

# LICENSING DIVISION

## Staff Report for the Towing and Storage Advisory Board May 26, 2021

### Statistics

Tow Trucks	New	New % Online	Renewed	Online Renewal	Population
FY 2020	3156	99%	7922	91%	11277
FY 2021 (1 <sup>st</sup> Qtr)	843	99%	1873	91%	11314

Tow Companies	New	New % Online	Renewed	Online Renewal	Population
FY 2020	982	91%	6885	91%	4301
FY 2021(1 <sup>st</sup> Qtr)	287	91%	1634	91%	4343

Active Tow Company and Tow Truck Population Numbers by Type of Towing		
Type of Towing	Company	Tow Truck
Consent	1811	3421
Private Property	170	382
Incident Management	1952	7417
<b>Total**</b>	<b>3854</b>	<b>11220</b>

\*\*As of 2/28/21

Vehicle Storage Facilities	New	New % Online	Renewed	Renewed % Online	Population
FY 2020	186	83%	3146	91%	1951
FY 2021 (1stQtr)	28	83%	1973	91%	1973

<b>Tow Operators</b>	<b>New</b>	<b>New % Online</b>	<b>Renewed</b>	<b>Renewed % Online</b>	<b>Population</b>
<b>FY2020-TOTAL</b>	3192	97%	9390	95%	14082
<b>FY2021(1<sup>st</sup> Qtr)</b>	908	97%	2250	95%	14163
<b>FY2020 Consent</b>	1538	99%	2492	99%	4699
<b>FY2021(1<sup>st</sup> Qtr)</b>	429	99%	637	99%	4745
<b>FY2020 Private Property</b>	79	97%	188	100%	309
<b>FY2021(1<sup>st</sup> Qtr) Private Property</b>	20	97%	53	100%	306
<b>FY2020 Incident Management</b>	1575	96%	6710	93%	9074
<b>FY2021(1<sup>st</sup> Qtr) Incident Management</b>	459	96%	1560	93%	9112

<b>Vehicle Storage Facility Employees</b>	<b>New</b>	<b>New % Online</b>	<b>Renewed</b>	<b>Renewed % Online</b>	<b>Population</b>
<b>FY2020</b>	582	99%	1744	99%	2457
<b>FY2021(1<sup>st</sup> Qtr)</b>	152	99%	363	99%	2438

