

1. Report No. FHWA/TX-91/1202-1F	2. Government Accession No.	3. Recipient's Catalog No.	
4. Title and Subtitle An Analysis of Violations of the Texas Motor Vehicle Registration Laws and Revenue Losses		5. Report Date May 1990/Revised	6. Performing Organization Code
7. Author/s: Jack T. Lamkin and Matt J. McAllister		8. Performing Organization Report No. Research Report 1202-1F	
9. Performing Organization Name and Address Texas Transportation Institute The Texas A&M University System College Station, Texas 77843-3135		10. Work Unit No.	11. Contract or Grant No. Study No. 2-12-89-1202
12. Sponsoring Agency Name and Address Texas State Department of Highways and Public Transportation; Transportation Planning Division P. O. Box 5051 Austin, Texas 78763		13. Type of Report and Period Covered Final - September 1988 November 1989	
14. Sponsoring Agency Code			
15. Supplementary Notes Research performed in cooperation with DOT, FHWA. Research Study Title: Registration Violation Enforcement			
16. Abstract This report documents the finding of a study of the extent of violations of the Texas Motor Vehicle Registration Laws in Texas and the revenue loss to the state due to these violations. Information is presented relative to the extent of the problem in other states and their perspective of revenue losses, enforcement, major violation categories, and registration laws and regulations. A brief summary of Texas laws, including a recent Attorney General's Opinion, is presented. Information was developed from surveys sent to other U.S. states and Canadian Provinces. Violation rates were estimated from surveys conducted at shopping malls and county tax assessors' offices throughout Texas. An array of alternatives are presented to manage the problems associated with the noncompliance of the vehicle registration laws. Revenue loss estimates are reported for several in-violation categories. These include losses due to not registering in a timely manner by Texas residents, failure of new residents to transfer their out-of-state registration, and losses due to fraudulent practices such as theft and registration placed on wrong vehicles. It is estimated that the state loses in excess of \$10 million annually due to these violations.			
17. Key Words Vehicle Registration, Registration Violations, Revenue Loss, Motor Vehicle Laws		18. Distribution Statement No restrictions. This document is available to the public through the National Technical Information Service 5285 Port Royal Road Springfield, Virginia 22161	
19. Security Classif. (of this report) Unclassified	20. Security Classif. (of this page) Unclassified	21. No. of Pages 98	22. Price

AN ANALYSIS OF VIOLATIONS OF THE
TEXAS MOTOR VEHICLE REGISTRATION
LAWS AND REVENUE LOSSES

by

Jack T. Lamkin

and

Matt J. McAllister

Research Report 1202-1F
Research Study Number 2-12-89-1202
Registration Violation Enforcement

Sponsored by

Texas State Department of Highways
and Public Transportation
in cooperation with
U. S. Department of Transportation
Federal Highway Administration

TEXAS TRANSPORTATION INSTITUTE
The Texas A&M University System
College Station, Texas 77843-3135

May 1990

METRIC (SI*) CONVERSION FACTORS

APPROXIMATE CONVERSIONS TO SI UNITS

Symbol	When You Know	Multiply By	To Find	Symbol
LENGTH				
in	inches	2.54	millimetres	mm
ft	feet	0.3048	metres	m
yd	yards	0.914	metres	m
mi	miles	1.61	kilometres	km

AREA				
in ²	square inches	645.2	millimetres squared	mm ²
ft ²	square feet	0.0929	metres squared	m ²
yd ²	square yards	0.836	metres squared	m ²
mi ²	square miles	2.59	kilometres squared	km ²
ac	acres	0.395	hectares	ha

MASS (weight)				
oz	ounces	28.35	grams	g
lb	pounds	0.454	kilograms	kg
T	short tons (2000 lb)	0.907	megagrams	Mg

VOLUME				
fl oz	fluid ounces	29.57	millilitres	mL
gal	gallons	3.785	litres	L
ft ³	cubic feet	0.0328	metres cubed	m ³
yd ³	cubic yards	0.0765	metres cubed	m ³

NOTE: Volumes greater than 1000 L shall be shown in m³.

TEMPERATURE (exact)				
°F	Fahrenheit temperature	5/9 (after subtracting 32)	Celsius temperature	°C

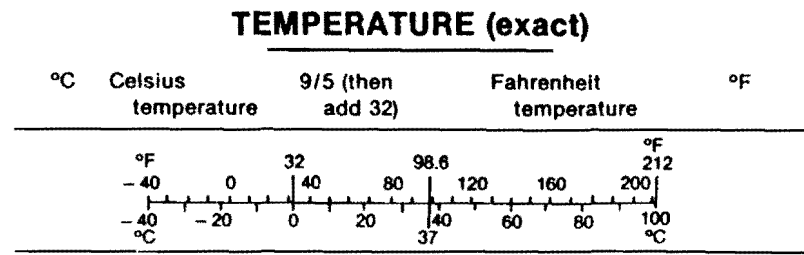
APPROXIMATE CONVERSIONS TO SI UNITS

Symbol	When You Know	Multiply By	To Find	Symbol
LENGTH				
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m	metres	3.28	feet	ft
m	metres	1.09	yards	yd
km	kilometres	0.621	miles	mi

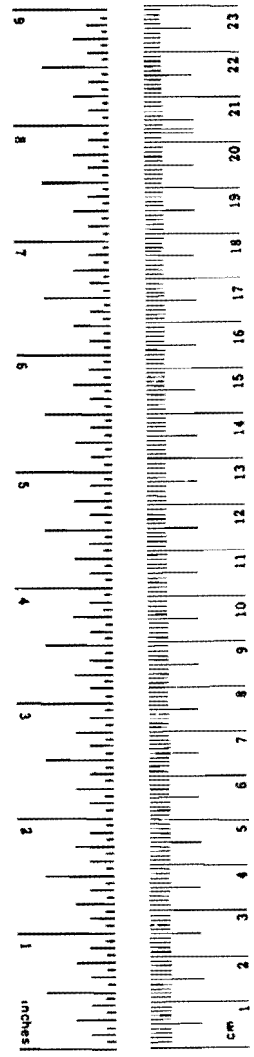
AREA				
mm ²	millimetres squared	0.0016	square inches	in ²
m ²	metres squared	10.764	square feet	ft ²
km ²	kilometres squared	0.39	square miles	mi ²
ha	hectares (10 000 m ²)	2.53	acres	ac

MASS (weight)				
g	grams	0.0353	ounces	oz
kg	kilograms	2.205	pounds	lb
Mg	megagrams (1 000 kg)	1.103	short tons	T

VOLUME				
mL	millilitres	0.034	fluid ounces	fl oz
L	litres	0.264	gallons	gal
m ³	metres cubed	35.315	cubic feet	ft ³
m ³	metres cubed	1.308	cubic yards	yd ³



These factors conform to the requirement of FHWA Order 5190.1A.



* SI is the symbol for the International System of Measurements

EXECUTIVE SUMMARY

Violations of the Texas Motor Vehicle Registration Laws are a major concern of personnel within the State Department of Highways and Public Transportation with responsibility of enforcement of these laws. Income from vehicle registrations represents a substantial portion of revenue to the highway fund, and violations represent a loss of revenue. Relatively little documentation, however, exists which substantiates the magnitude of this loss. This report develops estimates of these violations in several categories and the associated revenue loss to the state.

A survey sent to all states and Canadian Provinces indicated that Texas is not the only jurisdiction confronted with this problem. Several of the states responding to the survey stated that violations of their registration laws was significant and resulted in a substantial revenue loss. Only four states, however, had attempted to document the extent of this problem.

Data collected at various shopping mall parking lots throughout Texas as well as information collected at county tax assessor/collectors' offices were used in developing estimates of vehicle registration violations. The mall survey identified and documented the number of vehicles being driven with expired registration. Also this survey created information used later in estimating revenue lost from out-of-state vehicle owners who are required to register, but do not.

A county survey was designed to both verify the information obtained by the shopping mall survey and provide additional information about registrants who sign non-use affidavits and thus pay prorated registration fees. Registration receipts in a sample of 12 counties were examined and specific information from the documents were recorded.

Revenue losses to the state due to registration violations were estimated to be \$10.5 million annually. This loss is composed of three violation categories: the failure of Texas residents to register their vehicle in a timely manner, the failure of new residents to Texas to transfer out-of-state vehicle registration, and the fraudulent use of theft of vehicle registration.

