



Texas Department *of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

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# **TxDMV Board Agenda for 85<sup>th</sup> Legislative Session**

Government and Strategic Communications Division

November 2016

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# TxDMV Board 85<sup>th</sup> Legislature Agenda

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The Texas Department of Motor Vehicles (TxDMV) Board is charged with considering opportunities for improvements to operations with recommended changes to statute to the Texas Legislature under Texas Transportation Code, Section 1001.025. TxDMV's Government and Strategic Communications Division worked with staff to identify areas of statute for such recommendations, and further evaluated those recommendations with stakeholders<sup>1</sup> for consideration by the TxDMV Board. The board considered the agenda at its November 3, 2016 meeting and recently finalized the recommendations contained within this report.

The TxDMV Board adopted several recommendations that were also recommended by the board to the 84<sup>th</sup> Legislature. Two omnibus bills from the 84<sup>th</sup> Legislative Session, H.B. 2701 by Pickett and S.B. 1043 by Nichols, contained many of the items being recommended by the TxDMV Board to the 85<sup>th</sup> Legislature. There was no known opposition to the bills, but there was not sufficient momentum behind the measures to overcome legislative timing issues. Many of the items contained in this report are repeat recommendations from what was adopted by the board in 2014 and are noted as such.

## I. Registration Code Changes

- The department has the ability to register multiple vehicles for one entity through a fleet program, but participation in the program has been limited. To make the program, which is much more efficient for both the department and the customer, more appealing, a recommendation, also made last session, to change the “fleet fee” from an annual \$10 per vehicle fee to a one-time \$10 per vehicle set-up fee upon initial registration in the fleet program. It is recommended that the amended “fleet fee” and the fleet related license plate fees, which are administrative fees separate and apart from registration fees that are deposited to the credit of the state highway fund, be deposited to the TxDMV fund to cover the costs of administering this program.
- Streamlines the process for when a closed or potentially closed county tax assessor-collector office's transactions can be performed by a different county to allow for continuity of services for customers. A conforming change for this item is also in the Title Act grouping.
- Allow 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). It is anticipated that this change will help reduce lines at the end and beginning of every month at tax assessor-collector and deputy offices as customers will also be allowed to use their receipt as proof of registration before their sticker expires at the end of the month.
- There is a recommendation, also made last session, to remove the ability for an owner of multiple vehicles to align vehicle registration renewal dates.

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<sup>1</sup> The following stakeholder groups were involved: Texas Automobile Dealers Association, Texas Independent Automobile Dealers Association, Texas Trucking Association, Texas Recreational Vehicle Association, Tax Assessor Collectors Association, Texas Association of Counties, Texas Conference of Urban Counties, Alliance of Automobile Manufacturers, Texas Farm Bureau, Texas Automotive Recyclers Association and others in the salvage vehicle, towing, and vehicle storage industries, and multiple insurance and law enforcement entities.

- There are also changes resulting from an internal audit recommendation associated with when counties remit registration fees to the state. Language is recommended to align the statute to correspond with when fees are processed by the system currently and adjust the time frames accordingly.

## II. Permanent Token Trailer Registration

A recommendation that was also made to the 84<sup>th</sup> Legislature is to make the token trailer license plate permanent and accordingly change the fee from \$15 per year to a one-time \$105 fee. The license plate will be required to bear the word “Permanent” and will last until the token trailer is removed from service or sold. Based upon feedback from stakeholders and industry trends, this program should increase Texas’ competitiveness nationally as other states offer similar programs.

## III. Motor Carrier Registration & Enforcement Changes

H.B. 2701 and S.B. 1043 from the 84<sup>th</sup> Legislative Session contained the following changes, which will promote greater efficiency and safety of the motoring public in TxDMV operations as it relates to the motor carrier industry and regulation of the industry. In this section motor carrier registration refers to the credentialed or operating authority a carrier needs to legally operate in the state as a motor carrier.

- Chameleon carriers (i.e., a carrier who changes names or operates under various aliases to continue operations without remedying previous penalties or sanctions, often related to safety), continue to be an issue. The changes will give the department the ability to revoke or deny motor carrier registration of a carrier who is, or affiliates with, a chameleon carrier.
- A limit of 180 days is proposed for when a motor carrier registration can be renewed after it has expired without having to obtain a new registration.
- For household goods movers, the requirement to file all tariffs (i.e., what the mover charges a consumer) with the TxDMV rather than just the current requirement of only tariffs for moves between municipalities.
- Additional recommendations: clarify TxDMV does not issue United States Department of Transportation numbers for carriers and allowing revocation, suspension, or denial of a motor carrier registration as a possible penalty for violating the size and weight and permitting chapters.

## IV. Title Act Changes

- To both the 84<sup>th</sup> and the 85<sup>th</sup> Legislature, the TxDMV Board recommended changing statute to allow the “Certified Copy of Original Title” (CCO) to serve as the only valid proof of ownership. Texas is one of the only states allowing multiple CCOs to all be evidence of ownership simultaneously, which can lead to confusion and fraud for motorists and lending institutions. Unlike the language included in last session’s legislation, there is no recommended change to the current CCO fee structure.
- Other initiatives from last session, which did not become law but are included in the 85<sup>th</sup> Legislative Agenda, include: changing the definition of “travel trailer” and “house trailer” from 40 feet in length to 45 feet in length to conform to the reality of such vehicles being sold and operated; only requiring each seller’s legal name, state and city to be on the title rather than the legal address due to system programming and space limits on titles; clarifying the exemption from mandatory titling for certain farm trailer/semitrailers with weight limited to

34,000 lbs. to conform to current practice (result of a legislatively mandated study on trailer titling); and allowing for permissive titling of farm trailers below 34,000 lbs. and semitrailers below 4,000 lbs. but requiring that once a trailer/semitrailer is permissively titled, all subsequent purchasers of that vehicle must title it.