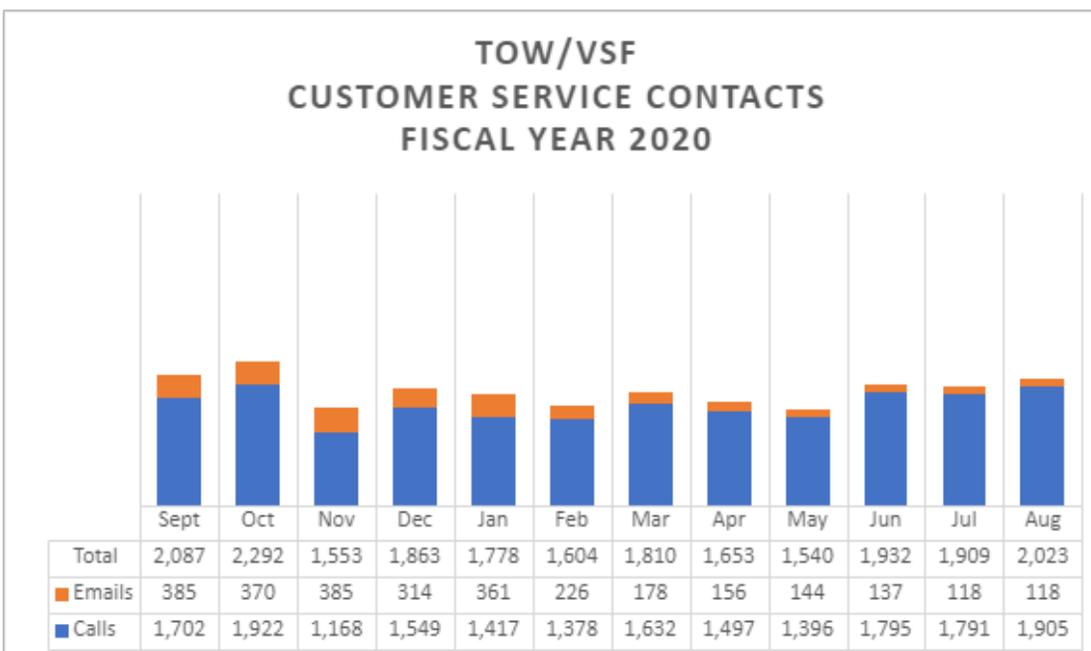
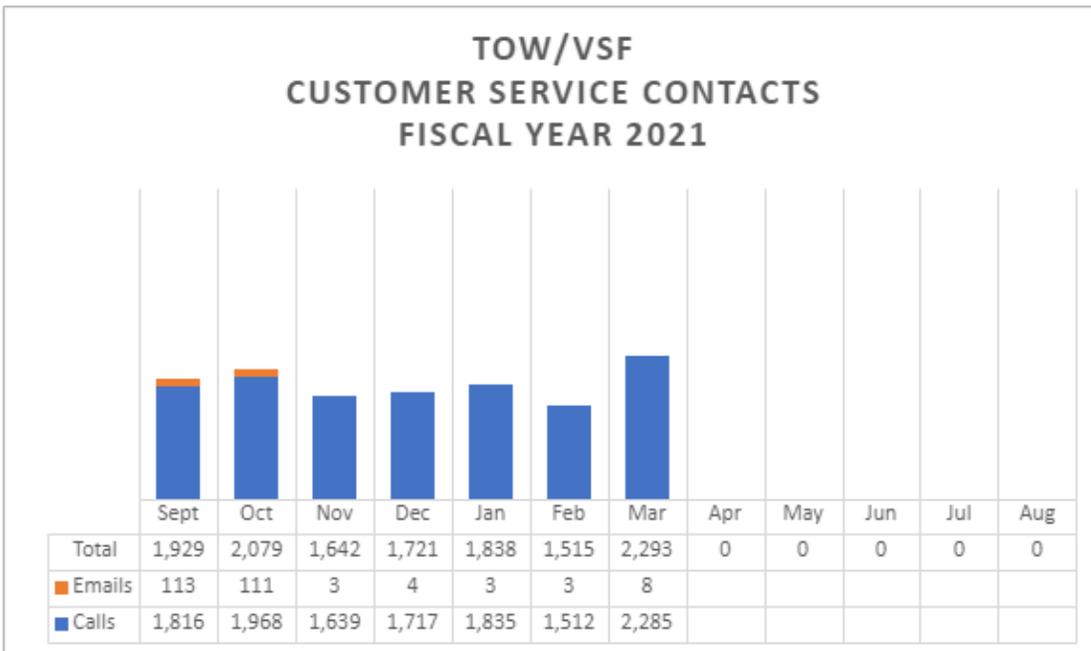
## Current Projects

Update on Tow and VSF email counts

# CUSTOMER SERVICE DIVISION

Staff Report for the Towing and Storage Advisory Board  
May 26, 2021

## Statistics



# ENFORCEMENT DIVISION

## Staff Report for the Towing and Storage Advisory Board

May 26, 2021

### Personnel Updates:

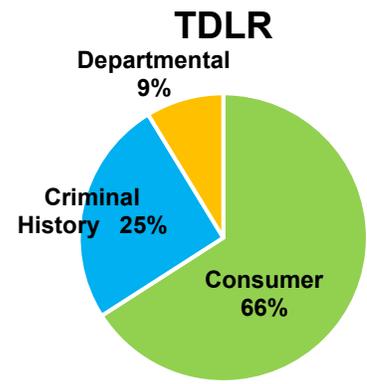
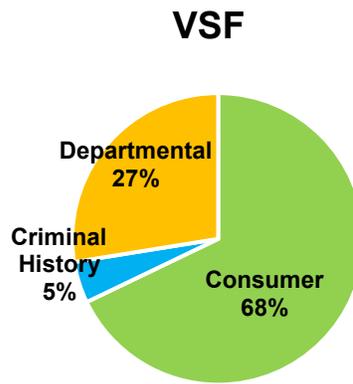
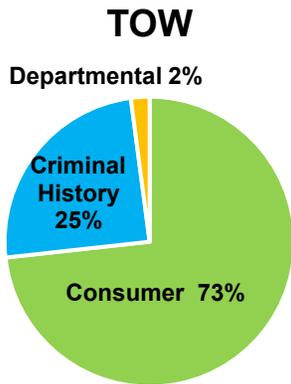
- On January 15, 2021, Lisa Grant was promoted to Legal Assistant Supervisor in the Prosecution Section of Enforcement. Lisa has worked for TDLR for over 20 years, previously serving as a Legal Assistant I, Legal Assistant II, Legal Assistant III and Senior Legal Assistant.
- On April 1, 2021, Rosemary Potter was promoted to Senior Legal Assistant in the Prosecution Section of Enforcement. Rosemary has worked for TDLR for over 13 years, previously serving as a Legal Assistant III.

