

TOWING, STORAGE AND BOOTING ADVISORY BOARD
Compliance Division Staff Report
July 14, 2017

Outreach Efforts

- Compliance conducted a vehicle storage facility compliance workshop in Richardson on February 9th. This workshop covered and provided the Compliance Manual to 25 members of the industry. Compliance also went over paperwork with several people in attendance, as well as answering any questions they had on VSF processes. Compliance also listened to concerns of the industry members in attendance.
- Compliance conducted a vehicle storage facility compliance workshop in Ennis on April 13th. This workshop covered and provided the Compliance Manual to 36 members of the industry. Compliance also went over paperwork with several people in attendance, as well as answering any questions they had on VSF processes. Compliance also listened to concerns of the industry members in attendance.
- Compliance attended the TTSA general meeting in Round Rock on June 17th and addressed any concerns by the industry and answered any questions they had.
- Compliance, is reviewing the towing and VSF rules. The review considers feedback from the industry received in the training classes, through contacts with the industry via phone calls and emails, as well as the external and internal strategic planning sessions that took place across the state.
- Compliance and Enforcement have come together to create a program to help industry members who have enforcement action due to an inspection, come into compliance with the laws and rules. Enforcement emails compliance with the information of the company and what was found on the inspection. Compliance then contacts the company and reviews paperwork, gets pictures, or any other relevant information, to help the company, come into compliance with the rules and laws. Compliance and Enforcement believe this program will reduce future violations and better educate the industry.

Internal Efforts

- Compliance conducted a training in the Fort Worth field office on April 12th. Compliance trained the north region inspectors on the laws and rules, and updates on the corrections needed/refer to enforcement violations.
- Compliance conducted a training with the Customer Service Division on March 28th as part of ongoing training done directly with the customer service towing team. The training helps

to ensure accurate information is provided to the industry in a timely manner, and answer any questions the customer service division has.

- Compliance conducted a training with the Customer Service Division on May 4th as part of ongoing training done directly with the customer service towing team. The training helps to ensure accurate information is provided to the industry in a timely manner, and answer any questions the customer service division has.
- Compliance is continuing to developing internal policies and procedures to ensure continuity with the program in the future.



*A Core Foundation Is Key to
Tomorrow's Excellence* **E&E**

RAY PIZARRO, DIRECTOR

TOWING, STORAGE, AND BOOTING ADVISORY BOARD

JUNE 29, 2017

Key Statistics and Trends

Tow Operators Continuing Education

TOW - FY 2014	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Provider registrations issued*	1	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0	2
Course approvals issued	3	0	1	4	2	8	3	13	2	2	4	8	4	7	0	11	36
Provider renewal registrations issued*	0	1	0	1	0	2	0	2	0	0	0	0	0	0	0	0	3
Total provider population*	21	21	20	20	21	21	21	21	397	403	404	404	398	393	393	393	393
Total course population	35	33	34	34	35	37	37	37	36	38	37	37	35	37	37	37	37

TOW - FY 2015	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	3	3	0	6	2	6	4	12	2	2	2	6	10	7	1	18	42
Total course population	37	40	40	40	41	39	41	41	39	38	39	39	42	43	41	41	41
Total provider population	393	386	393	393	388	381	382	382	388	388	389	389	390	395	396	396	396

TOW - FY 2016	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	1	0	2	3	5	6	2	13	1	2	4	7	6	6	0	12	35
Total course population	42	37	39	39	44	43	40	40	39	39	40	40	36	39	0	0	39
Total provider population	393	394	391	391	391	393	394	394	388	387	384	384	382	378	378	378	378

TOW - FY 2017	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	1	1	1	3	2	5	5	12	5	0	3	8	0	0	0	0	23
Total course population	35	36	35	35	34	35	36	36	39	36	36	36	0	0	0	0	36
Total provider population	380	409	409	409	407	415	418	418	421	424	427	427	0	0	0	0	427