- New recommendations include changing statute to reference and conform to the appropriate Code of Federal Regulations regarding odometer disclosure statement requirements. Providing this reference will assist with recent and ongoing changes to these requirements at the federal level.
- Another recommendation aligns Vehicle Identification Number (VIN) assignments and inspections with current practice and will allow for the expansion of the number of people authorized to perform VIN inspections to decrease fraud, streamline processes and improve the customer experience.
- Language is recommended to clean up the salvage titling statutes and to ensure accurate information is captured on such vehicles for purposes of reporting to the National Motor Vehicle Title Information System (NMVTIS). NMVTIS is a federal database that houses vehicle history information and contains information reported by states, insurance companies and the salvage industry.

## V. Lemon Law

Current statute requires three “tests” that serve as rebuttable presumptions to prove an owner has made a reasonable number of attempts to repair a vehicle before it can be eligible for a claim under the Texas “Lemon Law.” Each test currently requires that all repair attempts must take place within the first 24 months/24,000 miles after initial delivery, but a certain number of the attempts must occur in the first 12 months/12,000 miles after the vehicle is delivered; and other repair attempts occur within the next 12 months/12,000 miles following the last repair attempt. This can be confusing for vehicle owners and others involved in the “Lemon Law” process. To simplify the presumption “tests”, the proposal requires all repair requirements be met within the first 24 months/24,000 miles after original delivery of the vehicle without regard for when in the 24 months/24,000 miles the attempts occur. This new language also reflects practices adopted in other states.

During the 83rd Legislative Session, Lemon Law and warranty performance contested cases were moved from the State Office of Administrative Hearings jurisdiction and placed with TxDMV, in what is now the Office of Administrative Hearings. However, several of the same sections of code relating to Lemon Law and hearings were amended by two different bills passed by the 83<sup>rd</sup> Legislature in slightly different ways. There is a recommendation to make it clear which wording of the two versions prevails and includes a few clean-up items to clarify procedures and responsibilities in Lemon Law cases. This effort was contained in recommendations by the TxDMV Board for consideration by the 84<sup>th</sup> Legislature, but did not become law.

## VI. Seized Disabled Parking Placard Process

Language is recommended to clarify TxDMV’s role when disabled parking placards are seized by law enforcement. The current process requires that staff send letters to those whose placards have been seized and for those letters to be returned before the person can receive a replacement placard at their local tax assess-collector’s office. The recommendation will be that instead of sending letters, the person will reapply for a placard at the tax assessor-collector’s office since they will need to go to that office regardless to gain a replacement placard.

## VII. Vehicle Size & Weight Administrative Changes

- It is again recommended that the person (including a business entity and others as defined in statute) named on an oversize/overweight permit issued by TxDMV be the one who actually moves the load.
- It is also recommended that a shipper must provide a certificate of weight if the person transporting the load requests one; and the certificate must be provided to the TxDMV by the person transporting a load in cases where the combined weight is greater than 200,000 lbs.
- Loading in excess of size limits is again recommend to be added to the existing ability to sanction for loading excessive weight.
- Currently the revenues retained by the TxDMV from oversize/overweight (OS/OW) permits varies by permit type. To help streamline the process and provide revenues to cover the costs associated with the operation of the program, a new recommendation is that 10% of each OS/OW permit fee be deposited to the TxDMV fund. This provision would apply only to those OS/OW permits established by the 85<sup>th</sup> Legislature or after or if the Legislature designates otherwise.
- In addition, a new recommendation is to allow the department to deny an OS/OW permit if the carrier is currently placed “out-of-service” for safety reasons by the Federal Motor Carrier Safety Administration.

## VIII. Size & Weight Vehicle Specific Changes

There are new recommendations to conform Texas statutes with federal laws after passage of the recent Fixing America’s Surface Transportation (FAST) Act. These include: increasing the weight allowance for idle reduction technology; clarifying that the Annual Overlength permit authorized last session is only for loads that cannot reasonable be dismantled; clarifying the weight of emergency vehicles; cleaning up definitions for automobile transporter lengths and backhaul standards; and defining trailer transporter towing units. In addition, a recommendation is included to further clarify OS/OW permits can be issued for both equipment and commodities.

## IX. Notification to Demolish Vehicle Process Changes

There is also new language to clarify the fee for a certificate of authority to dispose of a vehicle to a demolisher is \$10, which also removes a redundant requirement that the department must send notice to an applicant who has been identified as the owner of a vehicle. This recommendation is based upon feedback from the industry and stakeholders.

## X. TxDMV Own/Control Real Property

The department has been working closely with the Office of the Governor and the Texas Department of Transportation (TxDOT) to identify a solution for housing TxDMV headquarters operations. Language is recommended allowing 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.