The report discusses several alternatives for SDHPT consideration in dealing with this problem and regarding the magnitude of the revenue loss estimate. These alternatives are: (1) do nothing, (2) a public awareness program, (3) increased law enforcement, (4) an information system, (5) standardize procedures at the county level, (6) registration replacement procedures, (7) an information system for new residents, (8) a bounty program for violators, (9) establish higher penalties for violations, and (10) sale and issuance of vehicle registration by SDHPT employees.

ABSTRACT

This report documents the finding of a study of the extent of violations of the Texas Motor Vehicle Registration Laws in Texas and the revenue loss to the state due to these violations. Information is presented relative to the extent of the problem in other states and their perspective of revenue losses, enforcement, major violation categories, and registration laws and regulations. A brief summary of Texas laws, including a recent Attorney General's Opinion is presented.

Information was developed from surveys sent to other U.S. states and Canadian Provinces. Violation rates were estimated from surveys conducted at shopping malls and county tax assessors' offices throughout Texas.

An array of alternatives are presented to manage the problems associated with the noncompliance of the vehicle registration laws.

Revenue loss estimates are reported for several in-violation categories. These include losses due to not registering in a timely manner by Texas residents, failure of new residents to transfer their out-of-state registration, and losses due to fraudulent practices such as theft and registration placed on wrong vehicles. It is estimated that the state loses in excess of \$10 million annually due to these violations.

IMPLEMENTATION STATEMENT

The findings of the investigation suggest that the violation of Texas Motor Vehicle Laws coupled with the resulting revenue loss may have serious implications for the State Department of Highways and Public Transportation. There is strong evidence that the revenue loss is material. An array of alternatives is considered to help manage the problems associated with these violations.

DISCLAIMER

The contents of this report reflect the views of the authors who are responsible for the accuracy of the data and the facts presented herein. The contents do not necessarily reflect the official view or policies of the Texas State Department of Highways and Public Transportation.

This report does not constitute a standard, specification, or regulation.

ACKNOWLEDGEMENT

The authors express their appreciation to the Texas State Department of Highways and Public Transportation, the study's sponsor. Ms. Dian Neill, Director of the Motor Vehicle Division, SDHPT, was the Technical Contact for the study and provided vital information, assistance and encouragement. In addition, Mr. Jerry Burleson, Phil Brooks and Tony Reda served as key contacts during the study and were most helpful.

The information provided by several states concerning vehicle registration procedures and statistics in their states was very useful.

The tax assessors offices in Brazos, Bastrop, Harris, Fayette, Bell, Anderson, Washington, McLennan, Robertson, Travis, Milan and Falls generously made records and data available for the study. The information obtained from these sources was extremely beneficial to the study objectives.

Finally, thanks to the cooperation from the management at the following malls, the study team was able to obtain good estimates of violation rates: Post Oak Mall, Temple Mall, Central Park Mall, Richland Mall, Parkdale Mall, Northcross Mall, Longview Mall, Sunrise Mall, Mall of Abilene, Sunset Mall, El Centro Mall, Irving Mall, SouthPark Mall, Barton Creek Mall, South Plains Mall, Western Plaza Mall, Basset Center Mall and Sikes Center Mall. Without their willingness to participate in the project it would have been virtually impossible to develop certain aspects of the data used in the report.

Mrs. Barbara Lorenz and Ms. Tena Measles both deserve a special thanks for their time, skills and patience in preparing this report.

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	iv
ABSTRACT	vi
IMPLEMENTATION STATEMENT	vii
DISCLAIMER	vii
ACKNOWLEDGEMENT	viii
1.0 INTRODUCTION	1
1.1 Background	1
1.2 Study Objective	2
1.3 Related Research	2
1.4 Study Approach	3
1.5 Report Organization	3
2.0 REVIEW OF PREVIOUS STUDIES	4
2.1 Introduction	4
2.2 Wisconsin Study	4
2.2.1 Wisconsin Methodology	4
2.2.2 Study Findings and Remedies	5
2.3 Maine Study	6
2.3.1 Maine Methodology	6
2.3.2 Results and Conclusions of Maine's Study	7
2.4 Minnesota Study	7
2.4.1 Minnesota Methodology	7
2.4.2 Results and Discussion of Minnesota's Study	8
2.4.3 Possible Explanation of Results	8
2.5 California Study	9
2.5.1 California Methodology	9
2.5.2 California's Study Results	10
2.6 Summary	10
3.0 STATE SURVEY	11
3.1 Introduction	11
3.2 Survey of Other States and Canadian Provinces	11
3.2.1 Section I: Registration Laws	11
3.2.2 Section II: Registration Revenue	17
3.3 Review of Texas Motor Vehicle Laws	19
3.3.1 Texas Registration Procedures	19
3.3.2 Recent Legislative Changes	20
3.3.3 Out-of-State Vehicles Registration Procedures	21
3.3.4 Vehicle Registration Summary - Current Vehicle Registration	21
3.4 Additional Vehicle Registration Data	22

	<u>Page</u>
3.5 Summary of Recent Attorney General's Opinion on Status of Winter Residents	24
REFERENCES	25
4.0 SURVEY AND DATA COLLECTION PROCEDURES	26
4.1 Introduction	26
4.2 Shopping Mall Survey	26
4.2.1 Objectives	26
4.2.2 Methodology	27
4.3 County Registration Receipts Survey	29
4.3.1 Objectives	29
4.3.2 Methodology	29
4.3.3 Motorist Paying Late Penalties or Prorated Fees	30
5.0 REGISTRATION VIOLATIONS AND REVENUE LOSS ESTIMATES ...	32
5.1 Introduction	32
5.2 Classification of Vehicles	32
5.3 Survey Results	33
5.3.1 Mall Survey	37
5.3.2 Out-of-State and Foreign Registered Vehicles	41
5.3.3 County Survey	46
5.4 Replacement Registrations	49
5.4.1 Reasons for Issuance of Replacements	52
5.4.2 Revenue Loss Estimates Attributable to Issuance of Replacements	53
5.5 Revenue Loss Estimates	54
5.5.1 Fiscal Note on Senate Bill 378	57
6.0 ALTERNATIVES	58
6.1 Introduction	58
6.2 Do Nothing	58
6.3 Public Awareness	58
6.4 Increased Law Enforcement	58
6.5 Information System	59
6.6 Standardized Procedures at the County Level	59
6.7 Registration Replacement	60
6.8 New Residents	60
6.9 Bounty Program	60
6.10 Higher Penalties	61
6.11 Sale and Issuance of Vehicle Registration by SDHPT Employees ...	61
APPENDIX	62

LIST OF TABLES

<u>Table</u>	<u>Page</u>
2.1 Number of Vehicles Discovered Expired by Month	8
2.2 Distribution of Number of Vehicles Unregistered by Number of Months Following Expiration	10
3.1 Summary of Time Allowed New Residents to Register a Vehicle, Other States and Canadian Provinces	12
3.2 Summary of Responses to Exemption Question	13
3.3 Summary of Responses to Penalty Assigned for Registration Violation Question	14
3.4 Summary of Distribution of Vehicle Registration Violation Income	15
3.5 Summary of Agencies Responsible for Enforcement of Vehicle Registration Laws	15
3.6 Summary of Priorities Assigned to Enforcement of Vehicle Registration Violations	16
3.7 Summary of Average Initial Fee for Vehicle Registration	17
3.8 Summary of Annual Total Number of Vehicles Registered per State	18
3.9 Summary of Perceptions of Vehicle Registration Problem in each State or Province	19
3.10 Distributions of Vehicles by Categories used to Assign Fees, by Age	22
3.11 Future Projection of Vehicle Population Through 1994 (in Millions)	23
3.12 Number of Out-of-State Title Applications	23
4.1 List of Malls and Cities Surveyed	27
4.2 Regular and Late Registration Fees Assigned by Age of Vehicle	30
4.3 Distribution of County Sample by Vehicle Owners Pay Late Penalty <u>vs</u> Prorated Registration Fee by Vehicle Age	31
5.1 Registration Classification of Vehicles Observed in Mall Survey	37

