded from the newly implemented TxDMV Fund (implemented September 1, 2016).

"I contacted several representatives over the last couple of days...All of your representatives are fabulous! I am amazed by the speed of the response, the courtesy of the representatives and their professionalism in providing answers. Very refreshing. My hat's off to all of you." I.R.

Customer Satisfaction

Serve Each Customer Right the First Time!

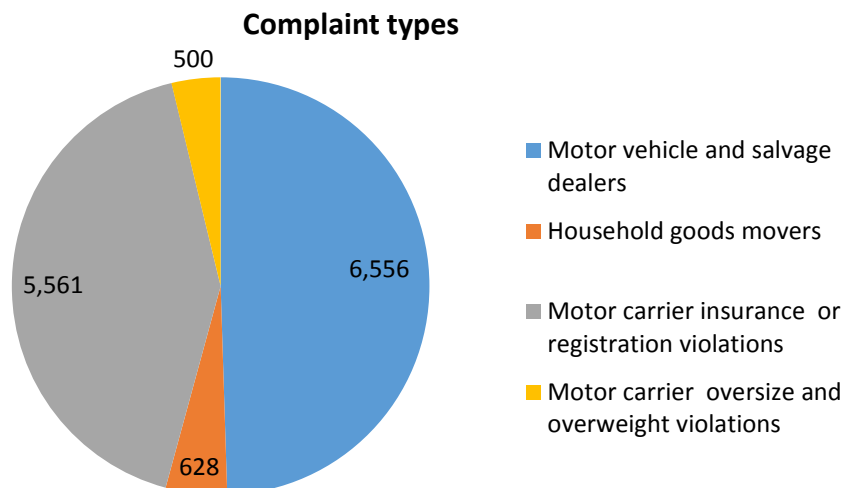
The agency regularly receives great feedback from customers dealing with agency staff in the Consumer Relations Division, Motor Vehicle Division, Motor Carrier Division and Regional Service Centers and other divisions within the agency. Analysis of board KPI data in 2016 reveals that on average more than 90% of customers have expressed above average satisfaction with communications to and from TxDMV.



Consumer Protection

Enforcement

In 2016, the Enforcement Division completed a total of 13,245 cases.



As a result of agency enforcement actions, more than \$3.4 million in civil penalties were collected. Based on settlements brokered by agency investigators, \$339,640 was reimbursed by motor vehicle dealers to Texas consumers.

In FY16, there were 450 new Lemon Law cases opened and 444 cases were closed after either a hearing was held by the agency's Office of Administrative Hearings or a settlement was reached between the consumer and the manufacturer mediated by division personnel.

In the motor vehicle/salvage enforcement area, highlights in 2016 included:

- expanding the agency's dealer and law enforcement training programs conducted monthly throughout the state to include sessions on advertising and salvage dealer operations
- increasing cooperation with auto-theft task forces and other state, federal and local law enforcement agencies throughout state, including speaking at auto-theft officer training sessions.

In the motor carrier/household goods enforcement area, 2016 highlights included:

- participating in the 2016 National Moving Month Press Conference in San Antonio. This annual event, which is extensively covered by the press, is designed to inform consumers of the importance of using a reputable, licensed household goods mover when moving their possessions. TxDMV partners with the industry groups, Southwest Movers Association and the American Moving and Storage Association, the Better Business Bureau and the Federal Motor Carrier Safety Administration (FMCSA) to put on this event.
- hosting on April 5th and 6th the annual National Moving Fraud Conference in Austin. FMCSA partnered with TxDMV in this seminar attended by regulators and law enforcement from throughout the country.

- completing the first administrative cases against interstate movers under a pilot program with FMCSA. Under this program, the cases are prosecuted using Federal regulations and the agency retains the amount assessed in civil penalties. In 2016, \$125,000 in penalties were assessed.
- completing work by household goods movers advisory committee consisting of agency staff, industry, law enforcement and public members, to successfully review the agency's rules protecting consumers during household moves and making recommendations to the TxDMV Board to streamline and update those rules.

In the oversize/overweight enforcement area, 2016 highlights included:

- updating publications provided to the industry to assist carriers in understanding changes in the laws affecting their operations. The manuals were one of several initiatives by this section to educate licensees and law enforcement.
- successfully completing the investigation and prosecution of a record-setting case where the load was 2 million pounds in excess of the allowed gross weight. During the investigation it was discovered that the same company had other shipments that were in excess of a million pounds overweight.