Key Statistics and Trends

Booting Operators Continuing Education

BOOT - FY 2014	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Provider registrations issued*	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	1
Course approvals issued	0	0	0	0	1	0	0	1	1	0	0	1	0	0	0	0	2
Provider renewal registrations issued*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total provider population*	2	2	2	2	3	3	3	3	397	403	404	404	398	393	393	393	393
Total course population	1	1	1	1	2	2	1	1	2	2	2	2	2	2	2	2	2

BOOT - FY 2015	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	2
Total course population	2	2	2	2	1	1	3	3	2	2	2	2	2	2	2	2	2
Total provider population	393	386	393	393	388	381	382	382	388	388	389	389	390	395	396	396	396

BOOT - FY 2016	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	0	0	0	0	1	1	1	3	0	0	0	0	0	0		0	3
Total course population	2	2	2	2	3	4	2	2	2	2	2	2	2	2		0	2
Total provider population	393	394	391	391	391	393	394	394	388	387	384	384	382	378	378	378	378

BOOT - FY 2017	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course approvals issued	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	2
Total course population	2	2	2	2	2	2	1	1	1	1	1	1	0	0	0	0	1
Total provider population	380	409	409	409	407	415	418	418	421	424	427	427	0	0	0	0	427

Towing, Storage and Booting Advisory Board

Enforcement Division Staff Report

July 14, 2017

Case Highlights

- On February 1, an agreed order involving two cases was entered against Adriana Salcido Maldonado d/b/a GAFSA, LLC d/b/a Astro Towing and Parking, assessing an administrative penalty of \$6,000 for conducting private property tows without legal authority.
- On February 10, an agreed order was entered against Clifton Chevrolet, Inc., assessing an administrative penalty of \$6,000 for operating a Vehicle Storage Facility (VSF) and accepting in excess of 10 vehicles for storage, while the license required to operate the facility had expired.
- On April 7, a default order was entered against Glenn C. Malske a/k/a Glenn C. Maleske d/b/a Friendly Glenn's, assessing an administrative penalty of \$10,500 for failing to obtain a required VSF employee license, failing to send timely notice letters, failing to ensure that notice letters included all required information, failing to maintain all required documentation, charging an unauthorized fee, and a violation involving required signage.
- On April 7, a default order was entered against Cristobal L. Tinoco, individually and d/b/a Anytime Towing, assessing an administrative penalty of \$6,000 for conducting towing operations as a tow company without a license and for towing vehicles without a tow operator's license.
- On April 7, an agreed order involving three cases as 2d violations was entered against SWAT Investments LLC d/b/a Southwest Auto Tow, assessing an administrative penalty of \$5,500 for towing vehicles without authority and for employing an unlicensed tow operator.

Key Statistics

Shown below are key statistics for the Towing and Vehicle Storage programs, and for all TDLR programs combined thru April of fiscal year 2017, and average penalties for the Towing and Vehicle Storage programs and for all TDLR programs combined for fiscal years 2015 and 2016.

<u>Statistic</u>	<u>TOW</u>	<u>VSF</u>	<u>TDLR</u>
• Number of cases opened:	1,232	563	8,361
• Number of cases resolved:	1,503	671	7,959
• Number of Agreed Orders:	200	167	1,594
• Total amount of penalties assessed:	\$519,925	\$419,500	\$3,771,509
• Total amount of penalties collected:	\$226,743	\$244,223	\$1,642,258

<u>Average Penalty</u>	<u>TOW</u>	<u>VSF</u>	<u>TDLR</u>
• Fiscal Year 2015	\$2,549	\$3,007	\$1,646
Licensed	\$2,513	\$3,075	
Unlicensed	\$3,201	\$2,360	
• Fiscal Year 2016	\$2,809	\$2,467	\$1,866
Licensed	\$2,737	\$2,484	
Unlicensed	\$3,126	\$2,206	

Top 10 Violations in Disciplinary Actions

Shown below are the ten most common violations found in disciplinary actions for the Towing and Vehicle Storage programs thru April of fiscal year 2017.