<u>Table</u>	<u>Page</u>
5.2 Distribution of Vehicles with Expired Registration by Age	38
5.3 Distribution of Vehicles with Expired Registration by Number of Months ..	39
5.4 Estimated Number of Vehicles with Expired Registration by Vehicle Age ..	40
5.5 Estimated Number of Vehicles with Expired Registration by Number of Months in Violation	41
5.6 Distribution of Out-of-State and Foreign Registered Vehicles by Texas Residence or Employment Indicator	44
5.7 Distribution of Out-of-State and Foreign Registered Vehicles by Status of Registration	44
5.8 Estimates of Out-of-State and Foreign Vehicle Population of Interest and Registration Violations	46
5.9 Distribution of Vehicles Assessed Prorated Registration Fee at Tax Assessor/Collector's Office, by Age	46
5.10 Distribution of Vehicles Assessed Prorated Registration Fee at Tax Assessor/Collector's Office, by Number of Months	47
5.11 Estimated Number of Vehicles Assessed Prorated Registration Fee, by Age of Vehicle	48
5.12 Estimated Number of Vehicles Assessed Prorated Registration Fee by Months Prorated	49
5.13 Estimated Revenue Loss Due to Registration Violation by Violation Category	55

LIST OF FIGURES

<u>Figure</u>	<u>Page</u>
5.1 Classification of Vehicles in Texas By Registration	34
5.2 Classification of Out-of-State and Foreign Vehicles	35
5.3 Classification of Vehicles with Texas Title	36
5.4 Distribution of Registration Violations by Age of Vehicle and Month Late: Mall Survey	42
5.5 Distribution of Vehicles Assessed Prorated fees by Age and Months Prorated: County Survey	50
5.6 Replacement Registrations Issued	51

MOTOR VEHICLE REGISTRATION VIOLATIONS AND ENFORCEMENT

1.0 INTRODUCTION

1.1 Background

Motor Vehicle registration provides the State of Texas with a source of revenue that is used to maintain the road and highway infrastructure. These revenues are diminished when owners fail to register their vehicles. Violations to motor vehicle registration laws are known to exist; however, the scope and extent of these violations have not yet been determined. According to State Department of Highways and Public Transportation (SDHPT) officials, the vast majority of violations are limited to passenger vehicles and light noncommercial trucks; and therefore, the discussion and proposed research is limited to these types.

There are five major categories of vehicle registration violations. The most obvious includes those violators who do not renew their vehicle registration when due. Another violation category comprises new residents to the state which do not register vehicles within 30 days of establishing residency. This category includes residents who continue to register their vehicle in their previous state of residence. Also, in this category, are those residents who are gainfully employed in Texas but reside in one of the bordering states (Arkansas, Louisiana, Oklahoma, or New Mexico), or Mexico. The third category includes seasonal vacationers to the Texas "sun belt" who maintain a permanent residency outside of Texas but reside in Texas resort communities for more than thirty days each year. A fourth group includes those individuals who knowingly place the registration sticker on the wrong vehicle. The final category of violations to vehicle registration includes Texas residents who have obtained their vehicle registration stickers through fraudulent procedures.

Passenger vehicle registration violations receive low priority enforcement from the Department of Public Safety (DPS) and local police. Understandably, officers have many tasks that need their attention. Also, enforcement efforts are hindered by the difficulty in identifying violations. For example, law enforcement officers cannot stop motorists (without probable cause) and determine residency of drivers of vehicles with

out-of-state license plates. In addition, such action would have a negative impact on the tourist industry of the state.

It is also difficult for officers to monitor the presence of current month and year stickers on Texas license plates. Unlike the vehicle inspection sticker which is affixed in the lower left corner of the windshield which can be monitored by an officer in the opposing traffic lane, the registration sticker is placed on the rear license plate. For every automobile an officer follows, he will meet many more in the traffic stream.

The total extent of revenue loss from these types of violations is not known. However, given the large vehicle population of the state, its history as an immigration area, the level of replacement stickers issued, and the large number of winter residents, a relatively small violation rate can result in considerable revenue loss to the state.

1.2 Study Objective

There are two primary objectives of this study:

- (1) Develop estimates of the total revenue lost annually from all categories of registration violations.
- (2) To identify enforcement problems and determine alternatives to decrease the overall level of motor vehicle violations.

1.3 Related Research

A computerized "key word" search of several databases on the subject of vehicle registration violations -- both rates and revenue loss -- indicated a void nationwide of previous research in this problem area.

However, during the conduct of the study, some states that had previously conducted studies concerning this problem were identified. Most of the previous work was done in-house for internal use only. One study was conducted by a consulting firm. Of the reports reviewed, most focused on the problem of state residents not reregistering in a timely manner. A discussion of these studies is found in Section 2.0.

1.4 Study Approach

As mentioned, the literature review did not yield any previous research on this specific subject and the in-house studies identified were of limited scope. Further, since many, if not all, of the perceived problems and extent of registration violations are predicated on undocumented knowledge, the research team determined that "hard information" was needed to define the scope of the problem. To meet this requirement, the following activities were conducted:

- (1) A questionnaire was prepared and sent by the Motor Vehicle Division, State Department of Highways and Public Transportation (SDHPT), to all states and Canadian Provinces.
- (2) A one-day sample survey of vehicles at mall parking lots located throughout Texas was conducted.
- (3) A survey and sample of vehicle registration data was conducted at the Tax Assessor/Collector's office in 12 counties.

Information was also obtained regarding:

- (1) The issuance of replacement stickers;
- (2) Vehicle title applications from out-of-state; and
- (3) Department of Public Safety enforcement of vehicle registration violations.

1.5 Report Organization

The report is organized into six sections. Section 2.0 is a review and discussion of studies conducted by other states. Section 3.0 provides information regarding the state survey as well as a summary of Texas laws and regulations regarding vehicle registration. The study procedures used in both the mall survey and county survey are presented in Section 4.0. Section 5.0 presents information on violation rates and associated revenue losses. Section 6.0 presents an array of alternatives for SDHPT consideration to reduce the current level of revenue loss.

2.0 REVIEW OF PREVIOUS STUDIES

2.1 Introduction

The study staff identified four studies conducted on, or relating to, the topic of revenue loss resulting from noncompliance with vehicle registration procedures in specific states. Previous studies done in Wisconsin, Maine, Minnesota and California were obtained and reviewed. Most of these studies were conducted by in-house staff to address specific problems and are not generally available. They were identified via a "State Survey."

2.2 Wisconsin Study

The objectives in this study were to determine the extent of vehicle registration problem in the state, the revenue implications, and options available to the department to correct the problem. The study was conducted by the Wisconsin Department of Transportation Bureau of Vehicle Registration and Licensing along with the Bureau of Planning and Analysis.

2.2.1 Wisconsin Methodology

The study consisted of two parts. The first involved a parking lot survey to determine the number and types of vehicles (cars, vans, cycles, and small trucks) located in these areas that had expired registration. This survey consisted of a random sample of parking lots in Madison, a town with a diversified population blend. There were four types of parking lots surveyed:

- restricted lots
- public lots with at least 50 stalls
- shopping centers
- grocery stores

A total of 50 sites were used, and 11,174 vehicles were inspected. All the vehicles that were in violation had their license numbers recorded.

The survey was conducted between October 16 and 21, 1984. The samples were taken at different times during different weekdays and weekends to stratify the sample.

The second aspect of the study was the in-house analysis of the out-of-state automobiles to determine the amount of time between establishment of official residency, which is voluntarily provided, and the time when the application for vehicle registration is submitted. The report stated Wisconsin would lose only interest revenues from violation by new residents. The lost interest would result from the time difference of when new residents initially enter and establish residency and the time they register their vehicle with the state. Revenue from registration is not lost because Wisconsin backdates to the date of initial residency for purposes of registration fees.

2.2.2 Study Findings and Remedies

The violation rate for expired plates was approximately 2.52 percent for automobiles. When expanded to the rest of the state, this violation rate suggested 57,071 vehicles with expired registration. At an average of \$25 the total loss could equal \$1,426,775.

After adding lost fines, lost interest, and lost court fees, Wisconsin estimated its loss could total over 10 million dollars.

The study concluded by suggesting four possible remedies to the revenue loss. The first was stricter law enforcement. It was suggested that an incentive program be developed, whereby a portion of the fine was returned to the county in which the citation was issued.

The second proposed solution was to increase the fee for registration. While this solution does nothing to prevent violations, it does compensate the state for lost revenue, but at the expense of law-abiding citizens.

The third alternative was to increase the fines for violation of the registration laws. The important part of this solution was that the penalty makes it too costly to chance operating a vehicle that is unregistered. Thus, it may become relatively less expensive to properly register a vehicle. Also, if the fines are increased, the priority assigned to enforcement may proportionally increase.

