

**Department of Motor Vehicles
Summary of Budget Recommendations - House**

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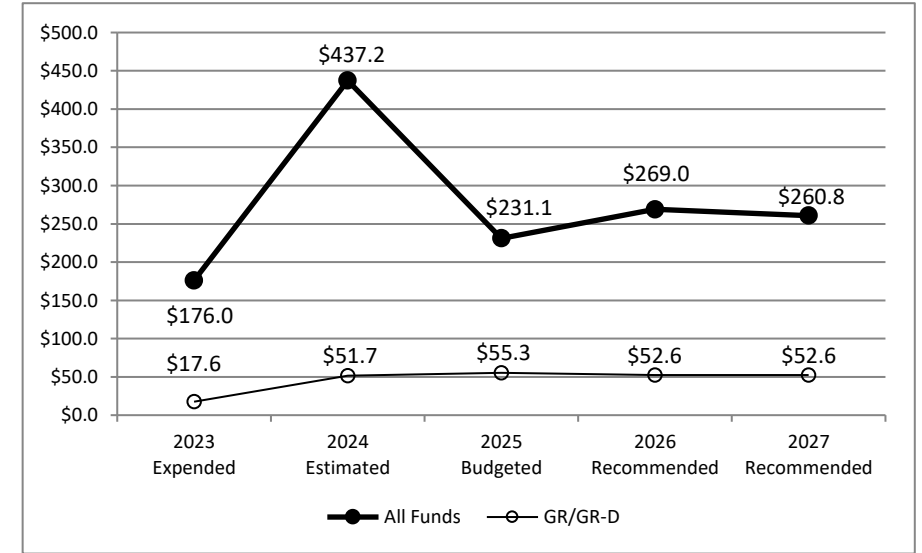
Daniel Avitia, Executive Director

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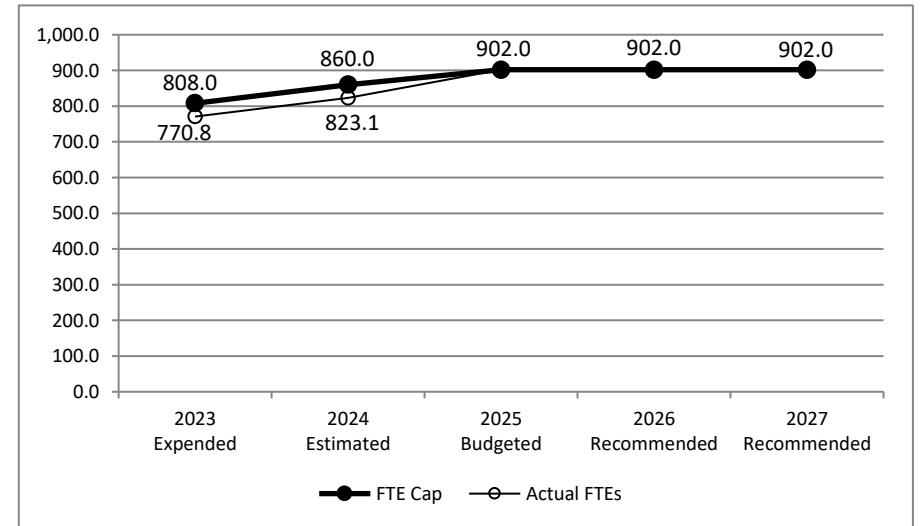
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$106,985,596	\$105,269,814	(\$1,715,782)	(1.6%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$106,985,596</i>	<i>\$105,269,814</i>	<i>(\$1,715,782)</i>	<i>(1.6%)</i>
Federal Funds	\$1,852,889	\$0	(\$1,852,889)	(100.0%)
Other	\$559,460,999	\$424,504,428	(\$134,956,571)	(24.1%)
All Funds	\$668,299,484	\$529,774,242	(\$138,525,242)	(20.7%)