### Statistics Fiscal Year 2021:

Shown below are the Enforcement Performance Measures and key statistics for the Towing (TOW) and the Vehicle Storage Facility (VSF) programs and for all TDLR programs combined through March of **Fiscal Year 2021**:

<b>Key Statistics</b>	<b>TOW</b>	<b>VSF</b>	<b>TDLR</b>
Cases opened	673	305	5,341
Cases closed	571	257	5,601
Average time to close (days)	277.42	324.47	194.15
% of cases resolved within 6 months	46.94%	35.80%	60.51%
% of cases resulting in disciplinary action	8.23%	14.79%	16.50%
Cases Pending at end of March 2021	927	467	5,589

## Source of cases opened through March of Fiscal Year 2021



### Case Outcomes

	TOW	VSF	TDLR
Commission Orders	5	1	25
Default Orders	22	7	354
Agreed Orders	34	35	518
Penalties Assessed	\$83,850.00	\$107,800.00	\$2,002,941
Penalties Collected	\$33,100.00	\$63,375.00	\$780,466.00
Licenses Revoked (Disciplinary)	8	5	74
Licenses Suspended	1	0	7
Licenses Denied/Revoked (Criminal History)	12	2	162
Cease & Desist Orders	0	0	14
Informally Resolved*	506	214	4,609

### \*Informally Resolved break down

	TOW	VSF	TDLR
Insufficient Evidence	256	110	1,579
Percentage of cases closed for Insufficient Evidence	44.8%	42.8%	28.2%
Warning Letter	38	80	969
Complaint Withdrawn	9	2	80
Informally resolved	24	2	252
OTHER (CH Evaluations, reviews Applications/Renewals, Business closed, etc.)	179	20	1,729
<b>Total</b>	506	214	4,609

**Top 10 TOW Alleged Violations at Opening  
through March of Fiscal Year 2021**

<b>Alleged Violation:</b>	<b>Count</b>
Without authority or Illegal tow	259
Criminal History	159
Charged more than allowed for tow	61
Tow without proper signage	50
Lacks honesty, trustworthiness, or integrity	35
Did not tow in safe or competent manner	16
Expired tow company license	13
Failed to issue ticket	13
No tow company license	13
Failed to have proper information on ticket	12

**Top TOW Violations Resulting in Disciplinary Action  
through March of Fiscal Year 2021**

<b>Violation:</b>	<b>Count</b>
Without authority or Illegal tow	10
Charged more than allowed for tow	9
Criminal History	9
No tow company license	6
Employed unlicensed person	6
Lacks honesty, trustworthiness, or integrity	5
No tow operator license	5
Failed to comply with an order	5
Tow without proper signage	2
Failed to maintain Insurance	2
Failed to have a permit for each truck	2

## Top 10 VSF Alleged Violations at Opening through March of Fiscal Year 2021

Alleged Violation:	Count
Failed to timely send or publish notice	51
Charged unauthorized fee	30
Charged impound without services or date	27
Failed to release with proper documents & fee	26
Failed to include required information on notice	25
Did not accept cash, debit & credit	20
Unlicensed Company	19
Vehicle not available for release	18
Did not maintain required records for 2 years	16
Failed to notify law enforcement	15

