



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

# 2018 CHAIRMAN'S ANNUAL REPORT





February 19, 2019

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" or "department"). TxDMV continues its dedication to customer service, consumer protection and the success of motor vehicle-related industries.

An example of TxDMV's dedication to providing outstanding service to the state was evident in its response during Hurricane Harvey. The department issued almost 220,000 salvage and nonrepairable vehicle title applications from October to December 2017 - two and half times more than the same time period of the previous year. TxDMV also issued 383 emergency relief permits to allow overweight vehicle carriers to deliver loads consisting entirely of relief supplies.

In this report you will find information regarding the major activities and key accomplishments of TxDMV during Fiscal Year 2018. Moreover, this report also contains the underlying performance data to illustrate the department's progress in modernizing processes and increasing efficiencies.

The continued growth in Texas' population combined with customers' and stakeholders' continuously changing needs reinforces the department's commitment to leverage technology and process improvement to better serve Texas' citizenry.

Thank you for the opportunity and privilege to serve on the TxDMV Board and the State of Texas under your leadership. I look forward to the opportunities that lie ahead.



Sincerely,

A handwritten signature in blue ink that reads "Raymond Palacios, Jr." in a cursive style.

Raymond Palacios, Jr.  
Chairman

## Table of Contents

Introduction and Key Highlights from 2018 .....	2
Accomplishments and Activities .....	6
Revenues and Expenditures .....	14
Significant 2018 Performance Data .....	17
Operations .....	28
Facilities .....	29
Technological Improvements through Enterprise Projects .....	31
Legislative Update .....	34
Conclusion and Looking Down the Road .....	36
Appendices	
Appendix A: TxDMV Organizational Chart .....	38
Appendix B: TxDMV Executive Contact Information .....	39
Appendix C: TxDMV Staff Participation in State and National Organizations .....	40
Appendix D: List of ABTPA Grants Awarded in 2018 .....	43

## Introduction and Key Highlights

The mission of TxDMV is to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services. In Fiscal Year 2018, TxDMV oversaw the issuance of more than 24 million vehicle registrations and eight million vehicle titles. Additionally, the department licensed more than 33,000 dealers and other motor vehicle entities engaged in the sale and distribution of motor vehicles, as well as regulated certain aspects of the salvage vehicle industry. The department credentialed approximately 60,000 motor carriers, issued more than 800,000 oversize / overweight permits and investigated approximately 10,000 complaints against dealers and motor carriers. Also, TxDMV responded to more than a half-million customers through its Customer Contact Center in FY 2018.

Some highlights and accomplishments of 2018 include:

- Initiated and implemented the new Compliance and Investigations Division (CID) which investigates a wide range of fraud including allegations of odometer rollback, title, license plate and public corruption through collaboration with county tax assessor-collector (TAC) offices as well as federal, state and local law enforcement and TxDMV Regional Service Centers (RSCs).
- Enacted recommendations from Senate Bill 2076, 85<sup>th</sup> Legislature, Regular Session, to improve the issuance of Certified Copies of Texas Titles and reduce potential motor vehicle fraud by ensuring only one valid title can exist at a time.
- Launched the Electronic Licensing, Insurance and Credentialing (eLINC) system allowing motor carrier industry customers to handle all steps in the process of creating an account, as well as status bar showing where they are in the 11-step process.
- Investigated and collaborated with the U.S. Office of Inspector General (OIG) on more than 900 household goods complaints against Presidential Moving, LLC., resulting in the arrests of several individuals, most of whom were indicted on federal racketeering charges. Investigators also negotiated the release of more than 100 potential hostage load shipments to consumers across the United States.
- Modernized and integrated the eTAG system into webDEALER providing a single sign-on and reducing data entry for dealers accessing temporary tags when selling a vehicle. The information used to issue the buyer tag can be used to populate the title application.
- Reorganized the Information Technology Services (ITSD), Consumer Relations (CRD), Finance and Administration Services (FAS), and Government and Strategic Communications (GSC) divisions to improve technology operations, modernize customer service and establish a scalable and more efficient organization.
- Completed the multi-year modernization of the Registration and Titling System (RTS) by moving it onto a modern data and application architecture and completed a refactored point-of-sale application including 19 improvement scenarios to its key partners – county tax assessor-collectors.
- Completed a Sunset Advisory Commission performance review of the department, including the implementation of many recommendations contained in the commission’s staff report ahead of schedule.
- Updated the Texas Permitting and Routing Optimization System (TxPROS) by improving the overall customer experience to allowing motor carriers to self-issue certain permit types and easing self-issue weight limitations.

## TxDMV Board Composition

The nine-member TxDMV Board sets the vision, mission and strategic goals of the department. The Board also sets policy through promulgating rules to ensure all components of the motor vehicle industry function as a system. The Board is directed to accomplish its policy-making functions in a manner that protects the interest of the public and the industry while maintaining a sound and consistent regulatory framework.

BOARD MEMBER	TERM APPOINTED BY	STATUTORY QUALIFICATION	RESIDENCE CITY
Raymond Palacios Jr., Chairman	8/23/2016 – 2/1/2019 Named Chairman by Gov. Abbott 8/30/2012 – 8/23/2016 Appointed by Gov. Perry	Franchised Auto Dealer	El Paso
Guillermo “Memo” Treviño, Vice Chairman	9/2/2015 – 2/1/2021 Appointed by Gov. Abbott	Customer (Public) Representative	Laredo
Robert “Barney” Barnwell III	6/6/2012 – 2/1/2019 Appointed by Gov. Perry	Customer (Public) Representative	Magnolia
Luanne Caraway	3/22/2013 – 2/1/2019 Appointed by Gov. Perry	Tax Assessor – Collector	Kyle
Brett Graham	7/30/2018 – 2/1/2023 Reappointed by Gov. Abbott 8/23/2016 – 2/1/2017 Appointed by Gov. Abbott	Franchised Auto Dealer	Denison
Kate Hardy	8/23/2016 – 2/1/2021 Appointed by Gov. Abbott	Vehicle Manufacturing / Distribution Industry	Trophy Club
Gary Painter	8/23/2016 – 2/1/2021 Appointed by Gov. Abbott	Law Enforcement	Midland
John Prewitt	7/30/2018 – 2/1/2023 Appointed by Gov. Abbott	Motor Carrier Industry	Cypress
Paul Scott	7/30/2018 – 2/1/2023 Appointed by Gov. Abbott	Independent Auto Dealer	Lubbock

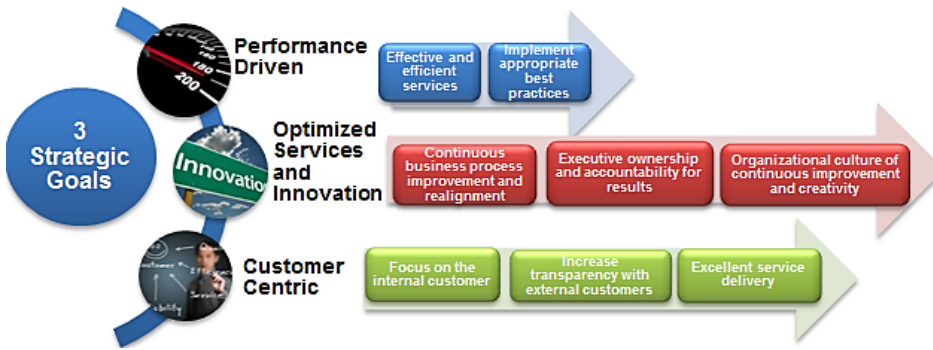
In 2018, there were six full Board meetings, two Finance & Audit and one Legislative & Public Affairs committee meetings.

## Overview of TxDMV's Vision, Mission, Goals and Key Functions

**Vision:** The Texas Department of Motor Vehicles sets the standard as the premier provider of customer service in the nation.

**Mission:** To serve, protect and advance the citizens and industries in the state with quality motor vehicle related services.

**Strategic Goals and Objectives:**



The following chart displays the department's performance as measured internally by its three (3) strategic goals.

**Fiscal Year 2018 TxDMV Strategic Goal Performance**



SCORECARD	SERIES	AUG 2017	SEP 2017	OCT 2017	NOV 2017	DEC 2017	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018
Performance Driven TxDMV Agency-wide	Score	6.11	6.38	6.15	7.27	6.45	6.42	5.92	6.3	6.49	7.01	6.79	6.64	6.65
Optimized Services and Innovation TxDMV Agency-wide	Score	3.86	5.6	5.6	5.6	5.6	5.62	6.06	5.62	5.62	5.62	3.43	5.62	5.62
Customer Centric TxDMV Agency-wide	Score	4.72	4.27	3.91	3.3	3.64	4.08	3.53	3.86	4.37	3.69	4.18	4.07	4.85

### Five Key Functions of TxDMV:

1. Provides title, registration and specialty license plate services;
2. Regulates the sales and distribution of motor vehicles;
3. Issues motor carrier permits and credentials (operating authority);
4. Conducts investigations and performs enforcement activities of the TxDMV regulated community; and
5. Aids in prevention of motor vehicle burglary and theft.

## Accomplishments and Activities

### Initiated and Implemented the new Compliance and Investigations Division (CID)

The creation of the Compliance and Investigations Division (CID) was the result of an exceptional item requested by TxDMV during the 85<sup>th</sup> Legislative Session, Regular Session. The exceptional item funded a special investigations unit that included 13 new staff:

- Five field service representatives;
- Five investigators; and
- Three staff positions (attorney, program specialist and administrative assistant).

In addition to the 13 new positions, nine existing positions were transferred to the unit from the Vehicle Titles and Registration (VTR) Division for a total of 22 full-time employees. During the implementation of the exceptional item, it was determined a stand-alone division would be better suited to address this function, and adjustments were made to facilitate the change. The initial organization of CID assigned one director to oversee the Special Investigations and Field Services. The Special Investigations section concentrates on investigations of criminal elements. The Field Services section focuses on compliance, training and accountability within county tax assessor-collector offices.

LOCATION	FULL-TIME EMPLOYEES (22)
Abilene	Field Service Representative
Austin	Director, Executive Assistant, Lead Investigator, Investigators (2), Criminal Intelligence Analyst and Attorney (assigned by the Office of General Counsel)
Beaumont	Field Service Representative
Corpus Christi	Field Service Representative
Dallas	Field Service Representative
El Paso	Field Section Manager, Field Service Representative
Fort Worth	Investigator
Houston	Investigator, Field Service Representative
Longview	Field Service Representative
Lubbock	Field Service Representative
Pharr	Field Service Representative
San Antonio	Field Service Representative
Waco	Field Service Representative
Wichita Falls	Field Service Representative

### Criminal Investigations

CID's Special Investigations section investigates criminal offenses involving vehicle-related fraud with a high probability of return on investment, vehicle crimes that pose public safety concerns, and public corruption allegations within county tax offices and TxDMV.

The Special Investigations section has opened 30 felony investigations using this criteria, resulting in 22 felony arrests and the execution of 10 search warrants. The arrest warrants issued ranged from felony violations of Texas Transportation Code, Texas Penal Code and Texas Tax Code. All offenses were second- and third-degree felonies.



CID has a current return of investment of \$1,066,821 with an identified fraud loss of \$14.3 million. The return of investment (associated with full adjudication) is a total of court-ordered fines, penalties, restitution and dollar value of recovered stolen vehicles. The identified fraud loss (current on-going investigations, not fully adjudicated) is dollar values associated with stolen vehicles, dollar value of fraudulent salvage vehicles titled, false ownership on title documents under representing sales price, and dollar values associated with false application for title.