The final suggestion was to move to a one license plate system. The rationale here was that since law enforcement officials did not closely monitor compliance with both front and rear plates, there was no reason to incur the second license plate. However, other problems (primarily law enforcement) created by a one-plate system were not considered.

2.3 Maine Study

A meeting of a committee at the Maine Department of Transportation, assigned to study the feasibility of a new license plate issue, discussed possible losses from registration evasion. Although no specific data was available about Maine, it was mentioned that estimates for a national evasion rate ranged between 1.5 and 2 percent. Revenue lost from evasion of registration laws affects not only the highway fund, but also municipal budgets because of the loss of excise taxes.

To obtain specific data, the Maine Municipal Association, the Maine Division of Motor Vehicles, and the Maine Department of Transportation devised a plan, to survey street side and public parking areas to develop a representative number of vehicles in violation of registration laws. This number was then expanded statewide.

Only cars and pickups were examined in the 38 municipalities that participated. The expansion indicates a total evasion rate of 4 percent, which translated into an estimated annual loss of 1.5 million dollars.

2.3.1 Maine Methodology

The primary objective of the Maine study was to determine the evasion rate and to estimate the resulting dollar loss. To avoid bias in the data that might occur with municipality size, the sample size was determined by the population of the community.

The municipalities surveyed account for about 31 percent of Maine's total population and are geographically dispersed. The study was conducted by the employees of each municipality. During the survey, conducted on Thursday, August 7, 1984, no citations were issued to reduce bias from the movement of vehicles.

Because of the general public's belief and the general administrative practice of granting a one-month grace period, only vehicle registrations 13 months or older were considered in violation.

2.3.2 Results and Conclusions of Maine's Study

While registration revenue loss per vehicle was easy to estimate, loss from excise tax was difficult to calculate because of its complexity. This tax is based on vehicle age and price. An assumption was made that the evasion rate would be similar for all vehicle ages with the exception of those for the most recent year. Because it would be more difficult to evade the excise tax in that year, it was estimated that the evasion rate would be only 20 percent of the normal amount for the other years.

The study found an estimated evasion rate of 4.7 percent of the population of vehicles. Upon expansion to the state, 26,500 vehicles were assumed to be in violation of registration statutes. At \$20 per vehicle, the total loss of registration revenue equates to \$530,000. Also an estimate of \$1,134,000 was made for the loss of excise tax.

2.4 Minnesota Study

To develop an estimate of noncompliance with vehicle registration laws, the Department of Public Safety in Minnesota sanctioned a survey of parked vehicles. Some modifications in the methodology of the survey were made after review of a proposal submitted by 3M Corporation.

2.4.1 Minnesota Methodology

Vehicle sampling was conducted based on the number of plates on passenger vehicles in every county of the state. The percent of passenger plated vehicles per county was used to determine the number of vehicles to be surveyed in that county. The sample size used was 10,000.

The survey was done in both commercial and residential settings, to avoid both understatement and overstatement bias due to different types of parking areas. Some residential neighborhoods allow vehicles to be legally parked, although unregistered, as long as the vehicles are not operated.

To avoid a data bias from the demographic rural versus urban characteristics of geographical locations, the researchers required that half the vehicles surveyed be in the county seat and the other one-half be dispersed throughout the remainder of the county. This method was expected to address not only the rural/urban concern, but also any per capita income biases that could alter the data.

2.4.2 Results and Discussion of Minnesota's Study

The results of the sample indicated an average percentage of expired registration of 1.69 (169/10,050) for all vehicles sampled (Table 2.1). The special residential sample showed 2.1 percent (21/1,000) of the vehicles surveyed to be expired.

Table 2.1. Number of Vehicles Discovered Expired by Month

Month	Number of Expired for this Month	Percent of Total
March	2	1.2
April	6	3.6
May	9	5.3
June	10	5.9
July	5	3.0
August	10	5.9
September	15	8.9
October	17	10.1
November	40	23.7
December	<u>55</u>	<u>32.6</u>
TOTAL	169	100.0

*Although the information in the Minnesota report referenced no specific date, it is believed that the study was conducted between January and March of 1987.

2.4.3 Possible Explanation of Results

Three factors were listed as possible explanations for the results. First, Minnesota did not have allowances for proration of fees, except for the initial registration. Thus if an owner failed to renew the registration on a vehicle for six months, the state still collected the full fee when the owner finally renewed the

registration. The only revenue loss would be the interest accumulated on the fees which, they assumed, was minimal.

Secondly, because the license goes with the automobile upon transfer of ownership, the system further assures that fees will not go uncollected. When the vehicle title is transferred, the tax paid on the purchase of the vehicle alerts the Department of Public Safety to any delinquent taxes owed for registration. Thus, owners of older vehicles who trade up to newer vehicles are prevented from paying the lower registration fees for the older vehicles.

Lastly, law enforcement was considered to be an important factor in deterring vehicle registration violations. Enforcement was considered fairly consistent throughout the state.

2.5 California Study

The information in the California study was developed in response to a program initiated by the Department of Motor Vehicles designed to address the problem of non-compliance with vehicle registration laws. The program was two-fold. First, a comprehensive automated system identified, selected, and generated notices for delinquent registration. Later, the system processed the remaining uncleared records and designated them for manual collection.

2.5.1 California Methodology

A procedure was developed to estimate the number of vehicle owners who did not comply with registration statutes. This procedure included the use of a computer program and the vehicle registration database to cross-check for those owners who were not currently registered. Also a cross-check with the database for driver's license was made to discover the number of citations issued by law enforcement for operation of unregistered vehicles. From this information, an assessment was made of the vehicle registration violation problem.

2.5.2 California Study Results

The information provided by the California Department of Vehicles, Vehicle Registration, Policy and Program Department indicated that 7 percent of California's vehicles are not renewed annually. Also, as of March 3, 1989, 15 percent of the vehicles in California's database were unregistered. This last number includes those vehicles that are identified as salvage items or vehicles moved out-of-state. The distribution of vehicles left unregistered is by number of months following expiration date, approximated from data supplied in a graph represented in Table 2.2.

Table 2.2. Distribution of Number of Vehicles Unregistered by Number of Months Following Expiration

Number of Months Following Expiration	Approximate Percent of Vehicles Remaining Unregistered
1	25
2	19
3	16
4	15
5	13
6	12
7	11
8	10
9	9
10	8

2.6 Summary

Although a "key word" search uncovered no published information, unpublished data was obtained from four states. In these studies, vehicle registration violation rates were 2.5 percent in Wisconsin, 4 percent in Maine, 1.6 percent in Minnesota and over 7 percent in California. The methodologies performed ranged from simple techniques to rather complex procedures, like the computerized database file pass. The information was developed to obtain an estimate of the registration violation problem.

3.0 STATE SURVEY

3.1 Introduction

This section presents a summary of the survey of states conducted by the research staff. In cooperation with members of the Motor Vehicle Division, SDHPT, a questionnaire was developed which addressed aspects of vehicle registration and violation experience. Also in this Section is a discussion of the Texas Motor Vehicle Registration Laws, procedures, and regulations.

3.2 Survey of Other States and Canadian Provinces

A survey was sent to the state agencies responsible for vehicle registration in the U.S. and the Provinces of Canada. Forty states and eight provinces responded to this survey. A copy of the questionnaire is located in the Appendix. Much of the data is summarized in the following tables.

3.2.1 Section I: Registration Laws

What is the elapsed time allowed a new resident before registering a vehicle?

_____ Months

Nineteen (52.8%) states or provinces indicated that they allowed recent residents 16-30 days after initial arrival before their vehicle must be registered. (Table 3.1)

Table 3.1. Summary of Time Allowed New Residents to Register a Vehicle, Other States and Canadian Provinces

Days after Arrival	Number Responded	Percent of Total
1-15	3	8.3
10-30	19	52.8
31-45	2	5.6
45-60	6	16.7
61-75	0	0
76-90	4	11.1
>90	<u>2</u>	<u>5.6</u>
TOTAL	36	100.0

The next question was designed to determine what types of exemptions to vehicle registration laws other states or provinces allowed. The question asked was:

Does the State have provisions for: (yes or no)

Student exemptions _____

Military _____

Long-term visitors _____

By far the largest response was student coupled with military exemptions. Twenty-one (44.2%) respondents indicated that only these two exemptions existed. Thirteen (27.7%) respondents indicated that their state allowed student, military, and long-term visitors exemptions. (Table 3.2)

Table 3.2. Summary of Response to Exemption Question

	Number Responded	Percent of Total
No exemptions/no response	5	10.6
Student only	6	12.8
Military only	1	2.1
Long-term visitors only	1	2.1
Student & Military	21	44.7
All three exemptions	<u>13</u>	<u>27.7</u>
TOTAL	47	100.0

The next question was designed to determine the type of penalty assigned to the failure to properly register a vehicle. The question was asked:

What type of penalty is accompanied with violation of the state's registration laws?