Collaboration with Law Enforcement Partners

Agency divisions, most frequently Auto Burglary and Theft Prevention Authority, Enforcement, Motor Carrier and Vehicle Titles and Registration, work with law enforcement to provide information on how to protect consumers from odometer fraud, carriers holding customers' household goods hostage, oversize/overweight permitting violations and automobile burglary and theft, as well as other topics.

Office of Administrative Hearings (OAH)

Administrative hearings for Lemon Law and Warranty Performance complaints were transferred from the State Office of Administrative Hearings (SOAH) to the newly created Office of Administrative Hearings (OAH) effective January 1, 2014 (H.B. 1692, 83rd Legislature, Regular Session). When a Lemon Law or Warranty Performance complaint is filed with TxDMV, the parties are required to submit to mediation, similar to franchise termination and protest cases involving franchise dealers and manufacturers.

OAH has now been in existence for two full fiscal years. During that time, there has been an uptick in complaints filed with TxDMV. In Fiscal Year 2015, OAH received 448 complaints and issued final orders in 326 of those cases. OAH averaged 111 days from the date that a complaint was filed to the issuance of a final order. In Fiscal Year 2016, OAH received 465 complaints and issued final orders in 405 of those cases. The average number of days from the filing of a complaint to the issuance of a final order was 126 for the fiscal year. OAH's goal, and the promise to the legislature upon the creation of OAH, is to issue final orders in 150 days from the date of the filing of a complaint on average. During Fiscal Year 2013 (the last full fiscal year that SOAH conducted the Lemon Law and Warranty Performance hearings), it took an average of 222 days to issue a final order from the date of the filing of the original complaint. Over the past two fiscal years, OAH has exceeded expectations in the prompt resolution of Lemon Law and Warranty Performance complaints, thus providing faster customer service to Texas consumers.

Motor Vehicle Division (MVD) Mediation Services

H.B. 1692 (83rd Legislative Session) included a new requirement for all parties to contested cases filed under Occupations Code Chapter 2301 (excluding Lemon law cases) and Transportation Code Chapter 503 to participate in mediation before the case can be referred to the State Office of Administrative Hearings. MVD developed a mediation program in response to the bill and, so far, has conducted mediations on all applicable cases filed after January 1, 2014, including such issues as Franchise Dealer Terminations, Franchise Dealer New Points, Franchise Dealer Relocations and Franchise Agreement Modifications.

MVD's mediation services and support continue to help parties reach resolution and avoid the time and expense of contested case hearings and litigation. Eighty two cases have completed mediation since the program's inception in January 2014. Of those, 65 cases were fully resolved and 15 cases have been referred to the State Office of Administrative Hearings. MVD's mediation services has an 82% mediation success rate.

Auto Burglary and Theft Prevention Authority (ABTPA)

ABTPA is finding that grant funded offices and associated personnel are providing a positive benefit to their jurisdictions. In addition to routine grant monitoring associated with progress reports, expenditure reports and independent financial audit reviews, monitoring and site visits are conducted to see the operation and how the grantee is organized. A monitoring visit is a robust review of records and interviews with key staff and the finance office to see whether the agency is meeting the grant conditions and applicable rules or guidelines. The goal is to conduct a visit with all grantees every two years to ensure that state funds are used properly. The reviews show evidence that state-funded programs provide quality specialized skilled investigation of motor vehicle theft and burglary cases.

Stakeholder Collaboration

Advisory Committees and Stakeholder Work Groups

The TxDMV strives to be a best practice agency that puts a strong emphasis on stakeholder collaboration. As such, during 2016, there were several groups that provided stakeholders the opportunity to participate early on in the board's rule making process and provide feedback on the board's recommendations for the 85th Legislative Session.