TYPES	DEFINITIONS
<b>Odometer Fraud</b>	Odometer tampering is a form of fraud committed by an individual or dealer who rolls back the odometer on a vehicle and resells it to an individual or wholesale buyer. The odometer reading is reduced to increase the resale value of the vehicle.
<b>Title Fraud</b>	Title fraud is the alteration of any documents required by the department necessary to transfer a title. This could include an altered or fake title, false information on an Application for Texas Title Form 130-U, false release of lien or false rebuilt affidavit.
<b>Registration Fraud</b>	Registration fraud is fraudulent data reported or entered in the Registration and Titling System (RTS) database to reduce or eliminate vehicle registration fees.
<b>Cloned Vehicles</b>	The practice of removing a vehicle identification number from a legal vehicle and attaching it to a stolen or salvage titled vehicle to conceal the true identity.
<b>Corruption / Misuse of Office</b>	Officials and employees in tax assessor-collector offices intentionally misusing their position for personal gain and / or engaging in theft, forgery, kickbacks, bribery, access selling, falsifying official documents, intentional destruction of official documents to obstruct justice, or selling official equipment.
<b>Internal Investigations</b>	TxDMV employees involved in any type of internal criminal activity to include theft, forgery, bribery, selling / providing personal and confidential information, or making false statements on official documents.

### Outreach Efforts

TxDmv embeds investigators in auto theft task forces in Harris and Tarrant counties. The division fully engages with eight fusion and intelligence centers in Austin, Dallas, McKinney, Houston, San Antonio, McAllen and El Paso to discuss areas of collaboration. CID created a Law Enforcement Working Group, which holds quarterly meetings, to discuss topics of mutual interest and exchange vital information. In 2018, CID held meetings with the Automobile Burglary and Theft Prevention Authority (ABTPA), Texas County Auditors, National Odometer and Title Fraud Enforcement Association (NOTFEA), and American Association of Motor Vehicle Administrators (AAMVA). Additionally, the division received approximately 1,200 requests for assistance in 2018 from federal, state and local law enforcement agencies to research and provide data for odometer fraud, title fraud, cloned / stolen vehicles, public corruption in tax assessor-collector offices, vehicle identification number switches, narcotics smuggling and human trafficking.

### Field Services Section

Field service representatives are situated within 12 regional service centers (RSCs) spread out across the state and provide compliance services to all 254 county tax offices. Their roles require constant contact with county tax assessor-collectors and their employees to provide the following services:

- Conduct recurring compliance reviews at tax assessor-collector offices to identify risks and mitigate them by providing recommendations to county personnel;
- Provide title fraud training to tax assessor-collector office employees on title examination strategies and dissuade fraud;
- Perform annual license plate and asset inventories to confirm accountability of department items under the tax assessor-collector’s control;
- Assist with tax assessor-collector transitions by conducting full inventories and a compliance review jointly with the outgoing and incoming tax assessor-collectors; and
- Support ongoing investigations by providing subject matter expert guidance on tax assessor-collector processes and policies involving titles and registrations.

Field service representatives also provide on-demand training to other stakeholders, such as county auditors and law enforcement. The division’s unique position allows personnel to work in partnership with RSC staff to identify and resolve compliance issues identified with tax assessor-collector offices. This allows for rapid identification of issues, which are then addressed by RSC managers for resolution.

FIELD SERVICES SECTION – 2018 DATA
816 tax assessor-collector compliance reviews <ul style="list-style-type: none"><li>• Field service representatives visited and completed compliance reviews at all 254 counties.</li></ul>
533 asset inventories <ul style="list-style-type: none"><li>• Field service representatives contributed to the success of a close-to-perfect inventory with only seven assets unaccounted for statewide.</li></ul>
10 tax assessor-collector transition inventories
2 subject matter expert assistance requests in Travis and Webb counties

### Leveraging Technology

The division collaborated with Information Technology to procure, develop and deploy:

- Nine reports analyzing data to identify vulnerabilities regarding fraud, waste and abuse in 254 tax assessor-collector offices;
- Mapping software with hyperlink capability to address program vulnerabilities in real-time, efficiently and rapidly deploying personnel resources to those identified areas throughout the state; and
- Cutting-edge social media link analysis systems to support criminal investigations and law enforcement stakeholders.

### Training and Educational Activities

CID continues to provide training to county tax assessor-collector employees and law enforcement personnel in Texas and in other states. In 2018, CID facilitated 70 classes reaching 2,077 attendees. The

classes reached a wide variety of stakeholders, including county tax officials, law enforcement, insurance and banking officials, and other regulatory authorities. The division primarily teaches the Red Flag Title Fraud Class that provides instructions for detecting vehicle fraud such as title, odometer and tax fraud. Classes are provided to auto theft investigators at ABTPA and National Insurance Crime Bureau (NICB) Auto Theft Schools to educate personnel on detecting these types of fraud, preparing a criminal case for prosecution, and ensuring the necessary information is recorded in search and arrest warrant affidavits.

### Enhancements to Certified Copies of Original (CCO) Titles

Under the statutory authority granted by Texas Transportation Code, Section 1001.025, TxDMV submitted legislative recommendations to improve the issuance of and reduce potential fraud associated with Certified Copies of Texas Titles. These recommendations were enacted through S.B. 2076, 85<sup>th</sup> Legislature, Regular Session. The bill amended Transportation Code, 501.134, by specifying a lawfully obtained Certified Copy of Texas Title supersedes and invalidates any previously issued title or Certified Copy of Texas Title.

This change prevents fraud by ensuring only one valid title can exist for a vehicle at a time. Under the previous law, a certified copy was an exact duplicate of the original title, containing the same issuance date and title document number. As a result, both the original title and the certified copy were considered valid and enabled vehicle owners to transfer ownership or secure a financial interest. Having multiple valid titles enabled vehicle owners to obtain multiple loans, or alternatively to sell a vehicle and then obtain a loan. To prevent this type of fraud, a Certified Copy of Texas Title issued on or after December 31, 2018, contains a new title document number and issue date. Issuance of a new title document number and issue date invalidates the original Texas title and any previously issued certified copies, rendering them unusable for any future transactions.

TxDmv's Registration and Title System (RTS) was integrated with the National Motor Vehicle Title Information System (NMVTIS) to validate title information and apply any missing value-limiting brands to the title prior to issuance. The integration also ensured the national database is updated in real-time since certified copies can be provided to a customer immediately upon issuance. RTS made stakeholder communications and trainings available to ensure all affected industry participants understood how this change would affect their business models. Additionally, the department is providing a public information notice with newly issued Certified Copies of Texas Titles, so customers are aware of the change. While implementing this change required extensive programming to RTS, as well as coordination and testing with the American Association of Motor Vehicle Administrators (AAMVA) to ensure NMVTIS was queried and updated appropriately, it furthers the department's mission to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services and illustrates the breadth of TxDMV's customer-centric focus.

### Motor Carrier Credentialing System (MCCS) upgrade initiative to eLINC

The Electronic Licensing, Insurance and Credentialing (eLINC) system launched in December 2017, to offer complete online self-service to motor carriers applying for intrastate operating authority (also known as a TxDMV number) without the need for direct customer assistance if they have no complicating factors. This initiative included the first major enhancements to the Motor Carrier Credentialing System (MCCS) since its launch 15 years ago.



The initial launch of eLINC allows customers to handle all steps in the process of creating an account, as well as a status bar showing where they are in the 11-step process. eLINC is instructional as it tutors customers through each step.

eLINC also added security features and searches for chameleon carriers:

- Cross checking real-time information in the federal Motor Carrier Management Information System (MCMIS) for current U.S. Department of Transportation (USDOT) number status;
- Confirming that household goods movers have the required rates and charges on file;
- Deleting applications left pending and incomplete in eLINC after 45 days (and the application process must restart from the beginning); and
- Changing the status of all existing accounts not renewed within 180 days of expiration to inactive, requiring those carriers to reapply for operating authority in eLINC.

MCCS will be entirely rebranded as eLINC by the end of 2019 as other new features are phased in during the year. The system will remain live during all releases and customers will continue to manage accounts in the existing MCCS.

### Presidential Moving, LLC, Investigation

Throughout most of 2018, the Enforcement (ENF) Division investigated what would become one of the largest moving fraud cases in the United States. Under a signed Memorandum of Understanding (MOU) with the Federal Motor Carrier Safety Administration (FMCSA), several TxDMV investigators are certified to investigate and enforce federal regulations governing the interstate transportation of household goods. TxDMV began receiving complaints in August 2017 against Presidential Moving, LLC., reported as located in Arlington, Texas. Several complaints soon became hundreds. Consumers stated they had moved (some across the country) and the mover would not deliver their items. In most cases, the cost of the move increased by double or triple the originally agreed upon price.

TxDmv investigators worked tirelessly interviewing victims and company personnel to identify and locate where the shipments were held. Most were in warehouses and storage facilities through the U.S. Investigators negotiated with Presidential Moving, LLC., and many of the victims' household goods shipments were returned to the victims, often at no additional cost to the consumers.

During these investigations, TxDMV collaborated with several federal and local law enforcement agencies; many of which relied on TxDMV's expertise regarding interstate moving regulations. The department provided crucial information to the U.S. Office of Inspector General (OIG), which eventually resulted in the arrests of several individuals. Most were indicted on federal racketeering charges. Additional suspects will continue to be identified and arrested in 2019.

TxDmv negotiated the release of more than 100 potential hostage load shipments to consumers across the U.S. After the OIG's involvement and arrests, more than 900 additional victims came forward and TxDMV continues to assist in negotiating the release of shipments.

As a result of the department's efforts, FMCSA presented TxDMV Investigator Amber Ott (lead investigator in the case) with its Consumer Protection Partnership Award. Chief Kenneth Rodgers with FMCSA's Commercial Enforcement and Investigations Division personally presented the award for Ott's "superior investigative tenacity and innovation in combating moving fraud." FMCSA is using this success as a way to promote state partnerships in its continued efforts to combat interstate moving fraud.

### eTAG system modernized, merged for dealers accessing temporary tags

eTAG, TxDMV's web-based application utilized by dealers and converters to issue temporary tags for their vehicles, was merged in April 2018 with webDEALER, the department's web-based application that allows dealers to submit title applications electronically to counties. Dealers no longer need to access to different systems and can maintain one set of user credentials for both eTAG and webDEALER.

Dealers now have the ability to import information from their dealer management system to create a temporary tag in eTAG, and they can use the temporary tag information to start a title application in webDEALER. This eliminates the redundant entry of information by multiple individuals in a dealership. The integration of eTAG into webDEALER also introduced new payment functionality, allowing dealers to pay for out-of-state buyer tags through an online portal. Dealers are now able to complete a transaction within one application, completely online.

Merging the two applications provided benefits to TxDMV as well. The department realized cost savings since staff developed the new eTAG application rather than a vendor and will maintain the application in the future, eliminating the cost associated with the vendor contract (eTAG was initially created as a standalone system and maintained through a vendor contract). While implementing this change required extensive programming and time, it is consistent with the department's strategic goals of optimizing service and systems and being customer centric.

### Functionality reorganization of Information Technology and associated divisions

As part of our ongoing efforts to provide the best service possible to our fellow Texans, we carefully evaluated the operating model of our Information Technology Services Division (ITSD) and our Enterprise Project Management Office (EPMO). The assessments identified several key issues:

- Non-technology functions (such as customer service and billing) were being performed by ITSD;
- Several functions were misaligned between the divisions of ITSD, EPMO, and GSC;
- A lack of advancement opportunities within ITSD; and
- An overall need to improve technology management.

A reorganization of ITSD was carried out in two phases to address the key issues:

- The first phase, effective November 1, 2018, moved non-technology functions from ITSD to align with similar functions in other divisions. Specifically, service desk functions moved to CRD, billing functions moved to FAS, and the ITSD web team merged with the web team in GSC to create a single unified web team.
- The second phase, effective January 1, 2019, merged the EPMO into ITSD, aligned strategic technology functions with the Chief Information Officer (CIO) and day-to-day technology operations with the Deputy CIO.