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	902.0	902.0	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Department of Motor Vehicles
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>							
A)	Decrease for Registration and Titling System Replacement Phase One costs.	\$0.0	\$0.0	\$0.0	(\$6.8)	(\$6.8)	A.1.1
B)	Decrease for Camp Hubbard Renewal Project one-time Texas Public Finance Authority (TPFA) Revenue Bonds funding.	\$0.0	\$0.0	\$0.0	(\$143.0)	(\$143.0)	C.1.3
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
C)	Decrease in one-time information technology project costs for TxDMV Automation System projects, the Accounts Receivable System Project, and implementation of HB 718, 88th Legislature, Regular Session.	(\$1.8)	\$0.0	\$0.0	(\$23.4)	(\$25.1)	A.1.1, A.1.4, C.1.1
D)	Increase for Data Center Services to maintain current obligations.	\$0.0	\$0.0	\$0.0	\$17.1	\$17.1	A.1.1, C.1.2
E)	Increase for Vehicle Titles, Registration and License Plates program postage, freight, and specialty plate marketing expenses.	\$0.0	\$0.0	\$0.0	\$11.9	\$11.9	A.1.1
F)	Increase in funding to biennialize the statewide salary adjustments included in the 2024-25 appropriations.	\$0.0	\$0.0	\$0.0	\$6.7	\$6.7	All Strategies
G)	Decrease for ongoing Master Lease Purchase Program payments to TPFA for the Camp Hubbard Renewal Project.	\$0.0	\$0.0	\$0.0	(\$5.0)	(\$5.0)	C.1.3
H)	Increase in Indirect Administration for agency-wide information resources support and headquarters facilities operations and maintenance.	\$0.0	\$0.0	(\$1.1)	\$5.6	\$4.5	C.1.1, C.1.2, C.1.3
I)	Increase for Regional Service Centers (RSC) and license plate warehousing lease expenses.	\$0.0	\$0.0	\$0.0	\$2.8	\$2.8	A.1.1
J)	Decrease for one-time RSC Expansion and ongoing RSC Maintenance capital budget projects.	\$0.0	\$0.0	\$0.0	(\$1.4)	(\$1.4)	A.1.1
K)	Net decrease for miscellaneous program expenditures.	\$0.0	\$0.0	(\$0.7)	\$0.5	(\$0.2)	A.1.1, A.1.2, A.1.3, A.1.5, B.1.1, C.1.2

Department of Motor Vehicles
Summary of Funding Changes and Recommendations - House

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$1.7)	\$0.0	(\$1.9)	(\$135.0)	(\$138.5)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$44.6	\$43.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$1.8)	\$0.0	(\$1.9)	(\$179.6)	(\$181.6)	As Listed

NOTE: Totals may not sum due to rounding.

**Department of Motor Vehicles
Selected Fiscal and Policy Issues - House**

1. **Registration and Titling System (RTS) Modernization Project.** Recommendations include a decrease of \$6.8 million in Other Funds from the Texas Department of Motor Vehicles Fund No. 10 (TxDMV Fund) from 2024–25 appropriations for the RTS Modernization Phase One project. The agency reports that Phase One includes updates to existing systems to ensure continuity of operations throughout the Phase One project; assessment and evaluation of available technology solutions; mapping and assessment of internal and external system environments; development of a transition plan, schedule, and technical requirements; and procurement of technical support and change management services. Recommendations provide appropriation authority in the 2026–27 biennium for any unexpended balances remaining at the end of the 2024–25 biennium for ongoing Phase One project costs (see Rider Highlights, New Rider #13).

The agency requests \$175.0 million in General Revenue Funds for the 2026–27 biennium for the second phase of the RTS Modernization project to replace the legacy system. The agency estimates the project will be completed in fiscal year 2031. Recommendations do not include funding for the second phase of the project (see Items Not Included in Recommendations, Exceptional Item #1).