Civil _____

Criminal _____

Twenty-eight (58.3%) of the forty-eight respondents to this question reported the penalty was a civil one. Slightly over one quarter, 27.1 percent, responded that the penalty in their state or province was a criminal one. (Table 3.3)

Table 3.3. Summary of Responses to Penalty Assigned for Registration Violation Question

Type of Penalty	Number Responded	Percent of Total
Civil	28	58.3
Criminal	13	27.1
Both	2	4.2
Other Penalty	2	4.2
No Response	<u>3</u>	<u>6.3</u>
TOTAL	48	100.0

The next question, designed to determine to which part of the state or province registration income went, asked:

If the penalty is monetary, where do the funds go?

Highways _____ General Revenue _____ Other (specify) _____

Twenty-one (61.8%) of the thirty-four respondents indicated that some, if not all, revenue received from violations of vehicle registration laws went to the General Revenue fund. The next most frequent response, the Highway Departments, appeared in 7 of the 34 completed and returned questionnaires. (Table 3.4)

Table 3.4. Summary of Distribution of Vehicle Registration Violation Income

Recipients of Vehicle Registration Violation Income	Number Responded	Percent of Total
Highways	7	20.6
General Revenue	19	55.9
County of Infraction	4	11.8
General Revenue & County of Infraction	2	5.9
Schools	1	2.9
Attorney General	<u>1</u>	<u>2.9</u>
TOTAL	34	100.0

Three other questions centered around the priority assigned for enforcement of vehicle registration laws and to whom responsibility for enforcement was bestowed. The following question was first asked:

What agency is primarily responsible for enforcement of vehicle registration laws in your state?

Sixty-eight percent responded that all law enforcement agencies had enforcement responsibility. (Table 3.5)

Table 3.5. Summary of Agencies Responsible for Enforcement of Vehicle Registration Laws

Agency Responsible	Number Responded	Percent of Total
State Police	4	10.5
Highway Department	4	10.5
Royal Canadian Mounted Police	1	2.6
All Law Enforcement	26	68.4
Other Responses	<u>3</u>	<u>7.9</u>
TOTAL	38	100.0

The other two questions in the first section of the questionnaire were designed to determine priorities assigned and explanation for these.

The questions asked were:

- **In your opinion, what type of priority do the enforcement agencies assign to this violation? (A scale of 1 to 5 was provided)**
- **In your opinion why is the priority assignment this way?**

More than 46 percent of the respondents assigning an enforcement priority were of the opinion that registration violation is a low priority offense. Only 26.8 percent indicated that these were high priority violations. (Table 3.6)

The reason most often given for a low ranking was the need of law officers to focus on more serious type traffic violations. High ranks were most often associated with the revenue generating function of vehicle registration.

Table 3.6. Summary of Priorities Assigned to Enforcement of Vehicle Registration Violations

Priority Rank	Number of Respondents*	Percent of Total
Low	19	46.3
Medium	11	26.8
High	<u>11</u>	<u>26.8</u>
TOTAL	41	100.0

*Five respondents did not assign priority

3.2.2 Section II: Registration Revenue

This section was designed to determine the revenue implications from vehicle registrations in each state and province. To discover the fee charged for initial vehicle registration, the following question was asked:

What was the average fee for initial registration of:

Cars _____

Light Trucks _____

Motor homes/Travel trailers _____

Thirty-three (68.7%) of the respondents reported a fee between \$11 and \$40. Thus, well over half of the average initial fees were under \$40. Only one state reported a fee of over \$100. (Table 3.7)

Table 3.7. Summary of Average Initial Fee for Vehicle Registration

Registration Fee Passenger Vehicle (Dollars)	Number Responded	Percent of Total
< 20	10	20.8
21 - 30	15	31.2
31 - 40	8	16.7
41 - 50	4	8.3
51 - 61	5	10.4
> 61	1	2.1
No Response/No Fees	<u>5</u>	<u>10.4</u>
TOTAL	48	100.0

Another question was placed on the survey to determine the number of vehicles registered in each state per year. The question asked was:

What is the total number of vehicles registered in 1987 for:

Cars _____

Light Trucks _____

Motor homes/Travel trailers _____

Seventy-four percent of the states and provinces responded had less than 3,000,000 registered vehicles. Only Florida (10,559,127), Texas (11,805,000) and California (23,125,400) responded with numbers in excess of 10 million. (Table 3.8)

Table 3.8. Summary of Annual Total Number of Vehicles Registered per State

Number of Vehicles Registered	Number Responded	Percent of Total
Less 1,000,000	14	30.4
1,000,000 to 1,999,999	11	23.9
2,000,000 to 2,999,999	9	19.6
3,000,000 to 3,999,999	5	10.9
4,000,000 to 10,000,000	5	10.9
greater than 10,000,000	<u>3</u>	<u>6.3</u>
TOTAL	46	100.0

Upon review of the responses to the questions regarding replacements, it was determined that either many respondents did not understand the question or such information was not readily available. The intention of the study staff was to determine the number of duplicate stickers or license plates issued to registrants who for some reason lost their sticker or plate.

The last question was designed to obtain a subjective estimate by the respondents of their perception of the greater problem, failure by new residents to register or failure of present residents to reregister their vehicles. The question asked was:

Which problem do you think is greater?

Failure to reregister a vehicle _____

Failure to register by a new resident _____

Although slightly more responded that failure of new residents to register was the larger problem (47.9%), nearly as many (41.7%) returned questionnaires that indicated that failure to reregister was more pressing in their states. Over 10 percent did not make a subjective determination because they lacked either the qualification or the information. (Table 3.9)

Table 3.9. Summary of Perceptions of Vehicle Registration Problem in each State or Province

Response Given	Number Responded	Percent of Total
No response	5	10.4
Failure to reregister	20	41.7
New residents avoiding registration	<u>23</u>	<u>47.9</u>
TOTAL	48	100.0

3.3 Review of Texas Motor Vehicle Laws

In this section, Texas vehicle registration laws will be discussed as they pertain to this study and its findings.

3.3.1 Texas Registration Procedures

Applicants file for registration with the tax assessor in the county in which these applicants reside or in the county where the vehicle is purchased. The renewal transaction may be completed by mail with a \$1 handling fee. The vehicle registration may also be renewed by payment at the county courthouse or substation.

Registration for passenger automobiles, light trucks, motorcycles, mopeds, farm trucks, farm trailers, and travel trailers is conducted on a staggered basis, expiring monthly

throughout the year. The month of expiration corresponds to month of initial registration of the vehicle. Registration for all vehicles not included in the previous list expires yearly on March 31. State law provides vehicle owners with a five-day grace period from the last day of the month of expiration.

Registration fees are based on the age of the vehicle with new vehicles paying higher fees. A 20 percent penalty (late fee) is assessed on vehicles with delinquent registration (VCS 6675a-3a).

<u>Vehicle Age</u> <u>(from data of annual registration)</u>	<u>Registration Fee</u>	<u>Late Fee</u> <u>(20% Penalty)</u>
> 6 years	\$40.80*	\$ 8.10
4 - 6 years	\$50.80*	\$10.10
≤ 3 years	\$58.80*	\$11.70

*Included in each is a \$.30 reflectorization fee.

Vehicle plates, which are multiyear, are validated by a sticker, that changes color at calendar year end and has the month of expiration printed across its face. The sticker material and the license plate are reflectorized. (There is a 30 cent charge for reflectorization.)

Each of the 254 counties has the option of adding an additional \$5 fee that is included in the county's road and bridge fund. If assessed, this fee must be collected at the time of registration.

Replacement license plates are issued at a charge of \$5.30 a pair. A duplicate registration receipt can be obtained for a \$2 fee.

License plates remain on the vehicle when it is sold, and thus, a transfer of registration is required by the state for the new owner upon sale. The fee for transfer of title is \$10 and \$2.50 for transfer of registration. If an application for title and registration transfer is not made within 20 working days of the actual transfer, a \$10 penalty is assessed.

3.3.2 Recent Legislative Changes

During the regular session of the 71st Texas Legislature (1989) certain changes were made in the vehicle registration laws (S.B. 378). These changes took effect September 1,

1989 at the conclusion of this study and as the report was being prepared.