The reorganization provides several benefits:

- Improving technology operations and reducing risk by integrating project management with technology delivery;
- Improving customer service by reducing wait times and abandoned calls;
- Improving efficiency by eliminating process steps between divisions;

- Enabling ITSD to focus on technology delivery as its core competency; and
- Establishing a scalable organizational structure to support potential future growth within the agency.

### Modernized the core Registration and Titling System (RTS)

The Registration and Titling System (RTS) Refactoring Project replaced an older mainframe-based system inherited from TxDOT with a new web-based system used by the department, tax assessor-collectors (TACs), and deputies to perform registration and title transactions for the motoring public. The project migrated all data off TxDOT mainframe servers and successfully implemented the Cognos reporting tool. These were key components of ending TxDMV's dependency on TxDOT. It also positioned the department to allow for more customer-centric enhancements, such as the ability to search for vehicle records by customer name rather than requiring the Vehicle Identification Number (VIN) or license plate number.

On December 30, 2018, TxDMV deployed the final release of the five-year project. This release included implementing a web service with the National Motor Vehicle Title Information System (NMVTIS), as well as making the Certified Copy of Original (CCO) title the official title of record superseding any previously issued titles. This functionality helps prevent fraud by updating both the RTS and NMVTIS systems in real-time.

### Sunset Process Project

Phase One of the Sunset Advisory Commission's review of TxDMV began in 2017 with the department's preparation of *TxDMV's Self-Evaluation Report* submitted to the commission. The TxDMV Governance Team (GT) made the decision to initiate an Enterprise Project Management Office (EPMO) project for the Sunset process to ensure information was collected and documented in a timely, consistent manner. This approach also ensured a single point-of-contact for each phase of the Sunset process and provided tracking and closeout.

Phase Two began with commission staff's initial report May 2018 followed by the commission's decisions in August 2018. The department responded by immediately tracking the 16 management actions adopted in the final staff report. As of December 2018, TxDMV had completed seven actions (43.75 percent) and has started the remaining nine. TxDMV staff continues to track monthly and provide updates to the TxDMV Board at each board meeting.

### Enhancements to Texas Permitting and Routing Optimization System (TxPROS)

The Motor Carrier Division upgraded the Texas Permitting and Routing Optimization System (TxPROS) to improve the overall customer experience by adding several features and increasing the self-issue weight limit.

#### **New Self-Issue Weight**

Customers can self-issue certain permit types within TxPROS when the overall size and weight of the vehicle and load are within allowed self-issue tolerances. Effective December 11, 2018, the self-issue weight limit in TxPROS increased from 199,999 to 254,300 pounds. Overall self-issue dimensions are:

- 20 feet wide;
- 18 feet, 11 inches high;



- 125 feet long; and
- 254,300 pounds gross weight.

In addition, mileage permits for cranes and well servicing units falling within the dimensions above can now be self-issued. TxPROS customers can upload required weight certification documents for vehicles / loads that exceed 200,000 pounds gross weight. Additionally, customers can batch order the following permit types:

- Annual Envelope (AEV) Company Specific;
- Over Axle / Over Gross Weight Tolerance;
- Ready-Mixed Concrete Truck;
- Timber;
- Intermodal Shipping Container Port; and
- Fluid Milk.

For AEV Company Specific Permits, the TxPROS upgrade allows customers to enter the number of permits wanted. TxPROS still requires customers to attest to the accuracy of each permit before mailing. If batching multiple permits, the customer must attest to the accuracy of each permit in the batch.

#### **Annual Permit Renewal Notices**

TxPROS automatically generates renewal notices via email and / or mail for annual permits. Customers will receive notices at the beginning of each month for any permits due to expire within the following 45 days. To allow for this feature, all customers are prompted to provide both mailing and email addresses for renewal notices the first time they order an annual permit.

#### **Automated Clearing House (ACH) Payments**

The TxPROS upgrade also included the ability for TxDMV to accept payments by Automated Clearing House (ACH) also known as electronic checks, with no fee charged for payments by ACH.

#### **Length Combination Evaluation**

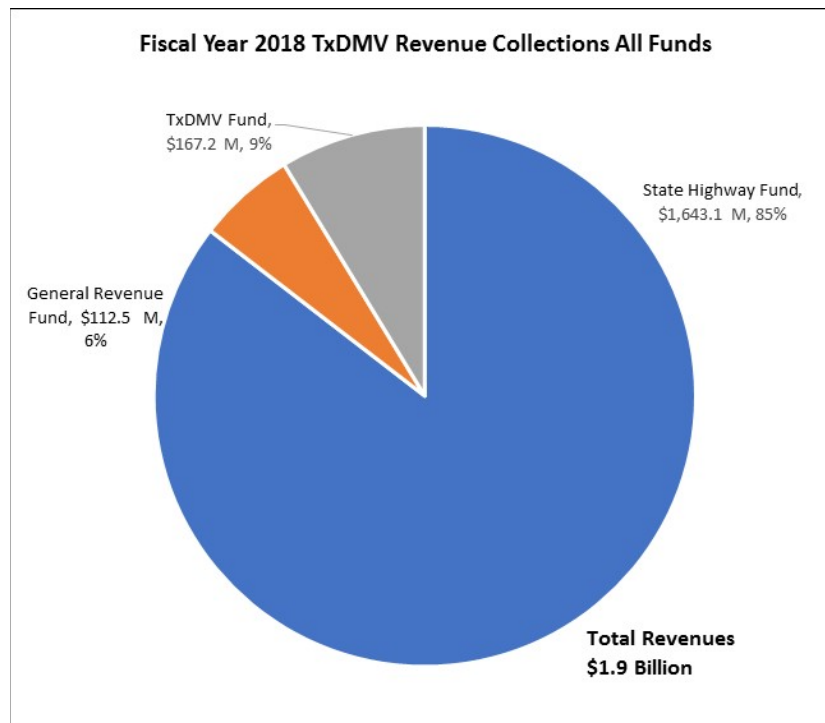
TxPROS evaluates axle spacings to determine if a Super Heavy Permit is required. A vehicle combination that exceeds 200,000 pounds and has less than 95 feet of total axle spacing requires a Super Heavy Permit.

## Revenues and Expenditures

The department's appropriations are funded by the TxDMV Fund with the exception of the Automobile Burglary and Theft Prevention Authority (ABTPA). The TxDMV Fund was created to increase accountability and transparency in funding department operations. The fund, along with authorization to establish and adopt the Processing & Handling Fee, was implemented through the passage of bills enacted by the 83<sup>rd</sup> and 84<sup>th</sup> Legislatures. Since September 1, 2016, the department has been operating as self-sufficient.

### Revenues

In FY 2018, all funds revenue collections totaled approximately \$1.92 billion, a seven percent increase compared to Fiscal Year 2017. The department deposited \$1.64 billion to the State Highway Fund (Fund 0006), \$112.5 million to the General Revenue Fund (Fund 0001) and \$167.2 million to the TxDMV Fund (Fund 0010).

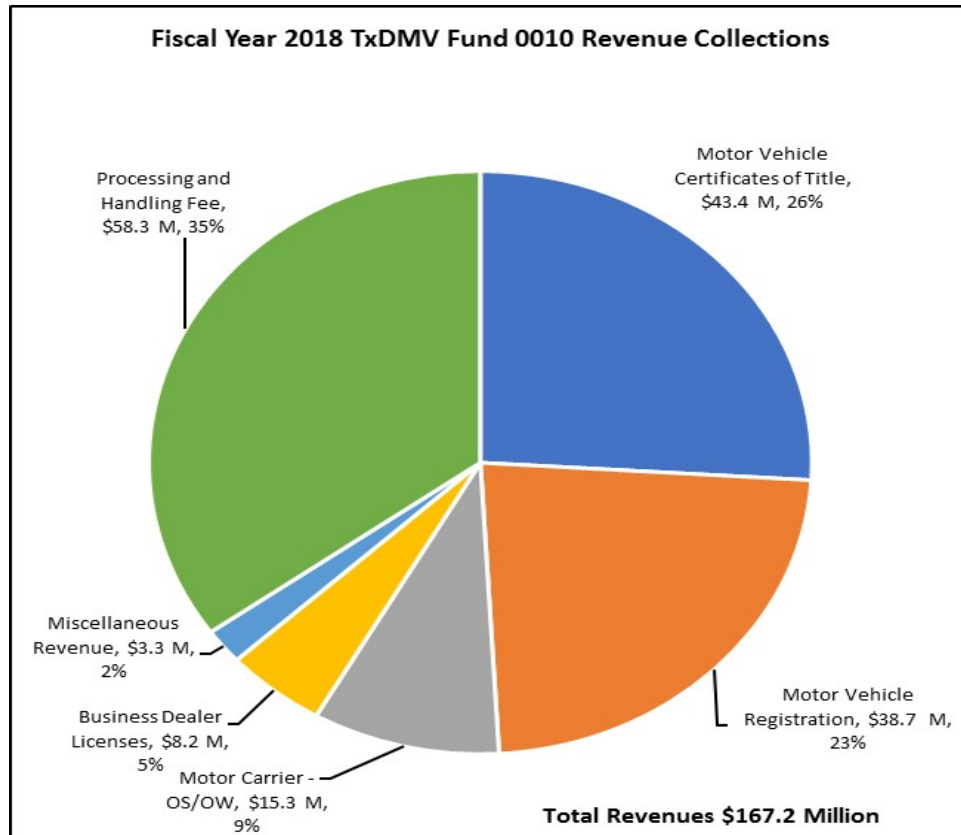


Vehicle registration revenue collections, which account for approximately 82 percent of total TxDMV collections, increased 5.1 percent in FY 2018 compared to FY 2017. Vehicle title revenue increased 7.2 percent in FY 2018 compared to FY 2017 mostly due to increased issuance of salvage and rebuilt-salvage titles for vehicles affected by Hurricane Harvey. Revenue collections for business dealer licenses held relatively steady, posting a 1.8 percent increase in FY 2018 compared to FY 2017 revenues. Revenue collections in FY 2018 from motor carrier oversize/overweight permits



increased 13.9 percent compared to FY 2017, reflecting the state’s economic gains in the oil and gas industry. Processing and handling fee revenue in FY 2018 was realized from a full year of collections, as compared to only eight months of collections in FY 2017.

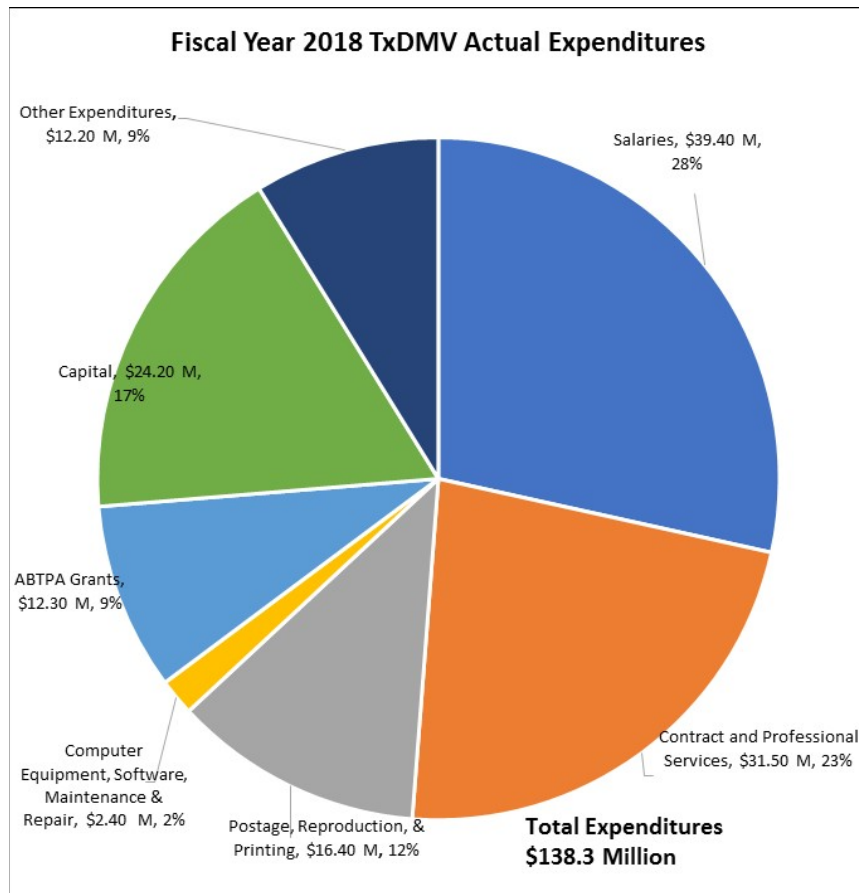
The pie chart below details the TxDMV Fund 0010 only collections by fee type, totaling \$167.2 million for FY 2018.