TOW

Fail to have data plates on equipment	70
Did not establish or follow drug policy	69
No tow operator license	37
Towed without proper signs	22
Employed unlicensed person	19
Unlicensed tow company	14
Towing without authority – illegal tow	14
Tow in unsafe or incompetent manner	11
Charged more than allow for tow	7

VSF

Failed to include required information on notice	66
Did not establish or follow drug policy	49
Employed unlicensed employee	38
Failed to timely send or publish notice	34
Failed to maintain records for 2 years	26
Charged impound fee without services or date	25
No reasonable efforts to store	16
Unlicensed company	16
Failed to notify law enforcement	14
Failed to secure vehicle to prevent theft	10

Towing, Storage & Booting Advisory Board Meeting Field Operations Division Report



The Face of TDLR

July 14, 2017

Tow Companies – Most Common Violations Found During Inspections

Quarter 2 Fiscal Year 2017

- 1. Alcohol and Drug Testing of Towing Operators.** - 14 Tex. Occupations Code Ch.2308.158(a) and 16 Tex. Admin. Code Ch.86.710(a)(6)(A-C). A towing company shall establish an alcohol and drug testing policy for towing operators.
- 2. Vehicle Signage.** – 14 Tex. Occupations Code Ch. 2308.109(a) & 16 Tex. Admin. Code Ch. 86.701(a). Failure to display on the tow truck the permit holder's name, telephone number, city and state, and the permit number for the truck.
- 3. Vehicle Signage.** – 14 Tex. Occupations Code Ch. 2308.109(b) & 16 Tex. Admin. Code Ch. 86.701(b). The information required to be displayed must be printed in letters at least 2 inches high, contrasting with background, and permanently affixed in conspicuous places on both sides of the tow truck.
- 4. Equipment Violations.** – 16 Tex. Admin. Code Ch. 86.1000(a)(1)(2). Failure to display a legible manufacturer's data plate or manufacturer's documentation indicating the capacity of the boom, the winch or the carry mechanism.
- 5. Equipment Violations.** – 14 Tex. Occupations Code Ch. 2308.108(c) & 16 Tex. Admin. Code Ch.86.206(c). Failure of a permit holder to keep a cab card in the cab of each permitted tow truck.
- 6. Unlicensed Individual.** – 16 Tex. Admin. Code Ch. 86.705(m). A towing company may not employ or contract with unlicensed persons required to hold a license under this chapter.
- 7. Financial Responsibility.** – 14 Tex. Occupations Code Ch. 2308.110(d). A permit holder shall keep evidence of insurance in a form approved by the department in the cab of each permitted tow truck.
- 8. Tow Truck License Plates.** – 16 Tex. Admin. Code Ch. 86.708. Unless allowed by another law or regulation, a towing company or tow truck operator must not operate or cause a tow truck to be operated on the public roadways of this State unless the tow truck displays current license plates that includes the words 'Tow Truck.'
- 9. Tow Ticket.** – 16 Tex. Admin. Code Ch. 86.709(e). Failure of a towing company to prepare and issue a tow ticket that contains the licensed name of the towing company, publicly listed telephone number, towing company certificate of registration number, and the TDLR license number of the towing operator.
- 10. Insurance Requirements.** – 16 Tex. Admin. Code Ch. 86.400(d)(2). Insurance covering permitted tow trucks must be kept in full force and effect at all times.

Vehicle Storage Facilities – Most Common Violations Found During Inspections Quarter 2 Fiscal Year 2017

1. Storage Lot Signs. – 16 Tex. Admin. Code Ch. 85.1003(d). Failure to have a sign describing the documents that may be presented by the vehicle owner or his/her authorized representative to obtain possession of the vehicle.

2. Notice of Complaint Procedure. - 16 Tex. Admin. Code Ch. 86.707(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.

3. 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."

4. 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.

5. Storage lot signage. - 16 Tex. Admin. Code Ch. 85.1003(b). The sign shall include all forms of payments the VSF accepts for any charge associated with delivery or storage of a vehicle. The sign must be located so it is clearly visible to a vehicle owner at the place of payment and shall have letters at least 1 inch in height with a contrasting background.

6. 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.

7. 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.

8. Failure to follow the Drug Test Policy. – 16 Tex. Admin. Code Ch. 85.725(a)(6)(A-C). A VSF adopting paragraphs (1) - (12) will comply with Texas Occupations Code, §2303.160. Types of Tests - pre-employment, annual, and random testing.