- Title and Registration Working Group consisting of several tax assessor-collectors, full-service deputies, industry representation from motor carrier, salvage, insurance, rental car, dealers (franchise and independent), law enforcement was charged with evaluating titling and registration policies and procedures proposed by TxDMV and the impacts on various customers and stakeholders.
- Performance Quality and Recognition Program Working Group consisting of tax assessor-collectors met on several occasions in 2016 to assist TxDMV staff with the development of policy, programs and procedures and outcome measures for the board's newly adopted recognition program for county TAC offices.
- Household Goods Motor Carrier Advisory Committee reviewed the agency's rules protecting consumers during household moves and made recommendations to the TxDMV Board to streamline and update those rules.

- Stakeholder Work Groups met on the development of the proposed TxDMV Board Legislative Agenda and to understand impacts:
 - Texas Automobile Dealers Association
 - Texas Independent Automobile Dealers Association
 - Texas Aggregates & Concrete Association
 - Texas Farm Bureau
 - Texas & Southwestern Cattle Raisers
 - Texas Forestry Association
 - Texas Logging Council
 - Texas Cattle Feeders Association
 - National Title Solutions Forum
 - Texas Trucking Association
 - Tax Assessor Collectors Association
 - Automobile Manufactures Alliance
 - Texas Food & Fuel Association
 - Southwest Movers Association
 - Texas Automotive Recyclers Association
 - Multiple insurance, trade and law enforcement entities in the salvage motor vehicle industry sector

Communication and Trainings

Extensive outreach in 2016 included trainings, site visits, meetings and speaking engagements at industry conferences. The events were attended or hosted by TxDMV division personnel specializing in enforcement, motor carrier safety, dealer licensing, titles and registration and other motor vehicle industry-related topics to educate and receive input on ways to better serve customers and stakeholders.

Tax Assessor-Collector (TAC) Town Halls

The Executive Director and executive leadership held several town hall forums throughout October and November around the state with tax assessor-collectors to keep them informed and engaged on department activities. These events were quite successful and very helpful in the agency's continued efforts to provide the support and information counties need to be the most effective and efficient in the services tax assessor-collectors provide. Topics included:

- Overview of what to expect in relation to department activities during the upcoming 85th Legislative Session
- How the P&H fee will impact their day-to-day operations and transactions
- Update on the RTS operations as well as what to expect in upcoming releases and other department IT efforts
- Upcoming kiosk pilot and key dates
- What TACs can expect on the Tax Assessor-Collector Performance Quality and Recognition Program (PQRP)

In total the agency reached more than 60 counties through coordinating meetings across the state with more than 160 attendees during the dates and locations listed:

- October 7 in San Marcos, Hays County
- October 17 in Conroe, Montgomery County
- October 21 in Amarillo, Potter County
- October 24 in Corpus Christi, Nueces County
- November 7 in Midland, Midland County

Texas A&M AgriLife Extension V.G. Young Institute of County Government School for County Tax Assessor-Collectors

The 2016 School for Tax Assessor-Collectors (VG Young Institute Conference) was held November 14-16 in San Marcos. TxDMV staff attended the Tax Assessor-Collector Association Board meeting preceding the conference to provide an update on department activities and answer questions from attendees. TxDMV had a booth at the conference with staff available to distribute helpful informational materials and answer questions from conference attendees. In addition, staff presented a legislative and operational update to tax assessor-collectors at the DMV Liaison Committee meeting, and executive leadership provided the TAC Town Hall presentation at the closing general session on November 16.

National Involvement

National Level Board Service

American Association of Motor Vehicle Administrators Board

Texas has a national leadership presence in the motor vehicle industry with Ms. Whitney Brewster, TxDMV Executive Director, elected to the AAMVA International Board and Executive Board, in addition to serving on the regional board of AAMVA. This association facilitates communication and fosters standardization among member jurisdictions concerning traffic safety, titling of motor vehicles and licensing drivers. AAMVA represents its U.S. and Canadian membership by working collaboratively to support and improve motor vehicle administration, safety, identification security and law enforcement. AAMVA also communicates the consensus views of members to the public, state legislatures, Congress and other organizations such as the American Trucking Association, the National Conference of State Legislatures and the National Governors Organization. Each year, Ms. Brewster attends AAMVA events to stay informed on national trends.