## Top VSF Violations Resulting in Disciplinary Action through March of Fiscal Year 2021

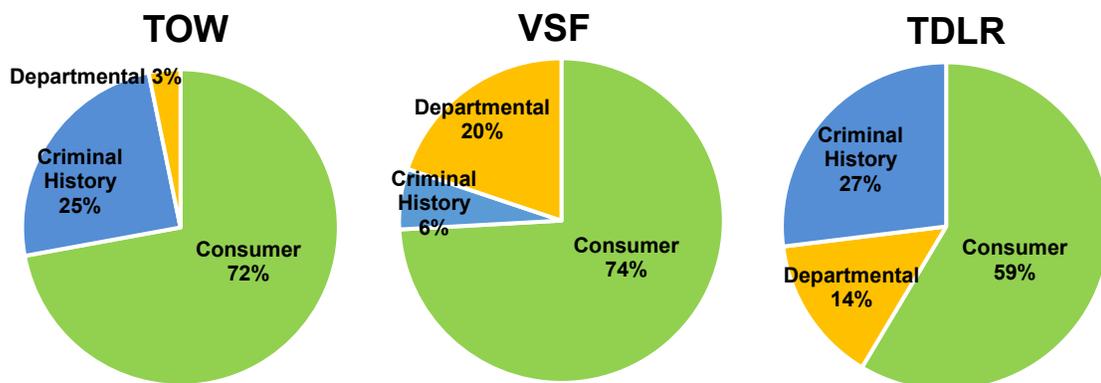
Violation:	Count
Failed to include required information on notice	8
Lacks honesty, trustworthiness, or integrity	6
Charged impound without services or date	6
Did not maintain required records for 2 years	5
Unlicensed Company	4
Failed to timely send or publish notice	3
Overcharge for daily storage	3
Failed to secure to prevent theft	3
Did not establish or follow drug policy	3
Did not accept cash, debit & credit	2
Required information not on invoice or receipt	2
Notification not correctly mailed	2
Required signature on unnecessary form	2
Failed to have Department information where required	2
Criminal History	2
Vehicle not available for release	2
Charged unauthorized fee	2
Insurance violations	2
Rights notice lacked required information	2
Did not cooperate with Department's Inspection	2

## Statistics Fiscal Year 2020:

Shown below are the Enforcement Performance Measures and key statistics for the Towing (TOW) and the Vehicle Storage Facility (VSF) programs and for all TDLR programs combined for **Fiscal Year 2020**:

Performance Measure	TOW	VSF	TDLR
Cases opened	1,159	630	10,465
Cases closed	1,035	565	9,763
Average time to close (days)	199.92	170.84	157.58
% of cases resolved within 6 months	54.49%	64.25%	68.64%
% of cases resulting in disciplinary action	6.57%	8.14%	13.48%
Cases Pending at end of FY2020	826	419	5,850

### Source of cases opened for Fiscal Year 2020



### Case Outcomes

Case Outcomes	TOW	VSF	TDLR
Commission Orders	13	0	28
Default Orders	29	9	339
Agreed Orders	35	46	853
Penalties Assessed	\$144,200.00	\$123,975.00	\$2,360,451.00
Penalties Collected	\$44,950.00	\$51,550.00	\$1,296,792.16
Licenses Revoked (Disciplinary)	10	3	62
Licenses Suspended	0	0	3
Licenses Denied/Revoked (Criminal History)	25	4	240
Cease & Desist Orders	3	0	46
Informally Resolved**	951	509	8,365

<b>**Informally Resolved break down</b>	<b>TOW</b>	<b>VSF</b>	<b>TDLR</b>
Insufficient Evidence	513	192	2,579
Percentage of cases closed for Insufficient Evidence	49.6%	34%	26.4%
Warning Letter	73	257	1,615
Complaint Withdrawn	24	3	127
Informally resolved	37	15	431
OTHER (CH Evaluations, reviews Applications/Renewals, Business closed, etc.)	304	42	3,613
<b>**TOTAL</b>	<b>951</b>	<b>509</b>	<b>8,365</b>

### Top 10 TOW Alleged Violations at Opening for Fiscal Year 2020

<b>Alleged Violation:</b>	<b>Count</b>
Without authority or Illegal tow	380
Criminal History	285
Charged more than allowed for tow	90
Lacks honesty, trustworthiness, or integrity	69
Tow without proper signage	69
Did not tow in safe or competent manner	49
Failed to take to licensed VSF	36
No tow company license	31
Charges not related to tow	23
Failed to issue ticket	19