9. Mailed Notifications. - 14 Tex. Occ. Code Ch. 2303.153 & 16 Tex. Admin. Code Ch. 85.703(h)(1). Failure of mailed notifications to have all required information.

10. 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".

DIVISION PROJECTS

New Technology – Mobile Inspection

Towing Mobile Inspection Form is completed. Development of Vehicle Storage Facility Mobile Inspection Form is set for July. Inspectors across the division have been trained to use the new form for towing inspections.

Tow Round Up Success

Date	Location	Region	Status	Company	Truck	Total
August 27, 2016	Tarrant County	North	Completed	105	115	220
August 31, 2016	Bexar County	South	Completed	70	153	223
October 6, 2016	Bell and surrounding counties	South	Completed	50	43	93
October 8, 2016	Harris County	East	Completed	85	93	178
October 18, 2016	Dallas County*	North	Completed	134	213	347
October 24, 2016	Harris County	East	Completed	27	24	51
November 7, 2016	Rio Grande Valley	South	Cancelled	Due to inspections are current		
November 12, 2016	Harris County	East	Completed	9	13	22
November 15, 2016	Dallas County	North	Completed	37	54	91
December 3, 2016	Dallas County	North	Cancelled	Due to changes in workload		
December 10, 2016	Harris County	East	Cancelled	Due to changes in workload		
December 17, 2016	Travis County	South	Cancelled	Due to changes in workload		
March 22, 2017	Beaumont	East	Completed	18	41	59
May 20, 2017	Fort Worth	North	Cancelled	Due to Weather		

DIVISION PERSONNEL UPDATES

Personnel Updates

Field Operations has four open inspector positions. Decisions to post will be made after the State's hiring freeze has been lifted.

INSPECTION STATISTICS AND TRENDS

Towing, Vehicle Storage Facility and Booting Inspection Totals

	Tow Truck Companies		Tow Trucks		Vehicle Storage Facilities		Booting Companies		Program Totals	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
SEPT	98	212	84	235	159	61	0	0	341	508
OCT	478	228	527	133	140	165	0	0	1145	526
NOV	203	219	211	174	122	53	2	0	538	446
QTR 1	779	659	822	542	421	279	2	0	2024	1480
DEC	124	140	154	153	69	46	2	0	349	339
JAN	203	83	228	45	54	56	0	0	485	184
FEB	93	162	85	223	59	35	0	0	237	420
QTR 2	420	385	467	421	182	137	2	0	1071	943
MAR	138	286	174	369	87	64	0	1	399	720
APR	60	227	34	246	18	42	0	0	112	515
MAY	189	120	175	136	80	48	0	0	444	304
QTR 3	387	633	383	751	185	154	0	0	955	1539
Year to Date/ Year End	1586	2182	1672	2349	788	729	4	10	4050	5271

TOWING, STORAGE AND BOOTING ADVISORY BOARD

Licensing Division Staff Report

July 14, 2017

Tow Trucks	New	New % Online	Renewed	Renewed % Online	Population
FY2010	3252	93%	7343	86%	10636
FY2011	3319	97%	7692	86%	10817
FY2012	3300	97%	7813	85%	10878
FY2013	3331	98%	7633	83%	10655
FY2014	3526	98%	7634	90%	10709
FY2015	3995	98%	7998	90%	11243
FY2016	3772	98%	7698	90%	11406
FY2017 QTR 1	1401	94%	6389	90%	11448
FY2017 QTR 2	1400	90%	5662	87%	10469
FY2017 QTR 3	1540	91%	6350	89%	11406

Tow Company and Tow Truck Population Numbers by Type of Towing

Type of Towing	Company	Tow Truck
Consent	1889	3619
Private Property	141	328
Incident Management	2073	7459
Total**	4026	11406

**As of 6/13/2017

Vehicle Storage Facilities	New	New % Online	Renewed	Renewed % Online	Population
FY2010	310	80%	1695	78%	1945
FY2011	244	84%	1678	78%	1853
FY2012	308	81%	1925	78%	1851
FY2013	256	81%	2632	80%	1805
FY2014	152	88%	2706	87%	1756
FY2015	272	86%	2920	86%	1744
FY2016	164	78%	2839	84%	1790
FY2017 QTR 1	55	55%	793	88%	1793
FY2017 QTR 2	71	58%	843	85%	1800
FY2017 QTR 3	78	56%	750	87%	1801