In addition there are several TxDMV staff who participate on AAMVA board committees and AAMVA working groups:

- Vehicle Standing Committee - Mr. Tony Hall, Title Services Planner in TxDMV Vehicle Titles and Registration serves on this committee to influence policy, develop best practices and make recommendations on the issues most important to AAMVA members.
- National Motor Vehicle Title Information System (NMVTIS) Working Group - Mr. Hall chairs this working group that is tasked with developing state business rules and best practices for titling vehicles and title brands.
- Motor Carrier Working Group - Mr. Bill Harbeson, TxDMV Enforcement Division Director, serves as a member of this working group that interviewed motor carriers, state and federal agencies and associations to determine what services could be provided by AAMVA to better serve both the industry, regulators and the public.

- DMV Investigators Working Group - Mr. Dave George, Chief Investigator in the Enforcement Division, was selected as a member of an AAMVA working group to improve coordination between law enforcement and state DMV investigators.

Unified Carrier Registration (UCR) Board

Ms. Carol Fallin, manager of TxDMV's Motor Carrier Division (MCD) Credentialing Section, serves on the UCR Board that requires motor carriers, motor private carriers of property, freight forwarders, brokers and leasing companies that operate in interstate or international commerce to register with their base state and to pay the required fee.

International Registration Plan (IRP) Board

Mr. John Poole, manager of MCD's Commercial Fleet Services Section, serves as Vice-Chair on the IRP Board. MCD operates the online Texas International Registration Plan (TxIRP) system. TxIRP is part of the IRP which is a registration reciprocity agreement between the contiguous U.S. states and Canadian provinces. IRP allows apportioned payments of registration fees based on the total distance operated in participating jurisdictions. Carriers can register under IRP in their home state and legally operate in multiple states and Canada.

National Highway Traffic Safety Administration (NHTSA) E-Odometer Task Force – Mr. Clint Thompson, TxDMV's Chief of Title Services, is a member of this task force that is charged with working toward a solution for e-odometer disclosure processes that would protect the consumers and allow enough flexibility for states to evolve from a time consuming paper process to an electronic process.

Other Involvement










- **American Association of State Highway and Transportation Officials (AASHTO) and the Western Association of State Highway Transportation Officials (WASHTO)** - MCD participates in events on safety standards for commercial vehicles, oversize/overweight truck permitting, escorts and flagging for oversize loads on roadways, and other issues.
- **Federal Motor Carrier Safety Administration (FMCSA) Innovative Technology Development (ITD) program** - TxDMV is the lead state agency for Texas' participation in the ITD program, formerly called the Commercial Vehicle Information Systems and Networks (CVISN) program. This national program of the FMCSA communicates data between all 50 states about the status of commercial carriers, including safety information. TxDMV has received numerous grants from FMCSA to develop the Texas ITD program and for safety and data projects.
- **National Insurance Crime Bureau (NICB) Auto Theft Conference and courses** – Mr. Robert Foster, Title Fraud Investigator, Mr. Bill Harbeson, Enforcement Division Director, and Mr. Dave George, Chief Investigator in Enforcement Division, all provided information and instruction at conferences to provide auto-theft investigators with the latest techniques and information to investigate automobile theft and burglary.

Conclusion

As the TxDMV remains committed to providing greater quality, transparency and fairness to the services provided to our customers, TxDMV Board members, Executive Director and employees will remain focused on the agency's vision, mission, goals and values. The board and Executive Director will ensure the agency priorities are conveyed to legislative members and staff for consideration during the upcoming 85th Legislative Session. TxDMV's priorities are: 1) to pursue best value for the state with regards to TxDMV facilities, 2) to continue to put into place operational efficiencies and 3) continue to implement innovative, cutting edge customer-centric services while remaining clearly focused on its customers and stakeholders by "Helping Texans go. Helping Texas grow."