2. **Camp Hubbard Renewal Project.** Recommendations include a decrease of \$143.0 million in Other Funds from Texas Public Finance Authority (TPFA) Revenue Bond Proceeds for financing the Camp Hubbard Renewal Project in the 2024–25 biennium. The project includes demolition of existing facilities, construction of a new office building, renovation of existing facilities, and upgrades to the central utility plant. The agency estimates the project will be completed in fiscal year 2027. Recommendations provide appropriation authority in the 2026–27 biennium for any unexpended balances of Revenue Bond Proceeds and the authorization for TPFA to issue any Revenue Bond obligations remaining at the end of the 2024–25 biennium to finance and complete the project (see Rider Highlights, Modified Rider #11).
3. **Motor Vehicle Crime Prevention Authority (MVCPA) Appropriations.** Recommendations provide \$105.3 million in General Revenue Funds for the 2026–27 biennium for MVCPA grants and administration, which includes an increase of \$45,975 to biennialize the salary adjustments included in the 2024–25 appropriations. State law requires insurance companies writing motor vehicle insurance policies in Texas to pay a fee of \$5.00 (MVCPA fee) for each motor vehicle year of insurance for policies issued by the insurer (Transportation Code, Section 1006.153). The fee amount was increased from \$4.00 to \$5.00 by the enactment of Senate Bill 224, Eighty-eighth Legislature, Regular Session, 2023, relating to criminal conduct involving catalytic converters, effective September 1, 2023 (fiscal year 2024). Out of the \$5.00 fee, \$1.00 is to be deposited to the General Revenue Fund to be used for coordinated law enforcement activities to detect and prevent catalytic converter theft, and the remainder of each fee collected is allocated as follows:

- (1) 20.0 percent to be appropriated for MVCPA purposes (deposited to the General Revenue Fund);
- (2) 20.0 percent to be deposited to the General Revenue Fund to be used only for criminal justice purposes; and
- (3) 60.0 percent to be deposited to the GR–Dedicated Account No. 5111, Designated Trauma Facility and Emergency Medical Services Account.

The 2024–25 General Appropriations Act included estimated biennial appropriations of \$49.1 million for the motor vehicle crime prevention program and \$55.1 million for the SB 224 catalytic converter theft prevention program based on the Comptroller’s Biennial Revenue Estimate for MVCPA fee revenue and provided unexpended balance appropriation authority between fiscal biennia. Recommendations for the 2026–27 biennium continue the estimated General Revenue Fund appropriation authority at similar funding levels for each program and provide appropriation authority for unexpended balances remaining at the end of the 2024–25 biennium. Based on the Comptroller’s January 2025 Biennial Revenue Estimate (BRE), total MVCPA fee revenue is estimated to be \$285.7 million for the 2026–27 biennium, of which \$45.7 million would be allocated for MVCPA purposes (20 percent allocation) and \$57.1 million would be allocated for the catalytic converter program (\$1.00 of each fee).