## Expenditures

TxDMV’s FY 2018 operating budget, which includes \$17.9 million of carry forward dollars from the prior year, was \$176.7 million excluding fringe benefits, with 779 full-time equivalent (FTE) positions. TxDMV year-end actual expenditures totaled \$138.4 million. Significant expenditure categories included salaries, contract and professional services, postage, reproduction and printing, computer equipment software and maintenance and ABTPA grants. Capital budget expenses totaled \$24.2 million primarily consisting of expenditures for technology projects (\$13.6 million), County Equipment Refresh Project, such items as workstations, printers, ensuring computer systems and security features (\$1.7 million) and the Data Center Services (DCS)(\$7.8 million).

The department carried forward balances of \$16.7 million in capital budget funding and \$2.2 million of the HQ Maintenance budget to FY 2019.



The TxDMV’s overall expenditures in FY 2018 decreased by 7.8 percent when compared to FY 2017. This decrease is primarily due to the completion of major capital projects in FY 2017, such as the eLICENSING project, the County Technology Refresh project, and the Application Migration & Server Infrastructure Transformation (AMSIT) project.

### Fiscal Year 2018 Annual Financial Report (AFR)

The department’s AFR for the year ending August 31, 2018, was submitted in compliance with the Texas Comptroller of Public Accounts (CPA) deadline on November 20, 2018. The report was transmitted to state oversight agencies, the Office of the Governor (OOG) and the Legislative Budget Board (LBB). The report is available online at [http://www.txdmv.gov/reports-and-data/cat\\_view/13-publications/25-reports-data/73-finance](http://www.txdmv.gov/reports-and-data/cat_view/13-publications/25-reports-data/73-finance).

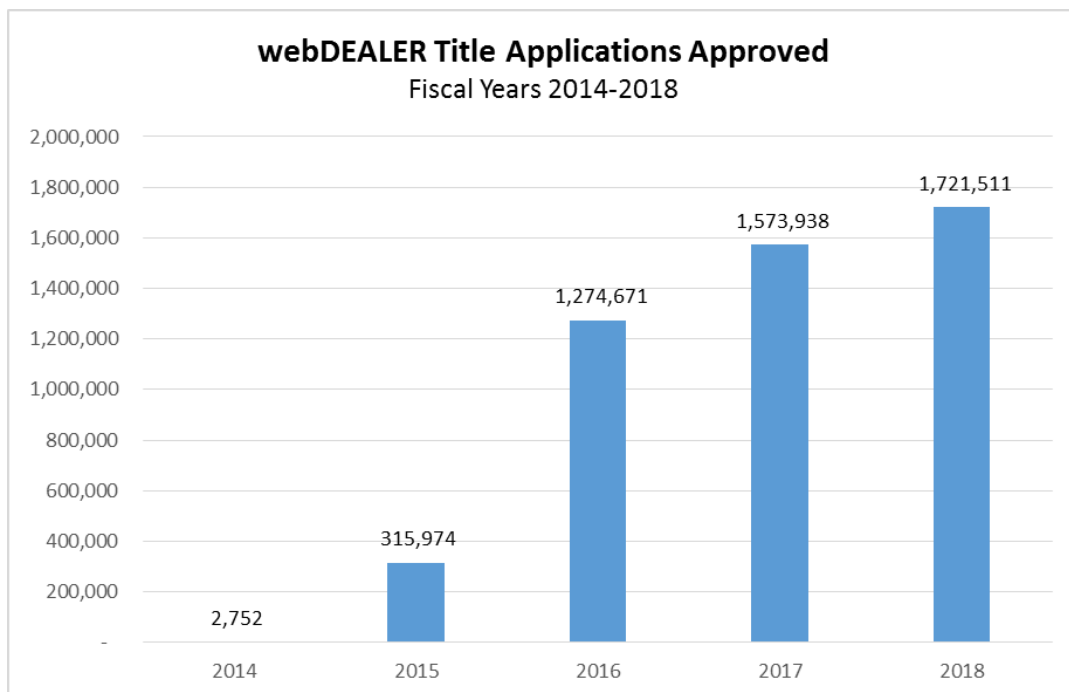
## Significant Performance Data

### Vehicle Titles and Registration (VTR) Division

#### Title Performance Data

Proper titling protects vehicle owners and prospective buyers by allowing for the orderly transfer of ownership, prevention of theft, and protection of lenders. VTR is responsible for the development, implementation and oversight of motor vehicle title policy and procedure for the state. This program also manages the title aspects of motor vehicle records in the state's Registration and Title System (RTS) database and checks each title application against the National Motor Vehicle Title Information System (NMVITS) for relevant title information and any value-limiting brands on the vehicle to be titled.

TxDMV continues to experience success with the web-based system known as webDEALER, that allows dealers to process title applications and new registrations online in lieu of making trips to county tax assessor-collector (TACs) offices with paper documents. The ability to process title applications and new registrations online has resulted in a quicker, more accurate submission process, and the time for receipt and approval of each application has been significantly reduced. This is not only a benefit to the dealer, but it also affords TxDMV quicker visibility of titles for examination purposes. Data trends since FY 2014 indicate the use of webDEALER has increased as indicated in the chart below.



The following table illustrates the increase in webDEALER utilization since FY 2014.

FISCAL YEAR	NUMBER OF COUNTIES ACTIVELY UTILIZING WEBDEALER	PERCENT INCREASE OF COUNTIES UTILIZING WEBDEALER	NUMBER OF DEALERS ACTIVELY UTILIZING WEBDEALER	PERCENT INCREASE OF DEALERS UTILIZING WEBDEALER
2018	84	5%	1,148	13%
2017	80	14%	1,014	19%
2016	70	30%	852	108%
2015	54	391%	409	1,759%
2014	11	not applicable*	22	not applicable*

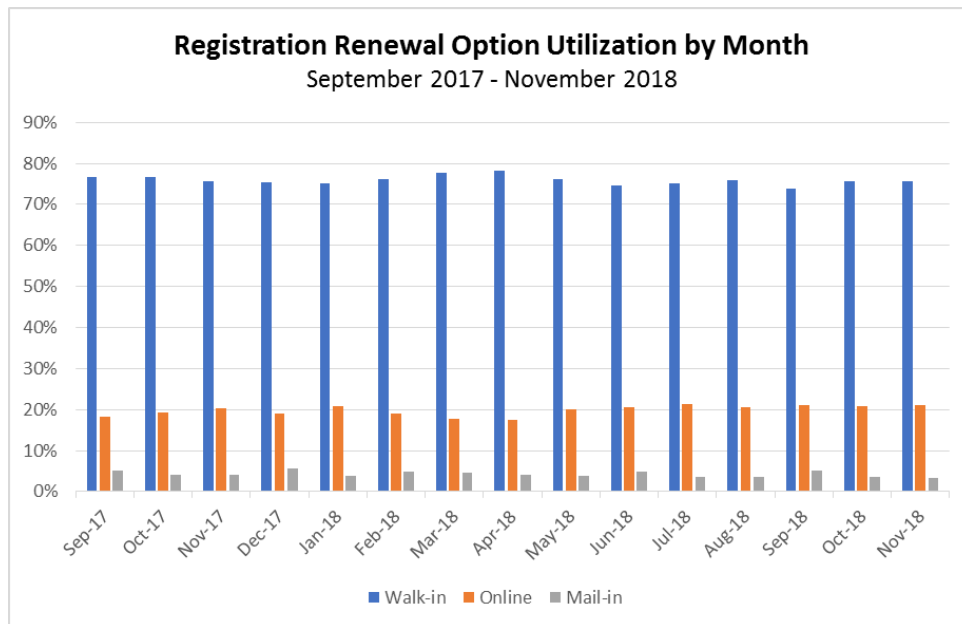
\*Fiscal Year 2014 was the first year webDEALER was available.

### Registration Performance Data

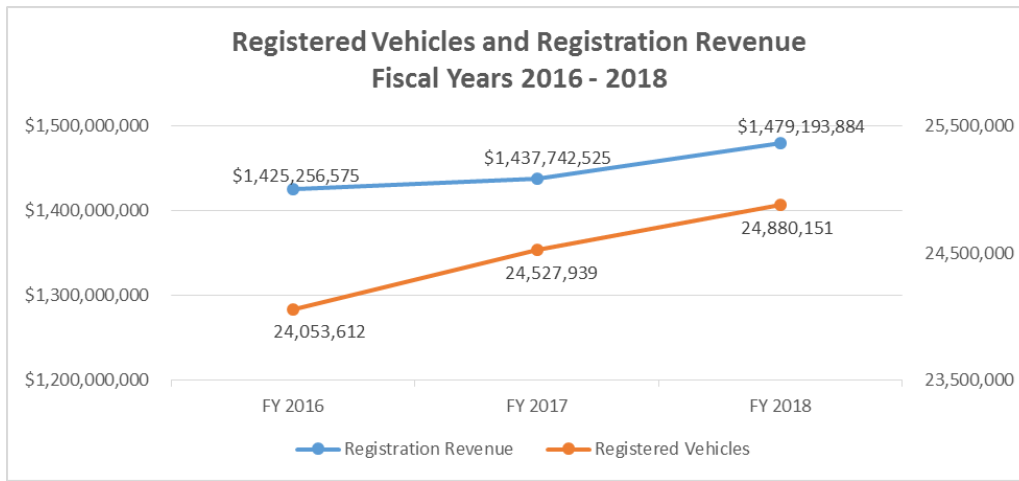
Under Transportation Code, Chapter 502, owners of motor vehicles (all vehicles that are self-propelled), trailers, and semitrailers are required to apply for annual registration for each registration year in which the vehicle is used or will be used on a public highway.

The state’s 254 tax assessor-collectors process various registration-related transactions on behalf of TxDMV. TxDMV provides TACs with compensation, computer workstations, network infrastructure, computer supplies, forms and training as strategic business partners.

TxDmv consistently seeks to provide its customers with convenient and efficient methods to conduct business with the State. Therefore, TxDMV provides the flexibility to renew registration in one of three ways – walk-in, mail, or online (available 24-hours a day, seven days a week). TxDMV also provides a \$1.00 fee reduction for renewals completed online.



In FY 2018, more than 24 million vehicles were registered. The funds deposited in the State Highway Fund (SHF) (Fund 0006) associated with vehicle registrations are reflected in the chart below.



### Motor Vehicle Division (MVD)

MVD provides an efficient system for distributing and selling motor vehicles through the licensing of franchise dealers, motor vehicle manufacturers, independent (used) motor vehicle dealers, distributors, representatives, in-transit operators, converters, lease facilitators, lessors, salvage vehicle dealers and salvage agents doing business in Texas.