### Top TOW Violations Resulting in Disciplinary Action for Fiscal Year 2020

<b>Violation:</b>	<b>Count</b>
Criminal History	25
Charged more than allowed for tow	12
Lacks honesty, trustworthiness, or integrity	10
Did not tow in safe or competent manner	5
No tow company license	5
Without authority or Illegal tow	5
Failed to pay dishonored check	3
No or improper signage on truck	3
No tow operator license	3
Refused/interfered with inspector/investigator	2

Failed to have proper information on ticket	2
Expired tow company license	2
Failed to make documents available upon request	2
Charges not related to tow	2
Failed to take to licensed VSF	2
Failed to cooperate with Department	2
Failed to maintain Insurance	2

### Top 10 VSF Alleged Violations at Opening for Fiscal Year 2020

Alleged Violation:	Count
Failed to timely send or publish notice	86
Failed to release with proper documents & fee	67
Charged unauthorized fee	57
Criminal History	38
Vehicle not available for release	33
Did not accept cash, debit & credit	32
Did not maintain required records for 2 years	30
Notification not correctly mailed	29
Failed to include required info on notice	27
Unlicensed Company	27

### Top 10 VSF Violations Resulting in Disciplinary Action for Fiscal Year 2020

Violation:	Count
Notification not correctly mailed	9
Failed to timely send or publish notice	9
Did not establish or follow drug policy	8
Did not maintain required records for 2 years	7
Charged unauthorized fee	5
Criminal History	4
Did not cooperate with Department's Inspection	3
Vehicle not available for release	3
Not completely enclosed by 6 ft fence	3
Failed to include required information on notice	3

## Case Highlights

### TOW20200014048- Vanhnarath, Thy

- An Agreed Order was issued on February 1, 2021, in which Respondent accepted an administrative penalty in the amount of \$1,000 for operating tow company without holding the appropriate license issued by the Department. Specifically, Respondent was licensed as consent tow operator, but was operating an unlicensed tow company. Respondent's tow company is now licensed, and Respondent has paid the penalty.

### TOW20200014037- Chanthalangsy, Rattanasavanh

- An Agreed Order was issued on March 12, 2021, in which Respondent accepted an administrative penalty of \$2,000 for operating a tow company without holding the appropriate licenses issued by the Department. Specifically, Respondent did not hold a personal tow operator license, nor a tow company license. Respondent is now licensed as a consent tow operator, and the unlicensed tow company has been shut down. Respondent has paid the penalty.

### VSF20200016071 and TOW20210000829-Burden's Auto & Wrecker Inc

- An Agreed Order was issued on January 4, 2021, in which Respondent accepted a total administrative penalty in the amount of \$3,150 (which consists of \$2,250 for VSF20200016071 and \$900 for TOW20210000829). In VSF20200016071, Respondent was operating an unlicensed VSF. Respondent's previous VSF certificate expired in 2017. Respondent's VSF is now properly licensed. In TOW20210000829, Respondent failed to use the identical fee structure identified in the tow company's nonconsent fee structure and additionally charged a nonconsent private property tow fee that was greater than the maximum allowed by statute. Respondent has paid the total penalty.

### VSF20200013533- King, James R, JR

- An Agreed Order was issued on February 22, 2021, in which Respondent accepted an administrative penalty of \$2,250 for refusing to provide a vehicle owner wanting to file a claim, the liability insurance company information and policy number for Vehicle Storage Facility (VSF). Additionally, Respondent failed to cooperate with a Department Investigator by failing to provide requested documents and information despite email requests and four phone calls. Respondent has paid the penalty.

### VSF20190012069 - Spears, Darius Rashad

- An Agreed Order was issued on March 18, 2021, in which Respondent accepted an administrative penalty in the amount of \$750 for failing to send notice to the vehicle owner and lienholder by the 14<sup>th</sup> day after receipt of the vehicle, which was registered outside of Texas. The VSF had accepted the vehicle 42 days prior. Additionally, Respondent failed to provide a Department Inspector with paperwork that could locate a blue 2011 Hyundai Sonata with Texas license plates accepted by the VSF, but no longer in storage at the VSF.