**Department of Motor Vehicles
Rider Highlights - House**

Modification of Existing Riders

2. **Capital Budget.** Recommendations amend the rider to remove 2024–25 capital budget authority for Regional Service Centers Expansion, Camp Hubbard Renewal Project, and RTS Replacement Phase One; add Master Lease Purchase Program (MLPP) lease payments for the Camp Hubbard Renewal Project; and align capital budget authority with the 2026–27 funding recommendations for Regional Service Centers Maintenance, TxDMV Automation System, PC Replacement, Technology Replacement & Upgrades – Regional Support for County Tax Assessor-Collector Offices, and Data Center/Shared Technology Services.
3. **Appropriation of Special License Plate Fees.** Recommendations amend this rider to update the amount of appropriations from specialty license plate fees deposited to the Texas Department of Motor Vehicles Fund that are included in Strategy A.1.1, Titles, Registrations, and Plates, for the purpose of making contract payments to the vendor selected by the agency for the marketing and sale of personalized and specialty license plates.
10. **Motor Vehicle Crime Prevention Authority Appropriation.** Recommendations amend this rider to incorporate appropriations from the portion of the Motor Vehicle Crime Prevention Authority Fee (insurance companies fees) dedicated for catalytic converter theft detection and prevention efforts established by the enactment of Senate Bill 224, Eighty-eighth Legislature, Regular Session, 2023, and to update the estimated appropriations amounts to align with the recommendations in Strategy B.2.1, Motor Vehicle Crime Prevention, for the 2026–27 biennium (see Selected Fiscal and Policy Issues #3).
11. **Camp Hubbard Renewal Project.** Recommendations amend subsection (a) to appropriate in the 2026–27 biennium any unexpended balances remaining at the end of the 2024–25 biennium from appropriations for the Camp Hubbard Renewal Project and authorize the Texas Public Finance Authority (TPFA) to issue any amount of unissued revenue bonds or other obligations remaining from amounts previously authorized to be issued during the 2024–25 biennium on behalf of the Department of Motor Vehicles to finance the project. Recommendations amend subsection (b) of the rider to reflect the amount of appropriations included in funding recommendations for Strategy C.1.3, Other Support Services, for making lease payments to TPFA for debt service on revenue bonds or other obligations issued to finance the project. (See Selected Fiscal and Policy Issues #2)

New Riders

12. **Unexpended Balance Appropriation: Accounts Receivable System Project.** Recommendations add a rider to appropriate in the 2026–27 biennium any unexpended balances remaining at the end of the 2024–25 biennium from appropriations for the Accounts Receivable System project (estimated to be \$0).
13. **Unexpended Balance Appropriation: Registration and Titling System Replacement Phase One Project.** Recommendations add a rider to appropriate in the 2026–27 biennium any unexpended balances remaining at the end of the 2024–25 biennium from appropriations for the Registration and Titling System Replacement Phase One project (estimated to be \$0) (see Selected Fiscal and Policy Issues #1).

Deleted Riders

12. **Regional Service Centers Long-range Facilities Plan.** Recommendations delete this rider requiring the agency to produce a long-range facilities plan for its regional service centers and submit a report on the plan to the Legislative Budget Board by December 1, 2024.
13. **Contingency for Senate Bill 224.** Recommendations delete this rider regarding the implementation of Senate Bill 224, Eighty-eighth Legislature, Regular Session, 2023. Recommendations in modified Rider 10, Motor Vehicle Crime Prevention Authority Appropriation, continue the estimated appropriation authority for the catalytic converter theft prevention program for the 2026–27 biennium.

**Department of Motor Vehicles
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Request General Revenue Funds and capital budget authority to implement the second phase of the legacy Registration and Titling System (RTS) Replacement project (see Selected Fiscal and Policy Issues #1).	\$175,000,000	\$175,000,000	0.0	Yes	Yes	\$0
2)	Request Other Funds from the Texas Department of Motor Vehicles Fund and increase FTE cap by 50.0 FTEs in each fiscal year, including: 13.0 FTEs to increase enforcement staff, including investigators and attorneys, to address compliance, investigations, and cases (includes \$396,000 for nine vehicles); 13.0 FTEs for additional staff in Regional Service Centers to address increase needs across the state; 8.0 FTEs for additional information technology staff to manage cybersecurity, maintain data systems and architecture, and administer access and identity management protocols; 8.0 FTEs to address motor vehicle dealer licensing backlog, quality assurance checks on license applications, and background checks; 6.0 FTEs to increase customer service staff; 1.0 FTE for an additional Administrative Law Judge to assist in state Lemon Law and warranty cases; and 1.0 FTE to assist with increase in payroll and revenue accounting workloads.	\$0	\$6,753,354	50.0	No	No	\$6,357,354
3)	Increase the authorized salary for the Executive Director position to an amount not to exceed \$270,000 in Group 8 (No additional funding is requested. The position is currently a Group 7 with an annual not to exceed amount of \$230,000.)	\$0	\$0	0.0	No	No	\$0