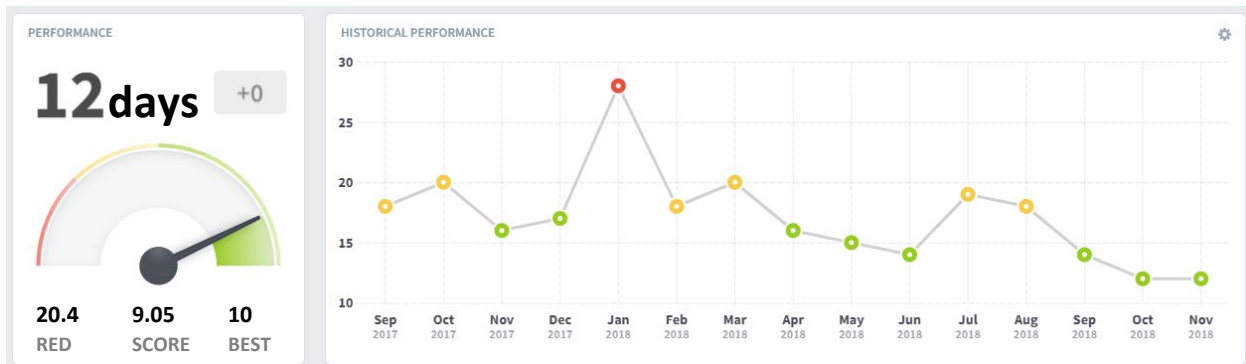
In FY 2018, MVD issued approximately 21,000 new and renewal license applications supporting the more than 33,000 motor vehicle and salvage industry licensees.

LICENSES ISSUED BY MVD IN FISCAL YEAR 2018		
Type of License	Total by License Type	Percent of Total
Salvage Dealer New	1,884	8.81%
Salvage Dealer Renewal	6,653	31.12%
Salvage Agent New	4	.02%
In-transit New	46	.22%
In-transit Renewal	36	.17%
Lease Facilitator New	9	.04%
Lease Facilitator Renewal	23	.11%
Lessor New	60	.28%
Lessor Renewal	74	.35%
Representative New	486	2.27%
Converter New	31	.15%
Converter Renewal	67	.31%
Manufacturer New	23	.11%
Manufacturer Renewal	55	.26%

Distributor New	13	.06%
Distributor Renewal	45	.21%
General Distinguishing Number (GDN) New	3,609	16.88%
GDN Renewal	6,913	32.34%
Franchise New	248	1.16%
Franchise Renewal	1,098	5.14%
<b>FY 2018 Total</b>	<b>21,377</b>	<b>100%</b>

MVD further tracks its efficiency through Key Performance Indicators (KPIs) with target average processing times for General Distinguishing Number (GDN) and franchise applications. As of November 30, 2018, the average number of days taken to process a new GDN application is 13 days, which surpasses the Board KPI target of 17 days by 23.5 percent.

**Average Processing Time for GDN Applications**  
**Average Number of Days by Month**  
**September 2017 – November 2018**



As of November 30, 2018, the average number of days taken to process a new franchise license application is 28 days, which surpasses the Board KPI target of 35 days by 20 percent. MVD’s goal of reducing the turnaround time for processing license applications and renewals is due to eLICENSING. The online, self-service hub provides faster approvals of new licenses and renewals, which benefits manufacturers, motor vehicle dealers, salvage dealers and their customers. The new service eliminates paper processing, provides the ability to submit license applications and payments online, includes a guided application process facilitating faster approvals, and offers the ability to track the progress of submitted applications.



**Average Processing Time for New Franchise License Applications**  
**Average Number of Days by Month**  
**September 2017 – November 2018**



MVD has a very successful mediation program, resolving 94 percent of contested franchise cases, benefitting all parties. When parties resolve a case through a MVD -facilitated mediation, they avoid the time and expense of litigation and have more control over the final result of the conflict. MVD realizes significant cost savings in State Office of Administrative Hearings (SOAH) contract expenses and significant staff time savings as resources spent tracking SOAH cases, preparing proposals for decisions for board consideration and preparing case files for appeal are reduced.

MVD sends all license holders a customer satisfaction survey upon approval of a license, amendment or renewal. License holders who respond with low ratings and / or written complaints are contacted directly to address their concerns. For FY 2018, 98 percent of participating license holders agreed they are satisfied overall with the service MVD provides. Following deployment of eLICENSING, MVD provides the survey as a link in the license approval email.

### Motor Carrier Division (MCD)

This division provides a one-stop shop for interstate and intrastate commerce. MCD provides commercial motor carriers, household goods movers, and passenger carriers with the information, license plates, and operating authority (including TxDMV numbers, Unified Carrier Registration, cab cards, and oversize / overweight permits) they need to move people and cargo safely and efficiently.

#### Credentialing

The primary purpose of the program is to protect the health, safety and welfare of the public in relation to the movement of commercial motor vehicles on roads and highways in Texas, as well as consumers using household goods movers. This is accomplished through the issuance of Texas intrastate motor carrier operating credentials (intrastate certificates) to operators of:

- Vehicles with a gross weight, registered gross weight, or gross vehicle weight rating exceeding 26,000 pounds;

- Farm vehicles operating with a gross weight, registered weight, or gross vehicle weight rating of 48,000 pounds or more;
- Buses designed or used to transport more than 15 people;
- Commercial school buses; and
- Household goods (for compensation).

Two additional functions performed by the MCD are:

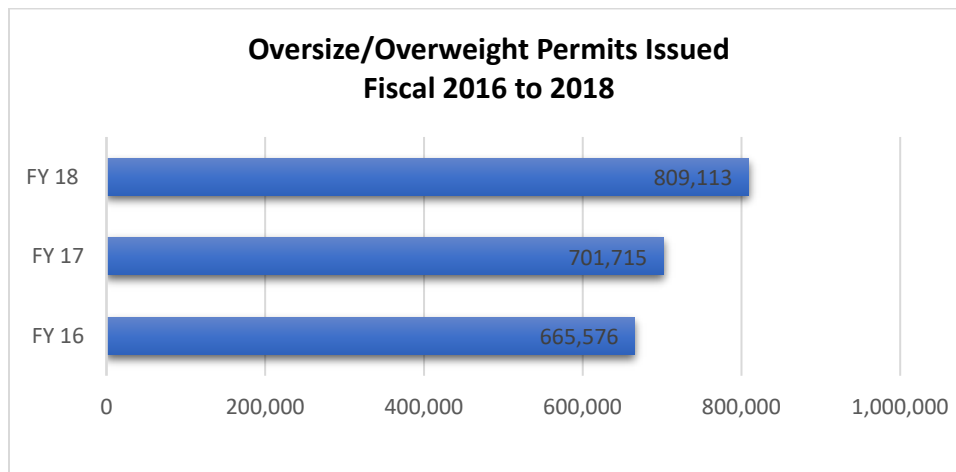
1. Ensuring all intrastate motor carriers traveling across state lines (interstate) are properly registered with the federal Unified Carrier Registration (UCR) program by comparing information contained in both systems.
2. Identifying “chameleon carriers” through a screening process of new applications set up in the Motor Carrier Credentialing System (MCCS). MCCS screens new motor carrier applications and identifies those attempting to recreate themselves as a new carrier to avoid enforcement penalties and / or sanctions or unsatisfactory safety ratings.

In FY 2018, the department issued more than 65,000 motor carrier credentials. Based on historical data and economic trends and projections, TxDMV expects this trend to continue.

### **Oversize / Overweight Permits (OS/OW)**

The objective of the OS/OW Permitting section is to regulate the movement of oversight and overweight vehicles and loads on the Texas highway system to ensure the safety of the traveling public and to protect the integrity of highways and bridges.

The Texas Permitting and Routing Optimization System (TxPROS) is the department’s system that issues OS/OW permits online, 24-hours a day, seven days a week. Customers not only save time and money by self-issuing permits, but they also receive detailed routing instructions on how to avoid restricted areas based on their vehicle dimensions, increasing safety for both the motor carrier and the public.



In FY 2018, MCD issued 809,113 permits and of those, almost 86 percent were single-trip routed permits. The average turnaround time for issuing single-trip routed permits is 22.9 minutes. The increase of more than 107,000 General Single-Trip Permits between FY 2017 and FY 2018 is attributed to



a 25 percent increase in the oil and gas industry permits, an 18 percent increase for manufactured housing permits and a 23 percent increase for quarterly hubometer permits.

## Enforcement (ENF) Division

The Enforcement Division enforces the laws governing motor vehicle sales and distribution, salvage and motor carrier industries, and the laws governing OS/OW motor carrier operations. The statutes enforced by the division are designed to protect consumers and ensure a sound system for the distribution and sale of motor vehicles.

Major ENF activities include:

- Investigation of motor vehicle complaints, Lemon Law complaints and warranty performance complaints from the public or the initiation of complaints when potential violations are observed;
- Submission of investigation results to TxDMV attorneys regarding violations; and
- Settlement of cases with complainant, or, if no settlement can be reached, litigation of the case.

ENF initiates investigations on all complaints received by the department. Complaints come from consumers, law enforcement, other licensees and TACs. Complainants are issued an acknowledgment of receipt of the complaint and are contacted for information during the course of the investigation. Complainants are also provided with updates during the investigation and are notified when the investigation has been closed. In FY 2018, ENF completed more than 11,000 motor vehicle cases.

ENF interacts directly with the public through consumer protection education programs and handling complaints filed by consumers. ENF provides educational programs to assure understanding of the laws affecting the regulated industries, and, if violations occur, enforces laws affecting the motor vehicle and motor carrier industries by seeking sanction actions including imposition of administrative penalties, license revocation, permit revocation and issuance of cease and desist orders.

While ENF is still responsible for investigating Lemon Law and warranty performance complaints, beginning in January 2014, Lemon Law and warranty performance administrative hearings were transferred from the State Office of Administrative Hearings (SOAH) to TxDMV's Office of Administrative Hearings (OAH).

## Office of Administrative Hearings (OAH)

The Office of Administrative Hearing (OAH) was established to streamline the process of conducting hearings under Texas' Lemon Law. Texas was one of the first states to pass a Lemon Law to assist buyers and manufactures with new vehicle warranty performance.

OAH is currently staffed by five FTEs: one chief hearings examiner, one hearings examiner, two legal assistants and one administrative assistant. OAH's customers include the motoring public and motor vehicle converters, distributors and manufacturers.

In FY 2018, OAH completed 350 Lemon Law complaints; each one in an average in 18 weeks, significantly outperforming the target of 23 weeks established by the General Appropriations Act (GAA).

## Automobile Burglary and Theft Prevention Authority (ABPTA)

ABTPA's mission is to provide financial support to law enforcement agencies for economic motor vehicle theft and burglary enforcement teams; provide financial support to law enforcement agencies, local prosecutors, judicial agencies and neighborhood, community, business and non-profit organizations for programs designed to reduce the incidence of economic motor vehicle theft and burglary.

The division also conducts educational programs designed to inform automobile owners of methods of preventing vehicle burglary and theft; provides equipment for experimental purposes to assist vehicle owners in preventing motor vehicle burglary or theft; funds a statewide vehicle theft recovery registration program; and establishes a uniform program to prevent stolen motor vehicles from entering Mexico.



Statutorily, ABTPA is required to conduct the following activities toward this objective:

- Collect a fee assessment on motor vehicle insurance policies sold in Texas
- Provide grants to local law enforcement to combat motor vehicle theft and burglary from motor vehicles;
- Develop a statewide plan to combat and reduce motor vehicle burglary and theft;
- Educate the public about preventing motor vehicle burglary and theft; and
- Report the performance and impact of the program to the legislature.

A \$2 fee on all motor vehicle insurance policies exceeded \$49 million in FY 2018. ABTPA contracts with the Texas Comptroller of Public Accounts (CPA) to perform the fee collection. ABTPA works with the CPA to provide notice to insurers who fail to pay and notifies the Texas Department of Insurance of non-compliance. ABTPA also reviews insurers' requests for refunds when they overpay. The statute gives the ABTPA Board the power to refund to insurers proven overpayments.