Effective September 1, 1989 state law allows a judge to dismiss the misdemeanor charge of driving a vehicle with expired registration and the fine of up to \$200 if the defendant registers the vehicle within 10 working days. The judge may instead assess an administrative fee of up to \$10 when the violation has been corrected (S.B. 378: V.C.S. 6675a-3e: Section 7).

Since this legislation has been in effect a relatively short time, the full implications are unknown. However, it appears that, at a minimum, the grace period has been extended from 5 to 10 days and the threat of a misdemeanor violation and fine of up to \$200 considerably reduced. [See Secion 5.5.1].

3.3.3 Out-of-State Vehicles' Registration Procedures

Nonresident owners of passenger cars or light commercial vehicles who establish residence or enter into employment have 30 days in which they may legally operate their vehicles with out-of-state plates. At the end of this grace period, the owner must properly register the vehicle in Texas.

Military personnel on active duty and enrolled students have an exemption from registration and may maintain their home state vehicle registration.

3.3.4 Vehicle Registration Summary - Current Vehicle Registration

Table 3.10 shows the categories used by the state of Texas vehicle registration and the number of vehicles in these categories. The number indicated for commercial vehicles in the table represent only 90 percent of the total number of commercial vehicles registered. The remaining 10 percent include large trucks and other miscellaneous vehicles not included in this study. Over 52 percent of the total of passenger vehicles and the adjusted commercial vehicle total fall into the category vehicles older than 1983 model year. The other two age categories distribute the remaining fairly evenly, 24.5 percent and 23.4 percent for model years 1986-1988 and 1983-1985.

Almost 8 million of the total 10.9 million vehicles registered are passenger vehicles. Passenger vehicles older than 1982 make up almost 38 percent of the total vehicles registered.

Table 3.10. Distributions of Vehicles by Categories used to Assign Fees*, By Age

Model Year	Number of Registered Vehicles			Percent of Total
	Commercial	Passenger	Total	
1986-1988	695,954	1,982,103	2,678,057	24.5
1983-1985	681,287	1,877,268	2,558,555	23.4
older than 1983	<u>1,573,060</u>	<u>4,131,308</u>	<u>5,704,368</u>	<u>52.1</u>
TOTAL	2,950,301	7,990,679	10,940,980	100.0

*Source: Motor Vehicle Division, SDHPT. The information provided was adjusted by removal of 1989 Model vehicles and only 90 percent of commercial vehicles. The vehicle population and distribution in this Table is used in Section 5.0 to estimate revenue loss.

3.4 Additional Vehicle Registration Data

This section is directed to the presentation of additional data relating to motor vehicle registration in Texas. The data in Table 3.11 relate to projected vehicle population growth and form the basis for estimated revenue loss within the next five years. Table 3.12 presented data on the number of out-of-state vehicle titles surrendered and is used in Section 5.0 in estimating the violation rate for out-of-state registered vehicles.

Projections obtained from SDHPT indicate the vehicle population of passenger cars and light trucks will continue to grow through 1994. The rate of growth ranges from 1.62 percent in 1990 to 1.14 percent in 1994, declining steadily each year. In 1990, 11.72 million vehicles will make up the Texas vehicle population of passenger cars and light trucks, while in 1994 this number will increase to 12.38 million. This information is summarized in Table 3.11.

Table 3.11. Future Projection of Vehicle Population Through 1994 (in Millions)

Year	Projected Passenger Cars and Light Truck Population	Percent Change
1990	11.72	1.62
1991	11.91	1.51
1992	12.09	1.51
1993	12.24	1.24
1994	12.38	1.14

Source: Information supplied by the SDHPT, Motor Vehicle Division

The number of vehicle owners previously residing in different states who surrendered their vehicle title to the SDHPT to obtain Texas registration steadily declined through 1987. In 1988, there was a slight increase. This information is shown in Table 3.12.

Table 3.12. Number of Out-of-State Title Applications

Year	Title Application	Percent Change
1984	512,331	
1985	472,141	(-7.85)
1986	431,106	(-8.69)
1987	383,068	(-11.14)
1988	395,500	3.25

Source: Information supplied by the SDHPT, Motor Vehicle Division

3.5 Summary of Recent Attorney General's Opinion on Status of Winter Residents

In Opinion No. JM-611 from the Attorney General of Texas dated December 31, 1986, an opinion was given regarding the status of persons who reside in Texas during the winter months in regard to operating and registering their vehicles in the state. Specifically the question is **"Would a person who registers to vote in Texas establish a residence so as to be required to title his or her motor vehicle in Texas;... as well as be required to surrender his or her out-of-state driver's license as well as to take and pass the driver's license test in Texas?"**

In regards to the aspect of title of a motor vehicle, Article 6675a-6e, Section 2, VTCS specifies any nonresident may "make an occasional trip into this state" but is not required to register the vehicle in Texas. A nonresident is defined as a resident of a state or country other than the state of Texas whose sojourn in this state is as a visitor and does not engage in gainful employment or enter into business or an occupation, except as may be otherwise provided in any reciprocal agreement with any other state or country.

For licensing purposes, the Department of Public Safety defines resident to mean a person whose domicile is in the state of Texas. Domicile is defined in the opinion as to require an individual to live in a location with the intent of making a fixed and permanent home. For the purpose of the law, a place of residence and a place of domicile are not synonymous. All those who do not fall within this classification are nonresidents. See 37 TAC 15.1(2) (1985).

The fact that an individual resides temporarily in Texas does not necessarily require obtaining either a Texas driver's license or Texas vehicle registration. Registering to vote in Texas is not in itself sufficient cause to require either licensing or registration. Given the Attorney General's Opinion the status of "winter Texans," semi-permanent and temporary residents is the same as that of a visitor. Using this opinion as a guideline, the research staff did not focus on the "winter Texan" visitor per se.

References

Study conducted by R. Polk & Co., Detroit for the State of Wisconsin.

Unpublished data supplied by the State of Maine.

"Survey of Unregistered Vehicles Using Public Streets and Highways," Unpublished study supplied by State of Minnesota.

Unpublished data supplied by the State of California.

4.0 SURVEY AND DATA COLLECTION PROCEDURES

4.1 Introduction

This section presents a discussion of the procedures used in a one-day mall parking lot survey and the data collection at Tax Assessor/Collector's Offices in twelve Texas counties. The survey conducted at the mall parking lots provided data and insight into the extent to which individuals operate vehicles having expired registrations. The information obtained from the counties tend to reflect how individuals register their vehicles. This data source provides the distribution of vehicle owners paying late penalties, prorated fees, and full fees.

4.2 Shopping Mall Survey

With the assistance of personnel from the SDHPT Motor Vehicle Division, the research staff identified shopping malls throughout the state for potential survey locations. Members of the research staff contacted the management of selected malls, briefed them on the objectives of the research, and requested permission to conduct the survey on mall property. Most of those contacted agreed to cooperate; some required liability releases and a copy of insurance coverage. Approximately six of the malls either did not respond to the initial request or chose not to allow the survey citing policy, security, customer relations, etc. All participating mall managements were sent a letter detailing the research study, objectives, data collection procedures, and names of the survey team members. However, several of the malls contacted declined to participate in the study because of safety concerns and public relation considerations. The failure to obtain necessary approval resulted in some major cities not being surveyed to the extent planned. Specifically, no location in Houston was surveyed and the Dallas-Fort Worth area was not surveyed to the extent planned.

4.2.1 Objectives

To estimate the vehicle population that was not registered in the month specified, a survey was conducted in shopping mall parking lots throughout the state of Texas. The main purpose was to obtain a registration evasion rate for automobiles, light trucks,

and motor homes. Also, a record was kept of all out-of-state and foreign vehicles, both with and without expired registration. This information was to be used in estimating the percentage of new residents not registering their vehicles in Texas.

4.2.2 Methodology

On December 17, 1988, a two-person survey team examined the license plates on vehicles parked in selected mall areas in 17 Texas cities. The team recorded the date of expiration on Texas, out-of-state and foreign vehicle license plates that had expired registration. A single survey day was used to avoid double counting. All members of the survey teams were given two hours of training. The first hour consisted of instructions in the objectives of the research study, the data to be collected, data forms (see Appendix), check-in procedures, and safety considerations. In the second hour, conducted in the field (a parking lot), the survey teams were shown proper methods to identify vehicles meeting the data collection criteria.