Boot Companies	New	New % Online	Renewed	Renewed % Online	Population
FY2010	8	N/A	3	N/A	3
FY2011	2	N/A	2	N/A	11
FY2012	4	N/A	7	N/A	11
FY2013	6	N/A	4	N/A	13
FY2014	5	N/A	4	N/A	9
FY2015	3	N/A	7	N/A	11
FY2016	7	N/A	7	N/A	16
FY2017 QTR 1	1	N/A	2	N/A	15
FY2017 QTR 2	3	N/A	2	N/A	15
FY2017 QTR 3	1	N/A	2	N/A	16

Tow Operators	New	New % Online	Renewed	Renewed % Online	Population
FY2010	4555	77%	6492	98%	11818
FY2011	3971	78%	7089	98%	11708
FY2012	3567	88%	7466	99%	11590
FY2013	3830	92%	7482	99%	10905
FY2014	3765	93%	7462	93%	11812
FY2015	4148	95%	8256	99%	13345
FY2016	4191	95%	7304	99%	14399
FY2017 QTR 1 Consent Tow	431	99%	589	100%	4754
FY2017 QTR 2 Consent Tow	394	98%	546	99%	4797
FY2017 QTR 3 Consent Tow	386	99%	540	99%	4671
FY2017 QTR 1 Private Prop	12	92%	51	100%	249
FY2017 QTR 2 Private Prop	13	100%	34	100%	251
FY2017 QTR 3 Private Prop	17	88%	29	100%	250
FY2017 QTR 1 Incident Mgt	391	95%	1014	99%	5977
FY2017 QTR 2 Incident Mgt	278	93%	813	100%	5939
FY2017 QTR 3 Incident Mgt	343	96%	748	99%	5929
FY2017 QTR 1 Dual CT	15	93%	13	100%	121
FY2017 QTR 2 Dual CT	15	100%	7	100%	120
FY2017 QTR 3 Dual CT	20	100%	7	100%	120
FY2017 QTR 1 Dual PP	4	100%	6	100%	50
FY2017 QTR 2 Dual PP	9	100%	4	100%	48
FY2017 QTR 3 Dual PP	3	100%	6	100%	45
FY2017 QTR 1 Dual IM	214	95%	524	99%	3276
FY2017 QTR 2 Dual IM	177	97%	401	100%	3341

FY2017 QTR 3 Dual IM	184	98%	456	99%	3353
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Vehicle Storage Facility Employees	New	New % Online	Renewed	Renewed % Online	Population
FY2010	1377	91%	3040	96%	5042
FY2011	1222	92%	2897	98%	4331
FY2012	1057	95%	2710	98%	3935
FY2013	967	97%	2453	99%	3649
FY2014	896	97%	2343	90%	3371
FY2015	939	97%	2267	99%	3314
FY2016	948	96%	1986	99%	3535
FY2017 QTR 1	262	97%	498	99%	3785
FY2017 QTR 2	228	98%	410	99%	3476
FY2017 QTR 3	232	98%	455	99%	3492

Boot Operators	New	New % Online	Renewed	Renewed % Online	Population
FY2010	28	N/A	0	N/A	28
FY2011	41	N/A	13	N/A	61
FY2012	21	67%	16	100%	44
FY2013	40	83%	16	100%	60
FY2014	52	71%	18	100%	74
FY2015	25	72%	19	95%	54
FY2016	57	35%	23	95%	93
FY2017 QTR 1	17	29%	5	100%	104
FY2017 QTR 2	15	60%	2	100%	113
FY2017 QTR 3	18	89%	7	100%	99

Tow Operator Trainee	New	New% Online	Renewed	Renewed % Online	Population
FY2017 QTR 1	6	N/A	N/A	N/A	7
FY2017 QTR 2	11	N/A	N/A	N/A	13
FY2017 QTR 3	5	N/A	N/A	N/A	10