**Department of Motor Vehicles
Items Not Included in Recommendations - House**

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
Agency Rider Requests Not Included							
4)	Amend Rider 11, Camp Hubbard Renewal Project, subsection (b) to authorize appropriations of Other Funds from the Texas Department of Motor Vehicles Fund for lease payments to the Texas Public Finance Authority to be increased if necessary to fully fund lease payments associated with the Camp Hubbard Renewal Project (see Selected Fiscal and Policy Issues #2).	\$0	\$0	0.0	No	No	\$0
5)	New Rider, Capital Budget Transfer Authority for RTS Modernization, to authorize the agency to exceed the 25.0 percent capital budget appropriation transfer limits in Article IX, Section 14.03, of the General Appropriations Act, for transfers from the RTS Modernization capital budget project to the Data Center Services (DCS) capital budget project for any elements of the RTS Modernization project that must be paid through DCS.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$175,000,000	\$181,753,354	50.0			\$6,357,354

**Department of Motor Vehicles
Appendices - House**

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* Appendix is not included - no significant information to report

**Department of Motor Vehicles
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
TITLES, REGISTRATIONS, AND PLATES A.1.1	\$211,732,512	\$192,823,769	(\$18,908,743)	(8.9%)	Decrease of \$18.9 million in Other Funds from the Texas Department of Motor Vehicles Fund (TxDMV Fund) includes: <ul style="list-style-type: none"> • a decrease of \$22.0 million in one-time implementation costs related to HB 718, 88th Legislature, Regular Session, 2023, relating to replacement of paper temporary plates with metal license plates; • a decrease of \$4.9 million for ongoing HB 718 related costs reallocated to Strategies A.1.2, B.1.1, and C.1.2; • a decrease of \$6.8 million for the Registration and Titling System Replacement Phase One project; • a decrease of \$1.4 million for Regional Service Center (RSC) maintenance and expansion capital projects; • an increase of \$11.9 million for license plate production, postage and freight costs, and specialty license plate marketing; • an increase of \$2.8 million for rent expenses for HB 718 related warehousing and RSC leases; and • an increase of \$1.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
VEHICLE INDUSTRY LICENSING A.1.2	\$10,139,095	\$7,378,023	(\$2,761,072)	(27.2%)	Decrease of \$2.8 million in Other Funds from the TxDMV Fund includes: <ul style="list-style-type: none"> • a decrease of \$2.3 million due to the reallocation of software application costs to Data Center Services in Strategy C.1.2; • a decrease of \$0.4 million for the reallocation of the agency's Office of Administrative Hearings to Strategy B.1.1; • a decrease of \$0.6 million in miscellaneous program expenses; and • an increase of \$0.6 million from ongoing HB 718 implementation and staffing costs reallocated from Strategy A.1.1.

**Department of Motor Vehicles
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
MOTOR CARRIER SERVICES A.1.3	\$20,139,312	\$21,364,379	\$1,225,067	6.1%	Increase of \$1.2 million in Other Funds from the TxDMV Fund includes: <ul style="list-style-type: none"> • an increase of \$0.8 million for application support contract costs; • an increase of \$0.7 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; • an increase of \$0.4 million for ongoing program expenses; and • a decrease of \$0.7 million in Federal Funds related to commercial vehicle information technology grants.
TECHNOLOGY ENHANCEMENT & AUTOMATION A.1.4	\$23,455,379	\$16,444,386	(\$7,010,993)	(29.9%)	All Funds decrease of \$7.0 million includes: <ul style="list-style-type: none"> • an All Funds decrease of \$7.5 million for TxDMV Automation Systems information technology projects, including decreases of \$5.7 million in TxDMV Funds and \$1.8 million in General Revenue Funds; and • an increase of \$0.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
CUSTOMER CONTACT CENTER A.1.5	\$7,324,919	\$7,588,441	\$263,522	3.6%	Increase of \$0.3 million in Other Funds from the TxDMV Fund includes an increase of \$0.4 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations offset by a decrease of \$0.1 million in other personnel costs for training expenses and one-time merit bonuses.
Total, Goal A, OPTIMIZE SERVICES AND SYSTEMS	\$272,791,217	\$245,598,998	(\$27,192,219)	(10.0%)	
ENFORCEMENT B.1.1	\$16,610,466	\$21,521,114	\$4,910,648	29.6%	Increase of \$4.9 million in Other Funds from the TxDMV Fund includes: <ul style="list-style-type: none"> • an increase of \$3.1 million from ongoing HB 718 implementation and staffing costs reallocated from Strategy A.1.1; • an increase of \$1.4 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and • an increase of \$0.4 million from the reallocation of the agency's Office of Administrative Hearings from Strategy A.1.2.
MOTOR VEHICLE CRIME PREVENTION B.2.1	\$105,223,839	\$105,269,814	\$45,975	0.0%	Increase in General Revenue Funds to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
Total, Goal B, PROTECT THE PUBLIC	\$121,834,305	\$126,790,928	\$4,956,623	4.1%	