APPENDICES

Appendix A – TxDMV Board Members

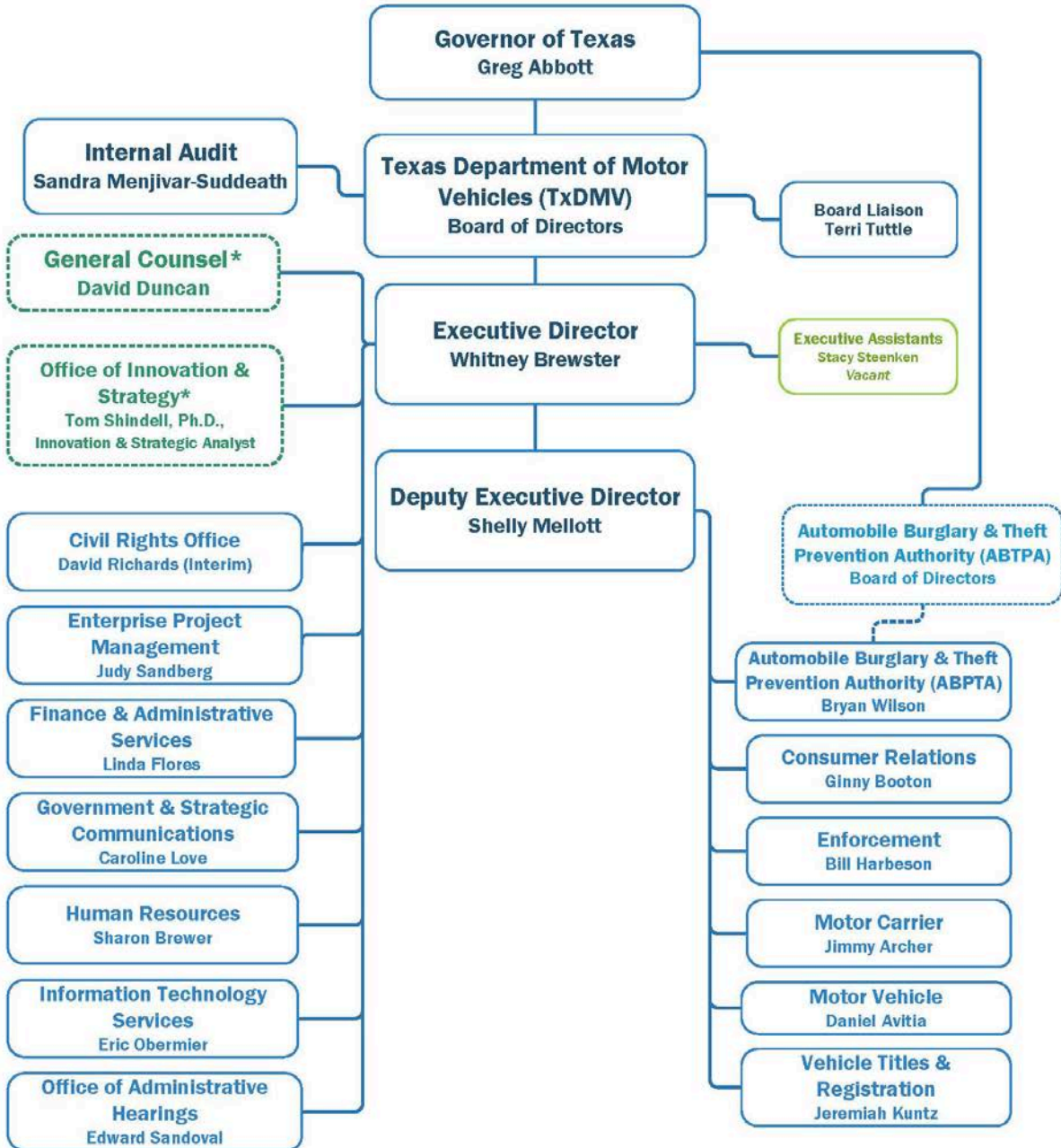
Board Members			
	<p>Raymond Palacios Jr. El Paso Chair Franchised Auto Dealer Term ends February 1, 2019</p>		
	<p>Blake Ingram Sunnyvale Vice-Chair Independent Auto Dealer Term ends February 1, 2017</p>		<p>Robert "Barney" Barnwell III Magnolia Board Member Customer (Public) Representative Term ends February 1, 2019</p>
	<p>Luanne Caraway Kyle Board Member Tax Assessor-Collector Term ends February 1, 2019</p>		<p>Brett Graham Denison Board Member Franchised Auto Dealer Term ends February 1, 2017</p>
	<p>Kate Hardy Trophy Club Board Member Vehicle Manufacturing or Distribution Industry Term ends February 1, 2021</p>		<p>Gary Painter Midland Board Member Law Enforcement Term ends February 1, 2021</p>
	<p>Memo Treviño Laredo Board Member Customer (Public) Representative Term ends February 1, 2021</p>		<p>John H. Walker III Houston Board Member Motor Carrier Industry Term ends February 1, 2017</p>



Texas Department of Motor Vehicles

Texas Department of Motor Vehicles Organization Chart

January 2017



*Position reports to Executive Director and Board of Directors.