# FIELD INSPECTIONS DIVISION

Staff Report for the Towing and Vehicle Storage Facility Advisory Board  
May 26, 2021

## Statistics

### Vehicle Storage Facilities

YTD/Year End	FY 2020	FY 2021 (YTD)
Sept	55	30
Oct	132	58
Nov	68	41
<b>Q1</b>	<b>255</b>	<b>129</b>
Dec	96	58
Jan	147	81
Feb	94	37
<b>Q2</b>	<b>337</b>	<b>176</b>
Mar	62	91
Apr	2	0
May	5	0
<b>Q3</b>	<b>69</b>	<b>91</b>
Jun	0	0
Jul	28	0
Aug	56	0
<b>Q4</b>	<b>84</b>	<b>0</b>
<b>YTD/Year End</b>	<b>745</b>	<b>396</b>

Note: TDLR suspended Tow Company and Tow Truck Inspections as of February 7, 2019.

Note: TDLR suspended inspections on March 17, 2020 in response to the COVID-19 pandemic and returned to limited inspections May 19, 2020.

## Most Common Violations Found During Inspections

### Vehicle Storage Facility Most Common Violations

2<sup>nd</sup> Quarter, Fiscal Year 2021

1. **Impoundment Fee** — 16 Tex. Admin. Code Ch. 85.722(e). A VSF operator may charge a vehicle owner an Impoundment fee if Impoundment is performed in accordance with these rules. The Impoundment fee may not exceed \$20. If the VSF operator charges a fee for Impoundment, the written bill for services must specify the exact services performed for that fee and the dates those services were performed.
2. **Storage Lot Signs** — 16 Tex. Admin. Code Ch. 85.1003(e). Failure to conspicuously post a sign that states: "This vehicle storage facility must accept payment by an electronic check, credit card, or debit card for any fee or charge associated with delivery or storage of a vehicle."
3. **Storage Lot Signs** — 16 Tex. Admin. Code Ch. 85.1003(d). Failure to have a clearly visible sign in the proper lettering size and color contrast which lists all documents that may be presented to obtain possession of the vehicle, or did not state "Affidavit of Right of Possession Furnished Upon Request."
4. **Storage Lot Signs** — 16 Tex. Admin. Code Ch. 85.1003(c). Failure to conspicuously place a sign, at the place of payment, stating "Non-Consent Tow Fees Schedules Available on Request."
5. **Notice of Complaint Procedure** — 16 Tex. Admin. Code Ch. 85.707(a) & (b). Failure to notify the vehicle owner of the department's website and email address, mailing address, and telephone number, for purposes of directing complaints regarding the vehicle storage to the department. The notice shall be included on a sign prominently displayed to the public at the place of payment, with letters at least one inch in height, and a contrasting background; and the front page of any bill for service.
6. **Storage Lot Signs** — 16 Tex. Admin. Code Ch. 85.1003(a). Failure to have a clearly visible and readable sign at its main entrance, containing the registered name, address, phone number for release of the vehicle, facility hours and the storage lot's state license number. Such sign shall have letters at least 2 inches in height, with contrasting background, shall be visible at 10 feet.
7. **Tow Ticket Violations** — 16 Tex. Admin. Code Ch. 85.710(a)(2). Failed to provide a tow ticket that meets the technical requirements to the vehicle owner or owner's representative.
8. **Alcohol and Drug Testing** — Tex. Occupations Code Section 2303.161; 16 Tex. Admin. Code Ch. 85.725. Vehicle storage facility failed to establish, maintain, and implement, an effective drug testing policy for its employees as required by law.
9. **Storage Lot Surface** — 16 Tex. Admin. Code Ch. 85.1001. All VSFs shall have an all-weather surface such as concrete, asphalt, black-top, stone, macadam, limestone, iron ore, gravel, shell, or caliche, that enables the safe and effective movement of stored vehicles upon all portions of the lot, both under their own power and under tow, at all times, regardless of prevailing weather conditions. The surface shall also be free of overgrown vegetation.
10. **Reasonable Storage Efforts** — 16 Tex. Admin. Code Ch. 85.719(a). A VSF operator shall make reasonable efforts necessary for the storage of a vehicle, such as locking doors, rolling up windows, and closing doors, hatchbacks, sunroofs, trunks, hoods, or convertible tops.