Table 4.1 List of Malls and Cities Surveyed

Mall Name	City
Mall of Abilene	Abilene
Western Plaza	Amarillo
Northcross Mall	Austin
Barton Creek Mall	Austin
Park Dale Mall	Beaumont
Post Oak Mall	College Station
Sunrise Mall	Corpus Christi
Basset Center	El Paso
Irving Mall	Irving
Longview Mall	Longview
South Plains	Lubbock
El Centro Mall	Pharr
Sunset Mall	San Angelo
Central Park Mall	San Antonio
South Park Mall	San Antonio
Temple Mall	Temple
Richland Mall	Waco
Sikes Center	Wichita Falls

The survey members worked in teams of two and were issued orange safety vests; both were measures to ensure their safety. **These teams were instructed to begin the survey between the hours of 10 a.m. and 12 noon and work for four hours or until they made a complete circuit of the parking lot.**

The teams first checked in with the management of the malls or its security personnel. Then, entering the parking lot, they noted the initial row, recorded the time and began the survey.

The process included one member recording information about the expiration dates on the license plates, while the other person kept count of all vehicles and maintained a watch to ensure defensive safety precautions. The data recorder looked for any license plate that had an expiration of November 1988 or before for Texas registered vehicles. And all foreign and out-of-state vehicles were recorded.

Upon identification of a vehicle that met the criteria for a Texas registered vehicle, the recorder documented the vehicle type (auto, pickup, motorcycle or RV); make; age (approximate); and expiration date. Information recorded for out-of-state and foreign vehicles included:

- the state or country of "issuance,"
- whether the registration was current,
- vehicle type,
- make,
- age, and
- whether it has a school, employment, or military stickers identifying possible reasons for the vehicle's location in Texas.

The counter was assigned the responsibility of keeping count of all vehicles in all the rows the teams walked through.

At the end of the survey, the teams recorded the parking lot capacity along with any recent traffic counts, both obtained from the management of the mall, and the approximate number of vehicles in the parking lot at time of completion. If the team made a complete run through the lot, this fact was recorded also.

4.3 County Registration Receipts Survey

A second data collection survey was conducted by the research staff at selected county tax assessor/collector offices. This effort focused only on Texas registered vehicles and was limited to automobiles. While the mall survey was concerned with identifying those vehicles which were obviously in current violation, the second survey was directed to vehicles that might have previously been in violation.

4.3.1 Objectives

This survey was designed to compile information about vehicle registrants who paid less than the standard registration fee. The objectives were to:

- (1) determine the proportion of the population paying late fees;
- (2) determine the proportion of the population paying prorated fees; and
- (3) provide complementary and supporting information for the mall survey.

4.3.2 Methodology

The survey, conducted by the research staff, included reviewing the vehicle registration records in 12 counties. These counties included Brazos, Bell, Bastrop, Fayette, Harris, Grimes, Falls, Milam, Travis, Robertson, Washington and McLennan. These counties were selected due to proximity and the mix of urban and rural population.

Prior authorization was obtained from the county's tax collector before the examination was conducted. The survey was conducted between April 1989 and August 1989.

For purposes of efficiency, only passenger vehicles expiring in 1990 were reviewed. The process included taking 50 registration receipts and reviewing them to discover the registration fee paid. In Texas, passenger vehicles separate into three categories for registration fee assignment purposes. (See Table 4.2)

Table 4.2. Regular and Late Registration Fees Assigned by Age of Vehicle

Vehicle Age	Fee Assigned	Late Fee (20% Penalty)
≤ 3 years	\$58.80	\$11.70
4 - 6 years	50.80	10.10
> 6 years	40.80	8.10

As indicated in Table 4.2, the three categories are based on age. A fee of \$58.80 is assessed for a vehicle that is 1 to 3 years old. Other fees are \$50.80 and \$40.80, but none includes the optional county fee.

In collecting data from the receipt records, the reviewer looked for amounts other than the three fees just discussed. If the reviewer found another number, he recorded the number of months the vehicle was being registered for. If the fee was less than the standard full year amount, this indicated that the registrant paid a prorated fee. A table of prorated fees and the corresponding number of months the vehicle was registered for is located in the Appendix. If the amount was greater than the standard fees, the reviewer determined what penalty was assessed. The late penalty in Texas is 20 percent of the registration fee.

The samples were taken in groups of 50 and reviewed sequentially, reviewing only 1990 expiration passenger automobiles. At each of 11 counties, the sample size was 700. In one county, only 600 records were reviewed.

4.3.3 Motorist Paying Late Penalties or Prorated Fees

The data collected at the counties contained information regarding the payment of a late penalty or a prorated registration fee by the vehicle owner. Table 4.3 presents a comparison of these two groups. The sample data indicate that considerably more vehicle owners not registering on time pay a prorated registration fee than pay the 20 percent late penalty. This is the case for all vehicle age categories. However, owners of

vehicles older than 6 years tend to pay prorated fees at a much higher rate than owners of vehicles in the other age categories. This difference may be due to several factors. The vehicles may not have been used and the prorated fee is justified. The vehicle may be being repaired, awaiting sale, or nonoperating. It may be that owners of older vehicles may tend to register late and avoid the late penalty by signing the affidavit of nonvehicle use.

Table 4.3. Distribution of County Sample by Vehicle Owners
Pay Late Penalty vs Prorated Registration
Fee by Vehicle Age

Vehicle Age	Paid Late Penalty	Paid Prorated Fee	Ratio of Prorated to Late
≤ 3 years	18	25	1.39
4-6 years	26	43	1.65
> 6 years	<u>56</u>	<u>362</u>	<u>6.46</u>
TOTAL	100	430	4.30

5.0 REGISTRATION VIOLATIONS AND REVENUE LOSS ESTIMATES

5.1 Introduction

This section develops information (based on the data from surveys described in Section 4) on the estimated number of vehicles in violation of the motor vehicle registration laws and associated revenue loss to SDHPT. These estimates are presented for three categories of violations:

- The failure of Texas residents to register their vehicles in a timely fashion.
- The failure of new residents to the state to transfer vehicle title and pay appropriate registration fees and the failure of individuals gainfully employed in Texas to register their vehicles.
- Revenue losses due to stolen or misapplied registration stickers.

5.2 Classification of Vehicles

At any one time there are three basic categories of vehicles in Texas, as shown in Figure 5.1. These are vehicles with Texas registration, out-of-state registration, or vehicles with foreign registration. Each of these categories can be defined for purposes of this report according to vehicle registration status as either legal or illegal. The legal status of out-of-state and foreign vehicle registration is defined by state law and was discussed in Section 2.0.

Figure 5.2 presents the basic criteria available to determine if a vehicle in Texas with either out-of-state or foreign registration should be registered in Texas. Vehicles owned and operated by visitors, military personnel, and students can be operated in Texas and legally retain their out-of-state registration. However, vehicles owned and operated by individuals that have established residence or are gainfully employed in the state must be registered in Texas -- otherwise the vehicle is not legally registered and the owner is subject to an arrest citation.

The registration status of vehicles with Texas title is presented in Figure 5.3. Basically vehicles have either current or expired registration plates. The fact that a vehicle exhibits a current registration plate does not necessarily indicate that there is no revenue loss to the state, nor are expired registration plates sufficient in themselves to

conclude that there is revenue loss. For example, if the registration has been stolen or intentionally placed on the wrong vehicle, it appears legal, but the state does suffer a revenue loss. A vehicle identified as being in violation may eventually pay the registration fee, late penalty, and perhaps a traffic fine, and the state does not incur a revenue loss.

Information provided by the Motor Vehicle Division, SDHPT, indicates a 3.5 percent replacement rate of current registration stickers. Replacements are issued primarily due to the original being lost or damaged, placed on the wrong vehicle or being stolen. The last two cases result in loss of revenue. A further discussion of replacements and their implication in revenue loss is presented in Section 5.4.

As discussed previously, an individual operating a vehicle with expired registration is required to pay full fee plus a 20 percent late penalty upon registration. However, by signing an affidavit stating that the vehicle has not been driven during the period in which the registration was expired, the registration fee is prorated and there is no penalty.

5.3 Survey Results

The procedures used in the two primary data collection surveys conducted during the course of this project were presented in Section 4.0. The results and findings of those surveys are discussed in that section. Both the mall and county surveys collected data on expired vehicle registrations. The surveys have one significant and important difference which makes it necessary to harmonize the findings.

