

- SUBJECT:** Revising provisions governing Texas Department of Motor Vehicles
- COMMITTEE:** Transportation — favorable, without amendment
- VOTE:** 9 ayes — Phillips, Darby, Y. Davis, Fletcher, Lavender, Martinez, McClendon, Pickett, Rodriguez
- 0 nays
- 2 absent — Bonnen, Harper-Brown
- WITNESSES:** For — (*Registered, but did not testify:* Robert Braziel, Texas Automobile Dealers Association; Myra Leo, Alliance of Automobile Manufacturers; Jeff Martin, Texas Independent Automobile Dealers Association; Dan Mays, Texas Recreational Vehicle Association and Texas Truck Dealers Coalition; Sheryl R Swift, Galveston County Tax Office)
- Against — None
- On — Ed Serna and Victor Vandergriff, Texas Department of Motor Vehicles
- BACKGROUND:** The 81st Legislature in 2009 enacted HB 3097 by McClendon, which created the Texas Department of Motor Vehicles (TxDMV) as a separate state agency and transferred to it certain functions previously performed by the Texas Department of Transportation. The bill charged TxDMV with administering and enforcing laws governing:
- certificates of title and motor vehicle registration;
 - motor carrier registration, including federal motor carrier registration;
 - the sale and lease of motor vehicles;
 - salvage vehicle dealers;
 - markings on commercial motor vehicles;
 - motor transportation brokers; and
 - foreign commercial motor transportation.

TxDmv became operational on November 1, 2009.

Government Code ch. 2054, subch. I establishes the TexasOnline project. TexasOnline is an Internet portal designed to provide a single point for citizens and businesses to access e-government services in Texas. TexasOnline is developed by an independent contractor and allows Texans to renew their driver's licenses, vehicle registrations, and occupational licenses online, among other things. The Texas Department of Information Resources (DIR) maintains a contract with the private developer for operation of the site.

Sec. 2054.113(b) prohibits a state agency from duplicating an infrastructure component — which does not include applications or supporting platforms for electronic government projects — of TexasOnline, unless approved by DIR.

DIGEST:

HB 2017 would modify various provisions governing TxDMV. The bill would revise responsibilities and practices of the TxDMV board, exempt the department from having to use Texas Online, allow the department to accept electronic payments and apply credit card service charges, and modify other department processes and procedures.

TxDMV board. The bill would transfer authority for a variety of administrative tasks from the TxDMV board to the department, including processing various licenses and fees and issuing reports. Other functions of the board would be moved to the executive director. The bill would add language affirming the board's role in overseeing TxDMV and in appointing an executive director.

The TxDMV board could adopt rules for a method of collecting a fee for goods sold or services provided, such as publications, and for issuing licenses, permits, and registrations. The rules could authorize an electronic funds transfer, including by credit card, and could establish a service fee for a credit card payment. Credit card service charges would be deposited to the State Highway Fund. The board also could accept donations, except from an entity that it regulated.

The board would not have to appoint advisory committees, though it could. The bill would delete requirements that certain advisory committees include members representing motor vehicle manufacturers, motor transportation industry, and the recreational vehicle industry. It also would delete a requirement that half of certain advisory bodies represent the general public.

HB 2017 would allow the TxDMV board to delegate powers relating to a contested case hearing to a member of the board or certain members of the department. The board could delegate the authority to issue a final order in a contested case hearing to a board member or certain members of the department's management. The board could delegate power for a complaint investigation to anyone in the department.

Texas Online. The bill would exempt TxDMV from the requirements of the Texas Online Project. The board could adopt rules to provide for filing an application for a license and issuing a license electronically. The bill would also establish procedures for when the department could accept digital signatures to authenticate an application for a license. The bill would delete a provision defining vehicle registrations as a state service for the purposes of TexasOnline.

General provisions. The bill would allow the department to apply for and hold patents and copyrights and to enter into an agreement for royalties or other items of value. It also could waive fees or royalties if it deemed doing so advantageous. Money collected from fees and royalties would be deposited into the State Highway Fund.

TxDMV could enter into an interlocal contract with a local government under existing laws that provide for such contracts. The board would adopt procedures for awarding a contract under this authority. The bill also would allow TxDMV to conduct educational public service campaigns.

The bill would add definitions to the Occupations Code and would modify the definition of "owner" for purposes of a vehicle warranty to include a Texas resident who registered the vehicle in the state or an active duty member of the U.S. armed forces stationed in the state.

HB 2017 would delete requirements for an equal opportunity policy, public participation, and a career ladder program from the Occupations Code that are contained in the Transportation Code. A requirement that the agency give first consideration to an employee of TxDOT when filling certain vacancies that were transferred to the department from TxDOT would be repealed.

The bill would replace certain references to the Texas Transportation Commission in the Occupations Code and the Transportation Code with TxDMV and the TxDMV board.

The bill would take effect September 1, 2011.

**SUPPORTERS
SAY:**

HB 2017 would make a number of statutory revisions to TxDMV that were overlooked upon the transfer of authority from TxDOT in 2009 or that have since become necessary. The bill would provide critical authority to TxDMV to process credit cards at their facilities — an authority that was inadvertently excluded when transferring authority from TxDOT — and to charge a processing fee to recover costs.

HB 2017 would exempt TxDMV from adhering to requirements of the TexasOnline project. This would allow the department to look into alternatives to using TexasOnline for vehicle registration renewals and other online services. In fiscal 2010, only 1.5 million Texans chose to renew their vehicle registrations online, 7 percent of the total number of vehicles registered. The \$3 additional fee TexasOnline charges to renew vehicle registration may account for the small portion of Texans renewing online. Many do not want to pay extra when they could avoid the additional fee by paying by other means. Exempting TxDMV from certain provisions governing TexasOnline, such as a prohibition against duplication, would allow the department to explore alternatives without necessarily removing the option from TexasOnline.

HB 2017 would provide clarity on the respective roles of the department and board to improve the department's operations. The bill would make a number of small but important changes to the authority of the TxDMV board to clarify the distinction of these roles. Current statutes task the board, in some respects, with administrative duties that should be the province of the department. In other respects, the statutes fall short of granting appropriate supervisory roles to the board.

HB 2017 also would add language allowing the department to protect intellectual property rights for work created for the department, enter into interlocal agreements, conduct public service campaigns, and add flexibility in appointing advisory committees to assist the board. Current laws make these appointments of advisory committees and committee members too rigid.

**OPPONENTS
SAY:**

TexasOnline is a valuable service for Texas residents that is centralized to promote ease of use. Exempting TxDMV services from participating in the website could diminish its effectiveness and could set a precedent of devolving online services to the web pages of respective state agencies.

This could cost the state more in the long run with development and maintenance costs and could make these services more difficult to locate.

NOTES:

The author plans to offer a floor amendment, similar to an amendment adopted in Senate committee, that would strike language in the bill exempting TxDMV from requirements of the TexasOnline project.

The companion bill, SB 1401 by Williams, was reported favorably, as substituted, by the Senate Transportation and Homeland Security Committee on April 13.