**Department of Motor Vehicles
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION C.1.1	\$23,691,208	\$23,520,642	(\$170,566)	(0.7%)	Decrease of \$0.2 million in Other Funds from the TxDMV Fund includes: <ul style="list-style-type: none"> • a decrease of \$2.1 million in one-time costs for the Accounts Receivable System Project; • an increase of \$1.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and • an increase of \$0.4 million from the agencies consolidation of legal services contracts previously allocated to other strategies.
INFORMATION RESOURCES C.1.2	\$66,312,796	\$97,890,724	\$31,577,928	47.6%	Increase of \$4.9 million in Other Funds from the TxDMV Fund includes: <ul style="list-style-type: none"> • an increase of \$19.4 million to maintain current Data Center Services obligations in the 2026-27 biennium; • an increase of \$6.5 million for ongoing HB 718 related applications, including inventory management system, data analytics, and file storage costs; • an increase of \$6.0 million for ongoing call center and identity validation technology costs; • an increase of \$1.1 million from ongoing HB 718 implementation and staffing costs reallocated from Strategy A.1.1; • an increase of \$0.8 million in information resources support cost, including PC replacement, cybersecurity, and other program support costs; • an increase of \$0.7 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and • a decrease of \$3.0 million for one-time identity authentication and security software implementation costs.

**Department of Motor Vehicles
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER SUPPORT SERVICES C.1.3	\$183,669,958	\$35,972,950	(\$147,697,008)	(80.4%)	All Funds decrease of \$147.7 million includes: <ul style="list-style-type: none"> • a decrease of \$143.0 million in Other Funds from Texas Public Finance Authority (TPFA) Revenue Bond Proceeds for financing the Camp Hubbard Renewal Project in the 2024-25 biennium; • a decrease of \$5.0 million in Other Funds from the TxDMV Fund for lease payments to TPFA for debt service on revenue bonds or other obligations issued to finance the Camp Hubbard Renewal Project; • a decrease of \$1.1 million in Federal Funds reimbursements for pandemic related expenditures; and • an increase of \$1.4 million for ongoing maintenance of existing Camp Hubbard headquarters buildings and facilities.
Total, Goal C, INDIRECT ADMINISTRATION	\$273,673,962	\$157,384,316	(\$116,289,646)	(42.5%)	
Grand Total, All Strategies	\$668,299,484	\$529,774,242	(\$138,525,242)	(20.7%)	

**Department of Motor Vehicles
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	808.0	860.0	902.0	902.0	902.0
Actual/Budgeted	770.8	823.1	902.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 7	\$215,000	\$222,500	\$230,000	\$230,000	\$230,000

Note:

The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 25-702, October 2024) indicates an average market salary of \$242,178 for the Executive Director position at the Department of Motor Vehicles. The agency is requesting to increase the salary cap for the Executive Director from \$230,000 in Group 7 to \$270,000 in Group 8.