Grant funding is provided annually to law enforcement agencies on a competitive basis. Grant applications are submitted by individual agencies or groups of agencies that have entered into interlocal agreements. The ABTPA Board makes award decisions based on eligibility, statutory requirements and grant rules that it promulgates. While these agencies may submit grant applications and be funded for their specific jurisdictions, they also provide motor vehicle technical assistance to many agencies and residents from jurisdictions that do not directly receive grant funding.

In 2018, 24 programs were awarded grant funding from ABTPA, which encompasses at least 128 jurisdictions. The 24 grants cover the largest cities and counties in Texas in terms of both population and the number of reported incidents that are included in ABTPA's statutory mandates. ABTPA grant programs also provide specialized auto theft investigators and other law enforcement personnel to jurisdictions that are in critical positions on the U.S. / Mexico border (Brownsville, Eagle Pass, El Paso

and Laredo), as well as intercostal waterway ports such as Beaumont, Corpus Christi, Galveston, Houston and Victoria. A list of grant recipients is included in Appendix D of this report.

ABTPA creates educational material in both English and Spanish to provide helpful safety and prevention information to encourage the public to take an active role in reducing motor vehicle crimes. This material is provided to the public directly by ABTPA and through educational activities conducted by each grant program. In FY 2018, more than 36,490 copies of educational materials (including promotional items) were distributed throughout the state.

ABTPA also provides specialized motor vehicle theft investigator training to law enforcement officers. This training is approved by the Texas Commission on Law Enforcement (TCOLE) through the TxDMV Enforcement Division and hosted by the grant funded taskforces on a rotating basis. ABTPA facilitates a collaboration among the Texas Department of Public Safety (DPS), the National Insurance Crime Bureau (NICB), and the Texas Association of Vehicle Theft Investigators (TAVTI). Some of the specific contributions include DPS providing curriculum and NICB providing specific training on databases used to access confidential and proprietary information. During Fiscal Year 2018, ABTPA coordinated three Motor Vehicle Intermediate Investigator Training (MVIIT) classes.

Under the Texas Revised Civil Statutes, Article 4413 (37) §6(j), ABTPA funded programs are required to increase the rate of: 1) recovery of stolen vehicles; 2) cleared cases; and 3) persons arrested for motor vehicle burglary and theft. On April 1, 2018, ABTPA submitted its statutorily required FY 2017 Activity and Funds Report to the Texas Legislature. For FY 2017, the local programs that received grant funding through ABTPA met or exceeded the measures set forth in the ABTPA legislative mandate. After a \$2.5 million per year reduction in funding between 2017 and 2018, the highly trained law enforcement investigators provided through ABTPA reported only increases in stolen vehicles recovered and arrests of persons accused of motor vehicle theft. The 85<sup>th</sup> Legislature also earmarked for Border Security \$5.6 million for the biennium of the TxDMV appropriated funds used by ABTPA. This resulted in local law enforcement reprioritizing resources within the ABTPA grant program.

The following table demonstrates measures reported by ABTPA grant recipients for the statutory performance measures in FY 2017 and 2018:

STATUTORY REQUIREMENTS REPORTED BY ABTPA GRANT RECIPIENTS		
Activity	Fiscal Year 2017	Fiscal Year 2018
Recovered Stolen Vehicles	10,732	11,038
Cleared Motor Vehicle Theft Cases	15,951	14,617
Persons Arrested Motor Vehicle Theft	2,931	3,295
Cleared Burglary of a Motor Vehicle Cases	5,801	3,425
Arrested Burglary of a Motor Vehicle	1,496	974

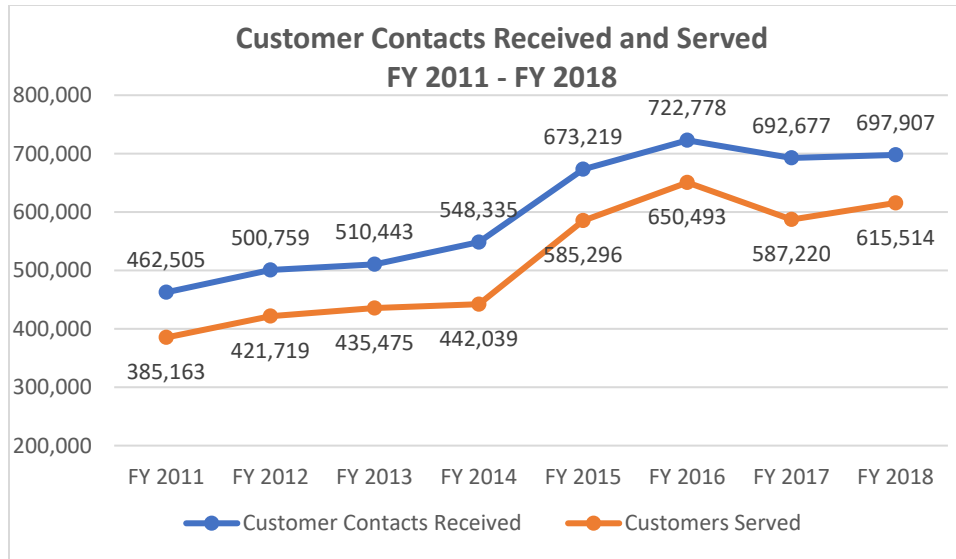
## Consumer Relations Division (CRD)

The Consumer Relations Division (CRD) is TxDMV's contact center. It is a customer-centric business model that focuses on delivering a quality service experience at the initial point of contact. The division serves a wide customer base that includes the motoring public and all industries and stakeholders served by TxDMV, i.e., tax assessor-collectors; motor vehicle dealers; law enforcement; local, state and federal agencies; dealer associations; manufacturers and distributors; lease facilitators; salvage dealers and salvage yards; storage facilities; financial institutions; insurance entities; motor carriers; and department staff.

CRD's objective is to provide frontline customer care support and technical assistance via any communication medium the customer chooses (telephone, email, letter, or website). The major activities of the division include providing:

- Assistance regarding:
  - Department complaints
  - Bonds
  - Complaints against motor vehicle dealers, motor carriers, and household movers
  - Disabled plates and placards
  - Legal restraints
  - Lemon Law
  - License plates
  - Military personnel requests
  - Motor vehicle dealer licensing, applications and renewals
  - Salvage dealer inquiries
  - Titling vehicles
  - Toll disputes
  - Vehicle registration
- Level 1 Help Desk support for the Texas Tax Assessor Collectors
- Level 1 Help Desk support for Texas Motor Vehicle Dealers and Salvage Dealers
- Customer and stakeholder technical trouble-shooting and web navigation support for department-related programs, applications and systems

Customer volume has increased each year since the creation of the division in 2010. In FY 2018, CRD received 697,907 customer contacts, the second highest year on record, and assisted 615,514 customers. This is a 51 percent increase in customers requesting assistance since the first full year of division operations in FY 2011.



The increase in customer service requests and the implementation of applications and software, such as eLICENSING, Single Sticker, webDEALER, etc., increased demands on the division by approximately 50 percent during the past six years. To assist with demand, the Vehicle Title and Registration Regional Service Centers (RSCs) took 114,052 customer title calls last year. This helped to improve the customer experience and reducing peak hold times that sometimes reached 30 minutes or more. Overall, the average hold time went down from 4.8 minutes in FY 2017 to 3.6 minutes in FY 2018 thanks to the assistance from the RSCs. For CRD to resume taking all title calls, an additional nine (9) staff are needed. The department included nine FTE positions for CRD in the Legislative Appropriations Request this year.

With a continuous focus on quality service, CRD also maintains a department database to track consumer complaints, resolutions, compliments and suggestions. CRD receives high marks on customer satisfaction with a 94 percent approval rating, up three percent from FY 2017.

### CRD Customer Satisfaction Survey Ratings by Month September 2017 – November 2018



## Operations

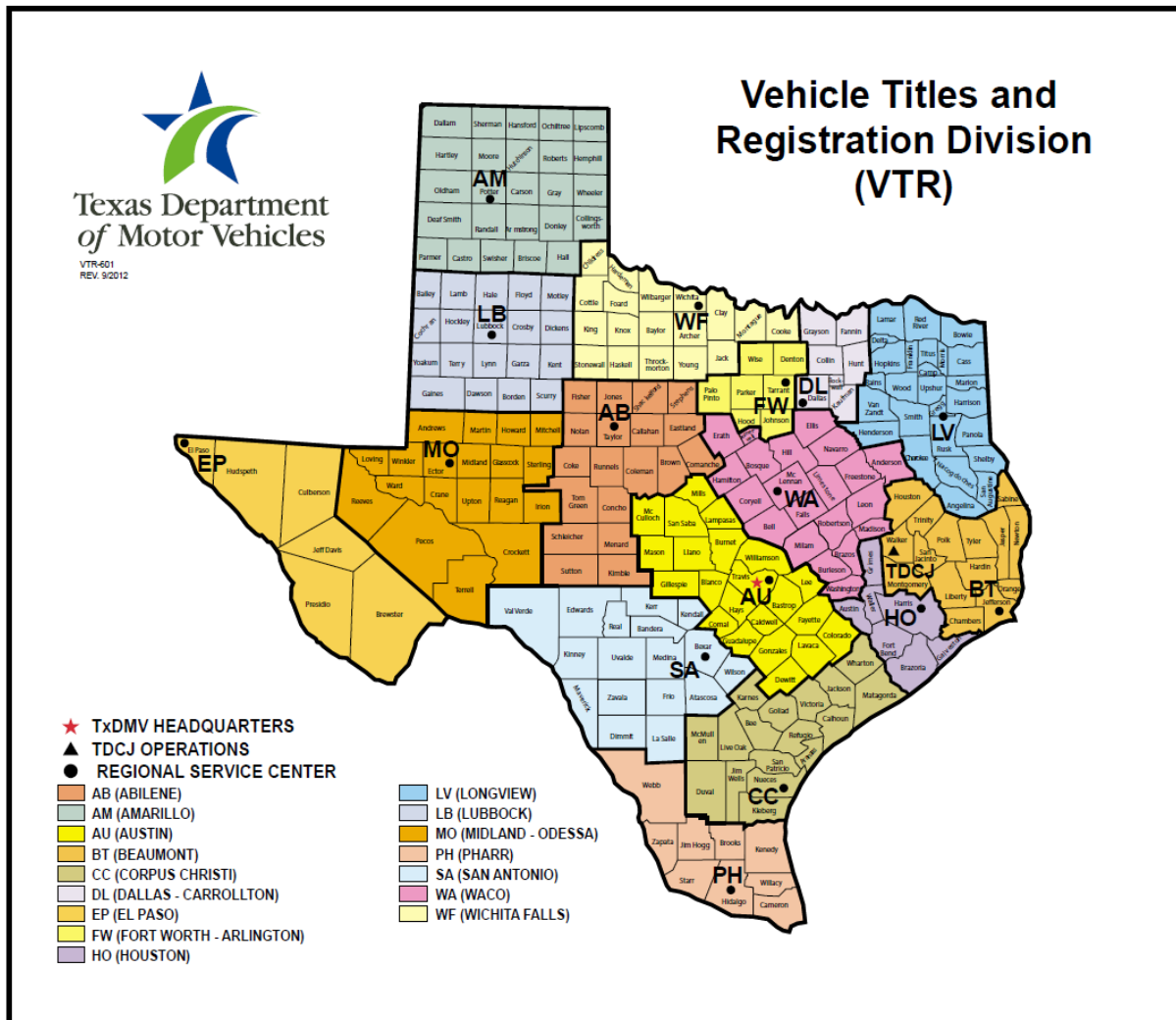
### Organization

The department consisted of 16 divisions in Fiscal Year 2018. In addition to the seven core operational divisions described in the *TxDMV Significant 2018 Performance Data Section* of this report, the department is supported by an additional eight divisions in performing its day-to-day operations, including the Executive Director's Office, Enterprise Management Office, Finance and Administrative Services, Government and Strategic Communications, Human Resources, Information Technology Services, Internal Audit Division and Office of General Counsel. The department-wide organizational chart is included as Appendix A and Executive Contact Information is provided in Appendix B.

