

**Texas Department of Motor Vehicles
Rules on Vehicle Titles and Registration,
Texas Administrative Code,
Title 43, Chapter 217**

**Office of ALBERT URESTI, MPA, PCC
Bexar County Tax Assessor-Collector**

BACKGROUND

- House Bill 2741 and House Bill 2202 implemented Section 520.0071 of the Transportation Code, which was intended to allow the Texas Department of Motor Vehicle Board, by rule, to set fees to provide funding for TxDMV operations and fair compensation for Counties and to also prescribe classification types of local deputies performing titling and registration duties.
- Prior to the 83rd Legislature, motor vehicle title services were regulated under Transportation Code §§520.008, 520.009, 520.0091 and §520.0092, governing deputies performing titling and registration duties.

Impact of TxDMV Proposed Rules

- Proposed TxDMV rules will increase vehicle registration fees for Bexar County and Texas Citizens, while reducing revenues for Bexar County and Counties state-wide.
- Reduction of Local Control.
- Possible closure of 21 business locations in Bexar County plus loss of jobs.

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TxDMV's Proposed Tax

- Rate increase of \$5 for most vehicle registration transactions.
- New fees replace and augment State General Fund revenues for TxDMV and TxDOT, while reducing County Compensation.

Negative Impact to Counties Statewide

- Overall decrease in revenue of over \$7 million dollars for Counties state-wide.
- Loss of local control by Counties.

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Negative Impact to Bexar County

- Loss of compensation of over \$900,000 per year for all registration fees for Bexar County.
- Reduces the County's compensation rate from \$2.90 to \$0.25 for internet transactions.
- Internet registration compensation for Bexar County is reduced by 91% without a proportionate decrease in the Tax Office's work load.

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Loss of Local Control

- According to Tax Assessor-Collectors Association of Texas (TACA), TxDMV does not have statutory authority to remove the County Tax Assessor's duty to process registration renewals through the internet.
- Customer service will suffer when 221,000 Bexar County online registration transactions are moved to a private vendor away from the local Tax Assessor's office.

Loss of Local Control (cont.)

- TxDMV's proposal will require TxDMV to be a third party on all contracts between the Tax Office and Full Service Title Companies, which will limit local government control and oversight.
- Currently, the Tax Assessor can close a Full Service Title Company immediately with just a 24-hour notice.

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Impact to Citizens and Local Businesses

- The owners of the 21 Full Service Title Companies within Bexar County have stated they will be forced to close and layoff their employees if the new rules and fee reductions are adopted. (Some have been in business for over 30 years.)
- Would reduce Citizen's options for title and registration transactions by eliminating these 21 locations.
- Tax Office estimates a minimum of three new locations will be required with a start-up cost of \$3 to \$6 million and an annual operational cost of \$2 to \$3 million.

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SUMMARY

- The Office of Bexar County Tax Assessor-Collector contest many of TxDMV's proposed rule changes, including a rate increase to replace funding from the State's general fund and TxDMV's assessment that there would be no significant fiscal impact for state and local governments or small businesses. The long-term impact shows the proposed TxDMV rules would decrease revenues for County Tax Offices, while increasing workload and budget costs to county tax assessor-collector offices. Full Service Title Company owners also state their businesses would close.

RECOMMENDATION

- Although opposed to the rule and fee changes being proposed by TxDMV, in the alternative, we recommend the fees and fee structure remain as they currently are or that modifications be made to mitigate negative impacts on Bexar County Citizens and businesses.
- We ask that Bexar County Commissioners Court Adopt the Resolution submitted opposing the rule changes by TxDMV.