Appendix C – Program Area Descriptions

Vehicle Titles and Registration (VTR) Division oversees the development of policies/procedures related to the registration and titling of vehicles and the management of vehicle records. Examines title applications for compliance, issues titles and salvage titles. Administers the specialty plates program. Issues temporary permits and registers motor carriers in the International Registration Plan. Provides support to Tax Assessor-Collectors.

Motor Carrier Division (MCD) provides efficient, equitable and reliable motor carrier permitting, credentialing and fleet registration programs. Issues intrastate credentials, interstate apportioned registration credentials, and oversize / overweight permits. Manages multi-year fleet registration and token trailer registration. Maintains route restriction maps, and audits routes for accuracy and safety.

Enforcement Division (ENF) regulates manufacturers, distributors, converters, and dealers of motor vehicles and other persons to provide for compliance with manufacturer's warranties and to prevent fraud, unfair practices, discrimination, impositions or other abuse of the people of this state. The division also investigates complaints and pursues administrative actions against motor carriers and salvage dealers.

Consumer Relations Division (CRD) serves as the consumer doorway to better, faster and more efficient customer service to the public and industries served by TxDMV. Whether a consumer contacts us by phone, correspondence or e-mail, this frontline customer service specialist team handles each call and inquiry in a professional manner that addresses the unique needs of each consumer. The mission of the CRD team is to: "Serve each customer right the first time!" Approximately 485,000 customers are served annually. With a continuous focus on quality service, this division maintains an agency database to track consumer complaints, resolutions, compliments and suggestions.

Motor Vehicle Division (MVD) provides a sound and efficient system for distributing and selling motor vehicles in Texas through the licensing of the salvage industry, motor vehicle manufacturers, distributors, representatives, in-transit operators, franchise dealers, converters, lease facilitators, lessors, and used motor vehicle dealers doing business in Texas. Additionally, MVD acts as a forum for dispute resolution providing mediation services to facilitate the resolution of disputes between new motor vehicle dealers and manufacturers. MVD oversees the processing and distribution of metal dealer plates to new and independent dealers, in transit operators, manufacturers, distributors and converters. Further, MVD regulates license holder's participation in shows and exhibitions that take place throughout Texas.

Office of Administrative Hearings (OAH) provides an independent forum for hearings for consumer complaints filed under the Texas Lemon Law. Major responsibilities of the OAH include conducting administrative hearings regarding Lemon Law and warranty protection complaints and issuing decisions and orders pursuant to the Texas Occupations Code.

Automobile Burglary and Theft Prevention Division (ABTPA) provides TxDMV staff to serve the administrative and management needs of the ABTPA which is a unique state entity created under

Revised Civil Statutes Chapter 4413 (37) administratively attached to the TxDMV. ABTPA provides grants to law enforcement agencies to reduce the incidence of motor vehicle theft and burglary, conducts educational programs designed to inform automobile owners of methods of preventing vehicle burglary and theft; and assists vehicle owners in preventing motor vehicle burglary or theft. TxDMV staff also serve in meeting the ABTPA statutory reporting requirements.

Support Functions

The agency also maintains several divisions and offices that are integral to the day-to-day operations of the agency. These divisions/offices include: Executive Office, Board Support, Civil Rights Office, Enterprise Project Management Office, Finance and Administrative Services, Government and Strategic Communications, Human Resources, Information Technology Services, Internal Audit, Office of General Counsel and Office of Innovation and Strategic Planning.