## Facilities

TxDMV is headquartered in Austin, Texas, and maintains 16 Regional Service Centers (RSCs) and offices across the state. In addition, the department maintains off-site warehouse space in Austin. During 2018, TxDMV headquarters occupied several buildings on the Camp Hubbard Campus at 4000 Jackson Avenue.

### TxDMV Regional Service Centers



The Camp Hubbard Campus is currently owned by the Texas Department of Transportation (TxDOT). TxDOT provides facilities-related needs and repairs (roof leaks, plumbing issues, grounds maintenance, etc.) and facility staff at a cost through an annual Memorandum of Understanding (MOU) with TxDMV for the TxDMV-occupied buildings.

### Senate Bill 1549, 85<sup>th</sup> Legislature, Regular Session

The enactment of S.B. 1549 granted TxDMV the authority to lease, buy, improve and sell property. The bill also granted TxDOT the legal authority to donate two tracts of property and the associated parking adjacent to the Camp Hubbard Campus to TxDMV. TxDMV and TxDOT have determined that a transition of the Camp Hubbard Campus should likely occur once TxDOT has secured and built its headquarters facility to smoothly relocate TxDOT employees and equipment currently housed at Camp Hubbard.

### Transitioning Facilities and Maintenance

The 85<sup>th</sup> Legislature, Regular Session, provided TxDMV additional funding for three full-time equivalents (FTEs) to handle its facilities and maintenance needs independently from TxDOT. TxDMV and TxDOT determined, through increased dialogue, that this approach would be mutually beneficial.

TxDMV and TxDOT have established a Facilities and Maintenance Transition Work Group to support the transition of these duties and ongoing meetings are occurring to facilitate a successful transition.



## Technological Improvement through Enterprise Projects

TxDMV's Information Technology Services Project Management Office (ITS PMO) is responsible and accountable for advancing the department's vision, mission and strategic goals through the application of standardized project management practices, processes and governance and supporting the TxDMV Board's strategic initiative to continuously improve services for all customers.

### Projects Closed in 2018

#### **Sunset Process Project**

TxDMV's Governance Team (GT) made the decision to initiate a PMO project for the Sunset Advisory Commission's review of TxDMV. This approach was selected to ensure information was collected and documented in a consistent, timely manner. This approach also ensured a single point of contact for each phase of the Sunset process and provided project tracking and closeout.

### Active Projects in 2018

Eight enterprise projects continued throughout 2018, further enhancing existing technology and refining business processes.

#### **Call Center Upgrade**

The purpose of this project is to implement a telephony system upgrade to enhance the customer's experience when contacting TxDMV. New features allow customers to manage their time more efficiently and allow the department to effectively manage call volume during peak periods by routing calls to staff outside of headquarters to minimize wait times. The upgrade will also update the software and allow for future enhancements to allow customers the convenience of being called back instead of waiting on hold, as well as provide the ability to participate in a survey, which provides the department direct customer feedback essential to better fulfill its core functions.

#### **Enterprise Reporting**

The purpose of the Enterprise Reporting (ER) project is to provide a plan (enterprise reporting roadmap), implement a short-term technology framework to improve TxDMV's ability to mine and store existing data, and produce automated enterprise reports.

#### **External Website Renovation**

The purpose of the External Website Renovation project is to update the department's public-facing website in appearance and functionality. The refreshed website interaction will create a personal and engaging online experience by integrating customer analytics. The website will have 24-hours a day, seven-days a week availability in English and Spanish to efficiently provide various TxDMV services and information.

#### **Fraud Data Dashboard**

The purpose of the Fraud Data Dashboard project is to mine existing fraud data and produce enhanced reports to help identify trends which may indicate the need for investigations.

## **Registration and Titling System (RTS)**

This project will resolve the business problems with RTS by procuring services to refresh the RTS technology that will:

- Modernize the core RTS system, including the hierarchical database (ADABAS) and application code, by porting the system onto a modern data and application architecture and replacing the hierarchical database with a relational database;
- Provide business intelligence reporting capabilities;
- Enable future functionality changes to be made that would improve business processes;
- Transition from the Texas Department of Transportation (TxDOT) operational support of the core registration and titling systems to an outsourced operational and maintenance model with strong accountability and service level requirements

TxDMV Executive leadership, together with the TACs and external stakeholders, has identified a series of strategic To-Be improvement scenarios that define a future state business and technology model for the agency. These improvement scenarios describe a vision of the future state of TxDMV where the business model is enhanced to deliver improved services to the citizens of Texas and to provide efficiencies across the agency and its key delivery partners, the County TACs. The nineteen (19) improvement scenarios outlined below provide the agency with a framework for a comprehensive program of enhancement and improvement of business processes and supporting technology that help drive a modern, responsive, customer-oriented organization.

- E-Titles and E-Liens
- On-Line Dealer Web Service Initiative
- Online Self-Service for Law Enforcement
- Online Self-Service Capabilities for Motoring Public
- Paperless workflow
- Centralized Processing of Renewals
- Contact Center Infrastructure and Process Improvement
- Direct Shipping of Plates, Stickers
- Electronic Cab Cards
- Email Response Management Capability
- Enforce Scofflaw Statewide
- Enhanced Technical Infrastructure Help Desk and Support
- Expand Fleet Registration
- Expand Service Availability
- Implement Consistent Service Delivery
- Revamp the Dealer Licensing Program
- Integrated Case Management System
- One-Stop Shopping for Motor Carriers
- Online Self-Service Supply Ordering

TxDMV assumes current capabilities delivered by the department and county tax offices will continue to be supported and enhanced. This project addresses the need to update the TxDMV legacy registration and titling system and subsystems to help to resolve current business challenges both real and

perceived. The project will establish TxDMV's core infrastructure system going forward, so that the improvement scenarios listed above can be realized in the future.

#### **webDEALER**

The purpose of this project is to allow a vehicle title to be created, stored and transferred in electronic form, significantly improving the speed and accuracy of the titling process. The project team continued to work on several new phases of the webDEALER application, including:

- **eTAGS** is the current system used by dealers to issue buyer's tags for vehicles sold and will be integrated into the webDEALER application.
- **eTITLES** creates, stores and transfers vehicle titles electronically; eTITLES will facilitate the electronic transfer of dealer reassignments, as well as dealers with taking assignment of eTITLES from customers.

#### **webLIEN**

The webLIEN project will implement a web-based, self-service application for use by entities securing liens electronically with TxDMV. The resulting product will enhance the webDEALER and Electronic Lien Title (ELT) system currently in use. The new system will support additional business processes, automation and self-service capabilities.

#### **Kiosk Pilot**

The Kiosk Pilot project will pilot the use of kiosks (self-service devices) by TxDMV customers to purchase and print a TxDMV vehicle registration renewal sticker at a remote location. The data (number of transactions, method of payment, time of day, etc.) collected during the pilot will be compiled into a final report for the Executive Director. Pilot results may inform decisions on whether to request expanded funding in the future.

## Legislative Update

### 85<sup>th</sup> Legislature

The TxDMV Board's 85<sup>th</sup> Legislative Agenda resulted in the passing of several bills improving customer service and operations for the department and stakeholders, including:

- S.B. 2075 (Rodriguez) included several clean-up items, as well as further defining when a county tax assessor-collector office's transaction can be performed by a different county to allow for continuity of services for customers; as well as allowing for printed receipts from online vehicle registration renewal transactions to serve as proof of registration for 30 days (to allow the actual sticker time to be received through the mail).
- S.B. 2076 (Rodriguez) changed statute to allow the "Certified Copy of Original Title" (CCO) to serve as the only valid proof of ownership and other various classifications in statute.
- H. B. 2070 (Smithee) simplified a vehicle's qualifications for Lemon Law status to reflect best practices adopted in other states.
- H.B. 1790 (Pickett) clarified TxDMV's role when disabled parking placards are seized by law enforcement and removed outdated practices.
- H.B. 3131(A. Martinez) removed a redundant requirement that the department must send notice to an applicant who has been identified as the owner of a vehicle. These updates were recommended based on feedback from the industry and stakeholders.

S.B. 1349 (Watson) allows for TxDMV to accept property from TxDOT, and for TxDMV to maintain, improve and have control over such property. The transfer from TxDOT would apply only to the Camp Hubbard location in Austin, where TxDMV headquarters is currently housed. TxDMV worked closely with the Office of the Governor and TxDOT to identify a solution for housing TxDMV headquarters operations, resulting in this legislation.

### 86<sup>th</sup> 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 October 2018 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 86<sup>th</sup> Legislative Session is on the TxDMV website at <https://www.txdmv.gov/about-us/txdmv-board-meetings>, refer to the Materials tab for the October 4, 2018, meeting, Agenda Item 10. A., and detailed below under "New Recommendations."

### New Recommendations

The TxDMV Board Recommendations to the 86<sup>th</sup> Legislature include the following concepts:

- Enhanced responsiveness to natural disasters, such as allowing residents from a declared disaster area 30 days after registration expiration to renew during a disaster without being subject to a ticket/citation; enhancing insurance company requirements related to ownership of

vehicles determined salvage or non-repairable when a claim has been paid associated with a declared natural disaster; and creating a definition of what constitutes a “flood vehicle” in statute and how such vehicles will be titled;

- Creating efficiencies in processes, such as depositing Auto Burglary and Theft Prevention Authority (ABTPA) appropriations to the TxDMV Fund to provide for consistent method of finance for department functions and operations; repealing the statutory requirement to issue oversize/overweight permits by phone; exempting materials from investigations from Public Information Act requirements until the conclusion of the investigation; repealing a requirement that the department create an inventory form for salvage dealers; restructuring the current title dispute process to provide for more consistent use of the process statewide; and allowing the department to require escort flaggers if needed as part of issuing an oversize/overweight permit;
- Previous TxDMV Board recommendations that did not become law, such as allowing for administrative sanctions for loading a vehicle in excess of size (and not just weight); allowing for the denial of an oversize/overweight permit if the applicant has been placed “out-of-service” by the Federal Motor Carrier Safety Administration or the Texas Department of Public Safety; adding a general provision that TxDMV retain 10 percent of the permit fee to cover administrative costs for any newly created oversize/overweight permit; requiring the person/entity listed on the oversize/overweight permit be the person/entity moving the load; and providing for an administrative penalty if a shipper does not provide a certificate of weight when requested by a carrier; and
- General clarification in statute such as further defining how motor vehicle dealers can only sell vehicles from their licensed location and how the Comptroller distributes oversize/overweight permit revenues to the 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 on 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
- Texas Southwest Cattle Raisers Association
- Texas Oil and Gas Association
- Texas Towing and Storage Association
- Multiple insurance, trade and law enforcement entities in the salvage motor vehicle industry

## Conclusion and Looking Down the Road

During FY 2018, the Texas Department of Motor Vehicles (TxDMV) accomplished many significant activities to provide greater quality, transparency and fairness to its customers. TxDMV Board members, the Executive Director and employees will remain focused on the department's mission "to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services." This mission will be accomplished through the continuous focus on the board's goals of being customer centric, optimizing services and innovation, and being performance driven, now and in the future.