# Current Projects

## COVID-19 Response

- On March 17, 2020, TDLR suspended all inspections in response to the COVID-19 pandemic.
- In August 2020, TDLR began testing virtual inspections for Vehicle Storage Facilities (ongoing).
  - As of April 30, 2021, 62 vehicle storage facilities have received a virtual inspection as part of the testing process.
- On August 7, 2020, TDLR resumed limited, on-site inspections of vehicle storage facilities (VSF) based on several factors:
  - Whether the VSF was in a county where inspections had been suspended based on COVID-19 data and trends;
  - Whether the VSF might a good candidate for a virtual inspection;
  - The number of available inspectors trained on the VSF on-site inspection process; and
  - The availability of a travel budget.
- All counties have been removed from the COVID-19 suspended county list and are open for inspection activity.

# REGULATORY PROGRAM MANAGEMENT

## Staff Report for the Towing and Storage Advisory Board

May 26, 2021

### Statistics

September 1, 2020 to February 26, 2021, RPM has received 1,211 contacts. Contacts include industry contact seeking guidance on towing and VSF laws and rules, citizens with questions on towing and VSF laws and rules, and other industries seeking guidance from TDLR.

RPM is also continuing to monitor the web traffic to the industry compliance section of the towing and VSF website. When the pages went active in August 2019, the industry compliance section totaled around 1% of web traffic to the towing and VSF web pages. In the months since we have seen the industry compliance section climb to around 6% of traffic on the towing and VSF web pages.

### Current Projects

RPM is continuing its analytic process to better monitor, review, and answer questions that come to the department, either directly or through internal channels. The program assists RPM in determining common issues as they arise to create better, more specific training for the industry and internally to TDLR staff. RPM hopes the process will help us better understand the needs of the industry, and the ability to provide consistent answers to questions.

RPM, along with the web development team, is monitoring traffic to the TDLR website to attempt to determine the areas most visited. This information, along with the new web-site compliance section, will allow RPM to discover the greatest need for trainings.

RPM is continuing to investigate webinar-based training for compliance issues that occur frequently. With the assistance of the analytic process, RPM hopes to create webinars and other forms of media that are specific to industry needs.

### Outreach

RPM has initiated an internet-based training due to limitations on in person contact and travel during the pandemic. The trainings take place over zoom and cover updates to the laws and rules and provide a platform for the industry to ask questions. A larger training is conducted once a month and generally has around 20 members of the industry from across the state. RPM is also offering the training to small groups or individual companies upon request and has conducted several of these covering specific questions they have and covering the laws and rules.

# EDUCATION AND EXAMINATION DIVISION

## Staff Report for the Towing and Storage Advisory Board

May 26, 2021

### Statistics

#### Tow Operators Continuing Education

(As of March 31, 2021)

FY 2021	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
TOTAL NEW COURSE APPROVALS	2	4	1	7	1	8	11	20	10	-	-	10	-	-	-	-	37
TOTAL COURSE COUNT	48	46	49	49	50	49	58	58	60	-	-	-	-	-	-	-	60
FY 2020	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
COURSE APPROVALS ISSUED	3	2	1	6	3	7	4	14	9	9	1	19	2	4	4	10	49
TOTAL COURSE POPULATION	58	57	55	55	57	59	58	58	58	62	52	52	47	50	51	51	51

#### Tow IM/PP Training Program Curriculum FY 2021

(As of March 31, 2021)

FY 2021	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
TOTAL NEW CURRICULUM APPROVAL	0	1	0	1	0	0	0	0	0	-	-	-	-	-	-	0	0
TOTAL CURRICULUM COUNT	7	8	8	8	8	8	8	8	8	-	-	-	-	-	-	-	8
FY 2020	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
TOTAL NEW CURRICULUM APPROVAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRICULUM COUNT	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7

CE Monthly Invoices  
(As of March 31, 2021)

<b>FY 2021</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>Q1</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>Q2</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>Q3</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>Q4</b>	<b>TOT</b>
CE Invoices Mailed	25	26	26	77	24	27	30	81	25	-	-	-	-	-	-	-	183
CE Invoice Fees to be Collected	3,555	3,930	3,525	11,010	3,750	3,820	3,395	10,965	4,035	-	-	-	-	-	-	-	26,010