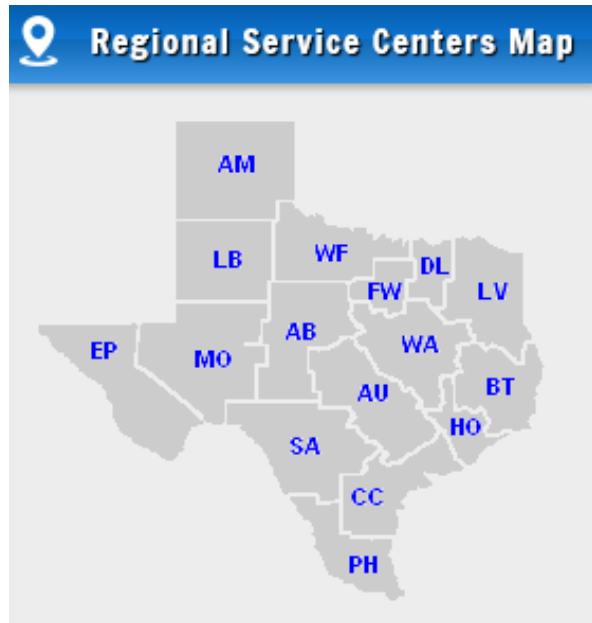
Appendix D – Properties and Locations for TxDMV Operations

TxDMV FACILITIES are located in TxDOT PROPERTIES in most cases and not fully consolidated for Austin HQ and Austin RSC:

Of the appropriated 763 FTEs, there are currently an estimated 447 employees at Camp Hubbard (CH)

- CH-Building 1 at 4000 Jackson Avenue, Austin, houses ~312 of the ~447 under the following breakdown:
 - Executive Directors Office and Board Support - 5
 - Finance and Administrative Services ~69
 - Motor Vehicle Division ~38
 - Vehicle Titles and Registration ~75
 - Enforcement ~56
 - Office of General Counsel and Civil Rights ~13
 - Human Resources Division - 8
 - Consumer Relations Division ~45
 - Internal Audit - 3
- CH-Building 5 at 3700 Jackson Avenue, Austin, houses the remaining ~135 of the ~447 under the following breakdown:
 - Government and Strategic Communications ~9
 - Information and Technology Services Division ~99
 - ABTPA – 5
 - Enterprise Projects Management ~17
 - Office of Administrative Hearings - 3
- CH-6 at 3600 Jackson Avenue, Austin, does not currently house any TxDMV employees, but Motor Carrier Division **will be relocated** to this building on the 5th floor in early 2018. At that time, it is anticipated that ~121 will move to this location.
- In the meantime, the Motor Carrier Division is currently located in buildings 22, 40 and 43A/B/C at 4205 Bull Creek, Austin, and houses ~121 MCD employees in the following buildings:
 - BC-22 ~49
 - BC-40 ~28
 - BC-43A ~7
 - BC-43B ~8
 - BC-43C ~8

There are also ~21 telecommuters/off-site workers that come into the various buildings periodically, but primarily work away from the office.



TxDMV 16 Regional Service Centers and location and whether or not in TxDOT properties:

The agency has the following regional service centers:

1. Abilene, TxDOT property at 4210 N Clack ~6
2. Amarillo, TxDOT property at 5715 Canyon Drive, Bldg H ~5
3. Austin, TxDOT property at 1001 E. Parmer Lane ~11
4. Beaumont, TxDOT property at 8450 Eastex Freeway ~7
5. Corpus Christi, TxDOT property at 1701 S. Padre Island Drive, Bldg 2 ~7 (**relocating**)
6. Dallas, TFC/TxDMV commercially leased property at 1925 E. Beltline Road, Suite 100, Carrollton ~21
7. El Paso, TFC/TxDMV commercially leased property at 1227 Lee Trevino, Suite 100 ~9
8. Fort Worth, TFC/TxDMV commercially leased property at 2425 Gravel Drive ~19
9. Houston, TFC/TxDMV commercially leased property at 2110 E. Governor's Circle, Suite A ~27
10. Longview, TxDOT property at 4549 W Loop 281 ~8
11. Lubbock, TxDOT property at 135 Slaton Road ~5
12. Midland/Odessa, TxDOT property at 3901 East Highway 80, Odessa ~6
13. Pharr, TxDOT property at 600 West Expressway 83 ~12
14. San Antonio, TxDOT property at 3500 NW Loop 410 ~14 (**relocating**)
15. Waco, TFC/TxDMV commercially leased property at 2203 Austin Avenue ~8
16. Wichita Falls, TxDOT property at 1601 Southwest Parkway, Bldg A ~11

Appendix E – Interim Legislative Activities and Briefings during 2016

January

Briefing provided:

- Senate Transportation Committee regarding an interim charge researching the history of the potential reduction of the vehicle safety inspection program

February

Briefings provided on various department programs, including facilities needs, relocation efforts, TxDMV Fund implementation, Single Sticker Program year two implementation, and ongoing efforts to enhance the vehicle title and registration process:

- Office of the Governor
- Office of the Lieutenant Governor
- Office of the Speaker of the House
- Senate Finance Committee
- House Transportation Committee Chairman Joe Pickett

March

Briefings provided on various department programs including proposed rules regarding the P&H fee:

- Office of the Lieutenant Governor
- Office of the Speaker of the House
- Senate Finance Committee
- House Appropriations Committee
- Senate Transportation Committee Chairman Robert Nichols
- House Transportation Committee Chairman Joe Pickett
- All legislators (written communication provided)

Hearings attended:

- House Defense and Veterans Affairs Committee to provide an update on the implementation of military specialty license plates
- Senate Transportation Committee hearing on oversize/overweight vehicle loads and the resulting impacts to roadways and bridges
- The House Homeland Security and Public Safety Committee to provide an update on the implementation of the Single Sticker program

April

Briefings provided:

- Legislative Budget Board staff on the P&H fee and its anticipated impact on the TxDMV Fund
- Austin delegation on the P&H and rule proposals related to deputies
- House Appropriations Subcommittee Chair Larry Gonazles on proposed rules ahead of the April board meeting
- House Judiciary and Civil Jurisprudence Committee staff to discuss the Lemon Law program
- Staff from the Office of the Governor and TxDOT to discuss facilities needs

May

Presentation attended:

- Senate Finance Committee Chair Jane Nelson and a finance expert from the Office of the Governor in Georgia on the zero-based budgeting concept

Meetings attended:

- House Transportation Committee Chairman Joe Pickett to discuss various department activities including the P&H fee and deputies
- Round table with Senate Transportation Committee Chairman Robert Nichols, TxDOT and the University of Texas Center for Transportation Research regarding oversize/overweight cargo traveling through Texas' ports
- Senator Charles Perry of Lubbock to discuss proposed rules

Hearings attended:

- House Transportation Committee regarding proposed P&H rules
- House Judiciary and Civil Jurisprudence hearing regarding the Lemon Law program

June

Briefings provided:

- Senate Transportation Committee Chair Robert Nichols and staff on proposed P&H rules
- House Transportation Committee Chair Joe Pickett on proposed P&H rules
- Senator Don Huffines of Dallas on proposed P&H rules
- Office of the Governor on proposed P&H rules
- Office of the Lieutenant Governor on proposed P&H rules
- Senate Finance Committee staff on proposed P&H rules
- House Appropriations Committee staff on proposed P&H rules
- Senator Jose Menendez of San Antonio and constituents regarding motor carrier audits

July

Hearings attended:

- House General Investigating & Ethics Committee regarding the use of emergency leave and settlement payments
- House Appropriations Subcommittee regarding methods of funding the state's transportation network

August

Briefings provided:

- Various legislative staff on TxDMV and TxDOT facilities needs
- Members of the LBB on TxDMV and TxDOT facilities needs
- House Transportation Committee Chairman Joe Pickett on agency activities including adopted P&H rules
- Various stakeholders to get feedback on the department's 85th Legislative Agenda

Hearing attended:

- House Transportation Committee regarding the regulation of transportation network companies

September

Briefings provided:

- Staff from the Office of the Governor and the LBB to discuss agency's LAR
- Representative Ken King of Canadian regarding the proposed permitting of carriers of milk and milk products

Hearings attended:

- Senate Transportation Committee regarding agency's LAR
- House Transportation Subcommittee on Gross Weight Allowances regarding oversized/overweight corridors

November

Briefing provided:

- TxDMV Board meeting to review and approve the agency's 85th Legislative Agenda
- House Transportation Committee Chairman Joe Pickett to discuss implementation efforts related to the P&H fee; review of 85th Legislative Agenda
- LBB staff to discuss TxDMV and TxDOT facilities needs

December

Briefing provided:

- Senate Transportation Committee Chairman Robert Nichols to review the 85th Legislative Agenda

Hearings attended:

- House Transportation Committee hearing on autonomous vehicles