## Appendices

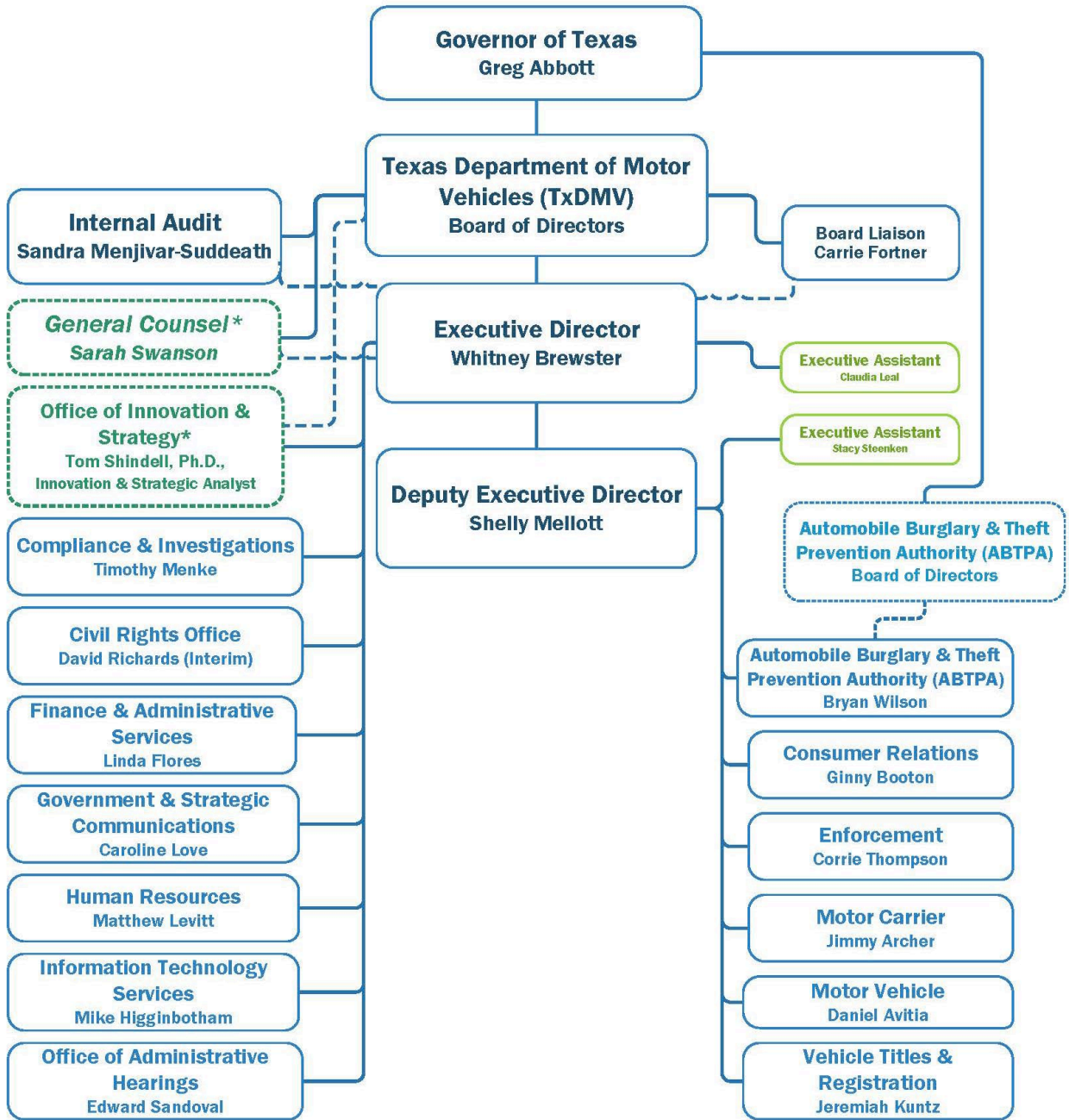
Appendix A: TxDMV Organizational Chart

Appendix B: TxDMV Executive Contact Information

Appendix C: TxDMV Staff Participation in State and National Organizations

Appendix D: List of ABTPA Grants Awarded for 2018

Appendix A: TxDMV Organizational Chart



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



## Appendix B: TxDMV Executive Contact Information

### TxDmv DIRECTOR CONTACT INFORMATION

Whitney H. Brewster, Executive Director	<a href="mailto:whitney.brewster@txdmv.gov">whitney.brewster@txdmv.gov</a>
Shelly Mellott, Deputy Executive Director	<a href="mailto:shelly.mellott@txdmv.gov">shelly.mellott@txdmv.gov</a>
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Caroline Love, Director, Government & Strategic Communications	<a href="mailto:caroline.love@txdmv.gov">caroline.love@txdmv.gov</a>
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Timothy Menke, Director of Compliance & Investigations	<a href="mailto:timothy.menke@txdmv.gov">timothy.menke@txdmv.gov</a>
Edward Sandoval, Chief Hearings Officer, Office of Administrative Hearings	<a href="mailto:edward.sandoval@txdmv.gov">edward.sandoval@txdmv.gov</a>
Sarah Swanson, Interim General Counsel	<a href="mailto:sarah.swanson@txdmv.gov">sarah.swanson@txdmv.gov</a>
Corrie Thompson, Director, Enforcement Division	<a href="mailto:corrie.thompson@txdmv.gov">corrie.thompson@txdmv.gov</a>
Bryan Wilson, Director, Automobile Burglary and Theft Prevention	<a href="mailto:bryan.wilson@txdmv.gov">bryan.wilson@txdmv.gov</a>

## Appendix C: TxDMV Staff Participation in State and National Organizations

TxDMV STAFF PARTICIPATION				
Name	Division	Title	Organization	Role
Whitney Brewster	Exec	Executive Director	American Association of Motor Vehicle Administrators (AAMVA) International Board of Directors AAMVA Region II Board of Directors	Vice Chair  President
Bryan Wilson	ABTPA	Director	Texas Association of Vehicle Theft Investigators (TAVTI) Texas Commission on Law Enforcement (TCOLE) Training Board	ABTPA Liaison  Vice Chair
Timothy Menke	CID	Director	Texas Commission on Law Enforcement (TCOLE) Training Board	Chair; Board Member
Robert Foster	CID	Lead Investigator	National Odometer and Title Fraud Enforcement Association (NOTFEA)	Vice President; Board Member
Corrie Thompson	ENF	Director	American Association of Motor Vehicle Administrators (AAMVA) Internet Vehicle Sales Working Group Texas Commission on Law Enforcement (TCOLE) Training Board	Member  Member
Barbara Jordan	ENF	Managing Attorney	International Association of Lemon Law Administrators (ALLA)	Member
Earl Pearson	ENF	Motor Carrier Chief Investigator	Austin Community Criminal Justice Board	Board Member
Luis Perez	ENF	Assistant Chief Investigator, Motor Carrier	Texas Commission on Law Enforcement (TCOLE)	Board Member
Tracey Stafford	ENF	Assistant Chief Investigator, Motor Carrier	Texas Commission on Law Enforcement (TCOLE)	Board Member
John Dufour	ENF	Investigator	International Association of Lemon Law Administrators (ALLA)	Associate Member
Sonny Gonzales	ENF	Investigator	Texas Commission on Law Enforcement (TCOLE)	Advisory Board Member; Training Coordinator
Evan Whitis	ENF	Investigator	International Association of Lemon Law Administrators (ALLA)	Associate Member

Name	Division	Title	Organization	Role
Sandra Menjivar-Suddeath	IAD	Director	State Agency Internal Audit Forum (SAIAF)	IT Committee Chair
Derrick Miller	IAD	Senior Auditor	SAIAF	TeamMate Chair; Peer Review Committee Chair
Jonathan O'Quinn	ITSD	Deputy Chief Information Officer	TxDIR Data Center Services (DCS) Program Partner Group	Partner Group Four IT Leadership Committee (ITLC) Representative
Adrienne Carter	ITSD	Enterprise Services Manager	The Open Group	Member, TxDMV ITSD Representative
Joshua Kuntz	ITSD	Information Security Officer	TxDIR DCS Program Partner Group	Partner Group Four Security Solutions Group (SSG) Representative
John A. Green	ITSD	Business Continuity Coordinator	Multi-State Information Sharing and Analysis Center (MS-ISAC)	Resiliency Working Group Member
Jimmy Archer	MCD	Director	Innovative Technology Deployment Working Group (ITD)	Working Group; Steering Committee Member
Carol Fallin	MCD	Manager, Credentialing Section	Unified Carrier Registration (UCR) ITD	Board Member Working Group Member
Richard Goldsmith	MCD	Manager, Program Coordination and Support	ITD	Working Group Member; Steering Committee Member
Tammy Gomez	MCD	Commercial Fleet Services, Support Specialist	International Registration Plan (IRP)	IT Committee Member
Grady Meyer	MCD	IDT Program Manager	ITD	Working Group Member
DuWayne Murdock	MCD	Manager, OS/OW Permit Section	ITD Western Association of State Highway and Transportation Officials (WASHTO) American Association of State Highway and Transportation Officials (AASHTO)	Working Group and Steering Committee Member Highway Transport Committee Member Highway Transport Subcommittee Member
John Poole	MCD	Manager, Commercial Fleet Services Section	ITD	Working Group Member
Lydia Sahley	MCD	Credentialing Program Coordinator	Unified Carrier Registration (UCR) Audit Subcommittee	Board Member
Dorothy Struble	MCD	Supervisor, Commercial Fleet Services, Support Section	IRP ITD	IRP Education Committee Member; Working Group Member

Name	Division	Title	Organization	Role
Jeremiah Kuntz	VTR	Director	Texas Coordinating Council for Veterans Services (TCCVS) Texas.gov Solution Group	Board Member Board Member
Tim Thompson	VTR	Deputy Director	Texas Traffic Records Coordinating Committee (TRCC)	Executive Committee Member
Clint Thompson	VTR	Chief, Title Services	American Association of Motor Vehicle Administrators (AAMVA) e-Odometer Task Force	Member
Tony Hall	VTR	Assistant Chief, Field Operations	American Association of Motor Vehicle Administrators (AAMVA) National Motor Vehicle Title and Information System (NMVTIS) AAMVA Vehicle Standing Committee	Chair Business Rules Working Group Vice Chair
Joseph Greenfield	VTR	Training Coordinator	Texas Commission on Law Enforcement (TCOLE) Training Board	Member

## Appendix D: List of ABTPA Grants Awarded for 2018

GRANTEE RECIPIENT	PROGRAM NAME	FY 2018 AWARD
City of Austin	Auto Theft Interdiction Project	\$430,685
City of Beaumont	Southeast Texas Auto Theft Task Force	\$528,714
City of Brownsville	South Texas Auto Theft Enforcement Task Force	\$924,350
Burnet County	Heart of Texas Auto Theft Task Force	\$276,734
City of Corpus Christi	Corpus Christi Auto Theft and Burglary Prevention	\$410,973
City of Dallas	Commercial Auto Theft Interdiction Squad	\$555,204
Dallas County	North Texas Auto Theft Task Force	\$840,697
City of Eagle Pass	Eagle Pass Auto Burglary & Theft Task Force	\$151,222
City of El Paso	Auto Burglary and Theft Prevention Task Force	\$929,465
Galveston County	Auto Crimes Task Force	\$469,183
Harris County	Harris County Auto Theft Unit	\$1,272,403
City of Houston	Houston Auto Crimes Task Force / 26 (H.A.C.T.F. / 26)	\$809,496
City of Laredo	Auto Theft Task Force	\$637,768
Lubbock County	South Plains Auto Theft Task Force	\$404,523
City of Mansfield	Tri-County Auto Burglary and Theft Task Force	\$360,058
Montgomery County	Motor Vehicle Theft Salvage and Vehicle Arson Program	\$337,464
City of Paris	Northeast Texas Auto Theft Task Force	\$106,709
City of Pasadena	Auto Theft Prevention Program	\$76,000
Potter County	Panhandle Auto Theft Unit	\$361,705
City of San Antonio	Regional Auto Crimes Task Force	\$792,617
Smith County	East Texas Auto Theft Task Force	\$332,792
Tarrant County	Tarrant Regional Auto Crimes Task Force	\$1,145,500
Travis County	Sheriff's Combined Auto Theft Task Force	\$631,137
City of Victoria	Law Enforcement / Detection / Apprehension	\$154,719
<b>Total ABTPA Award for Fiscal Year 2018</b>		<b>\$12,940,118</b>



Texas Department  
*of* Motor Vehicles