The mall survey provides information on the behavioral characteristics involved in driving vehicles with expired registration. The county survey however tends to reflect a vehicle registration profile.

It is possible, **but highly unlikely**, that the owners of every vehicle identified in both the mall survey and county survey as having expired registration eventually paid the full registration fee, plus late penalty, plus a violation fine. If this is true, the total revenue loss, if any, would be negligible. The opposite situation is much more likely, however. Also, the study was not designed to "track" violations to their resolution. Finally, while the surveys are a snapshot in time, violations are a continuum.

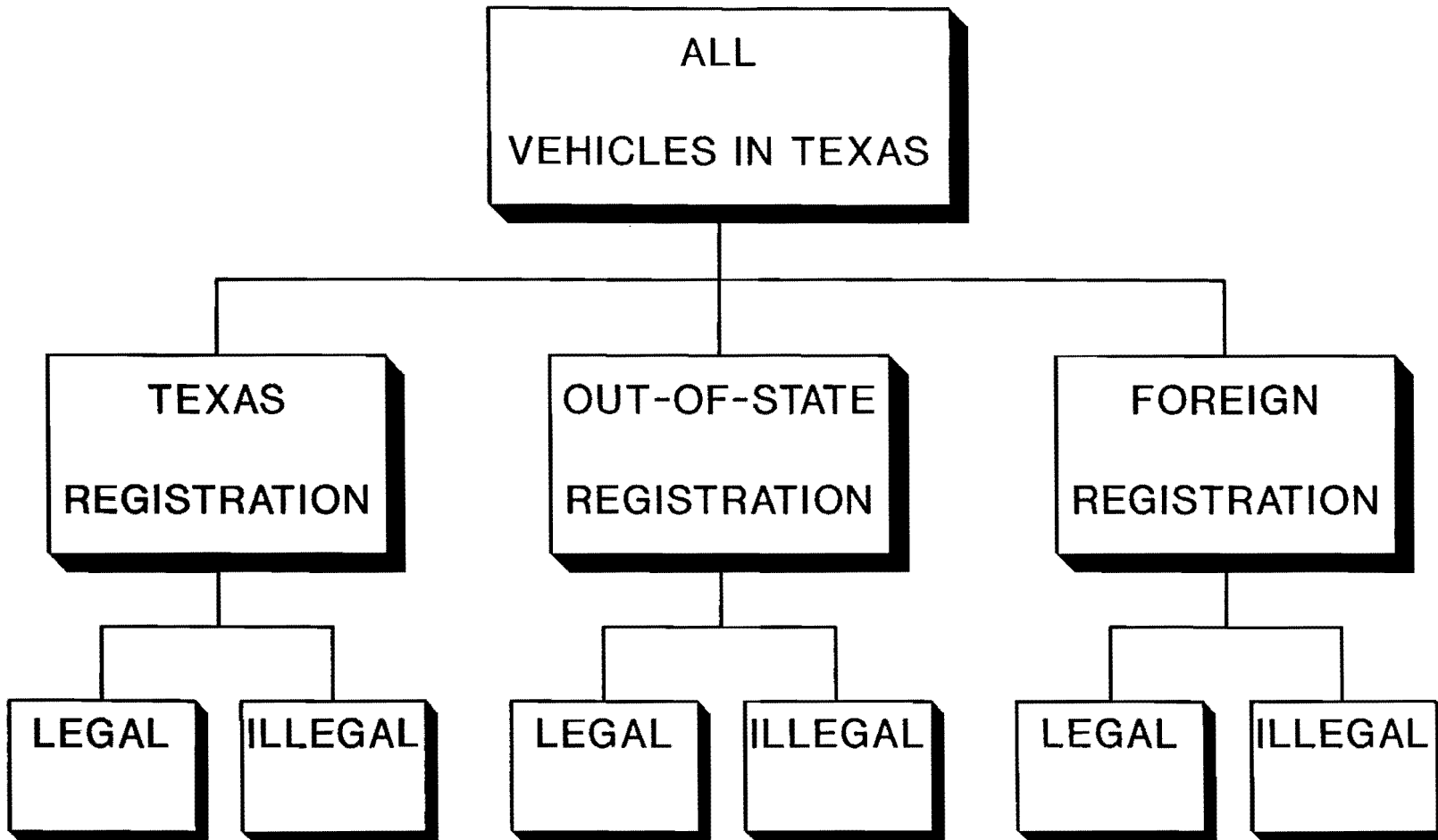


FIGURE 5.1: CLASSIFICATION OF VEHICLES IN TEXAS BY REGISTRATION

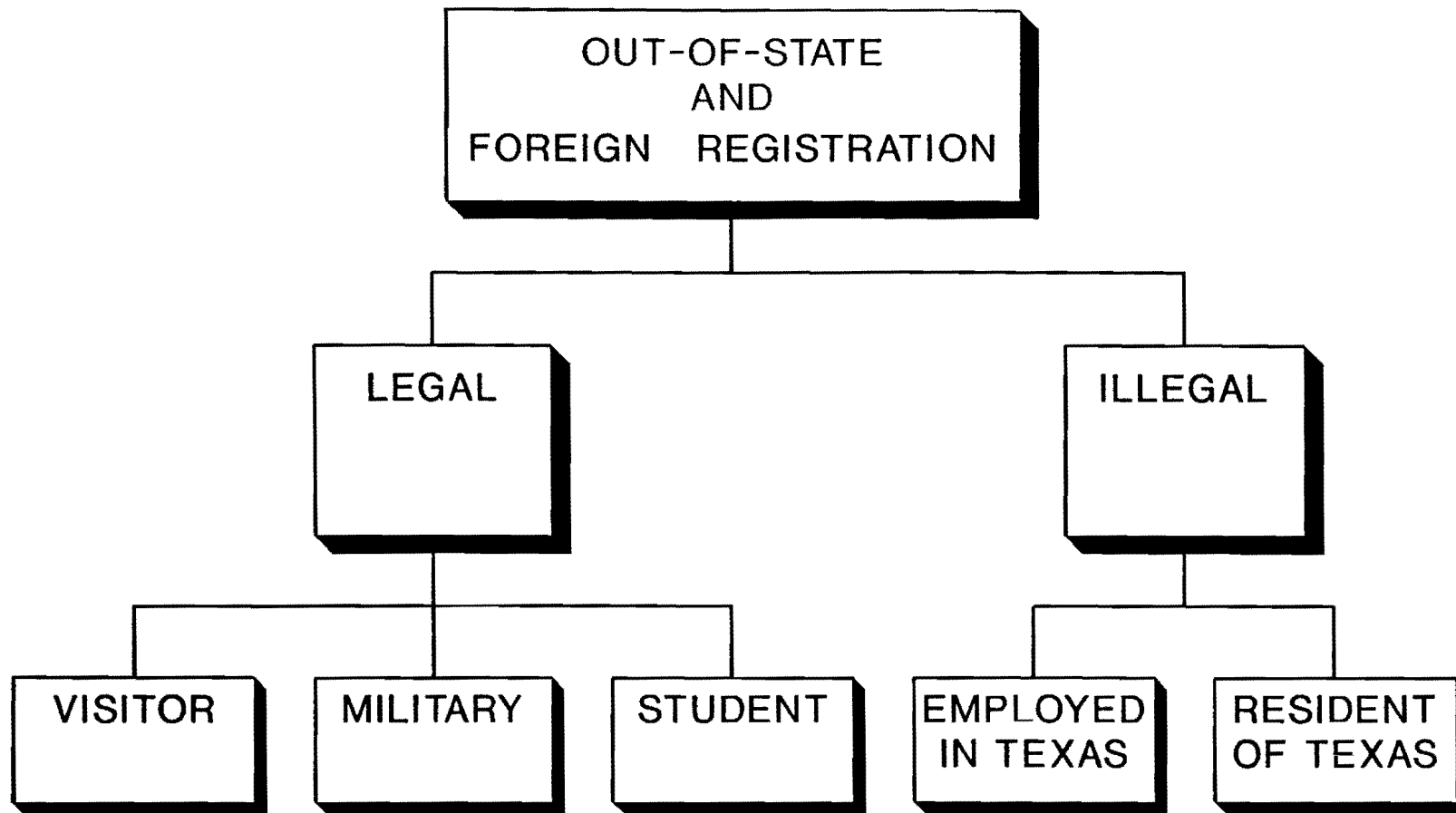


FIGURE 5.2: CLASSIFICATION OF OUT-OF-STATE AND FOREIGN VEHICLES

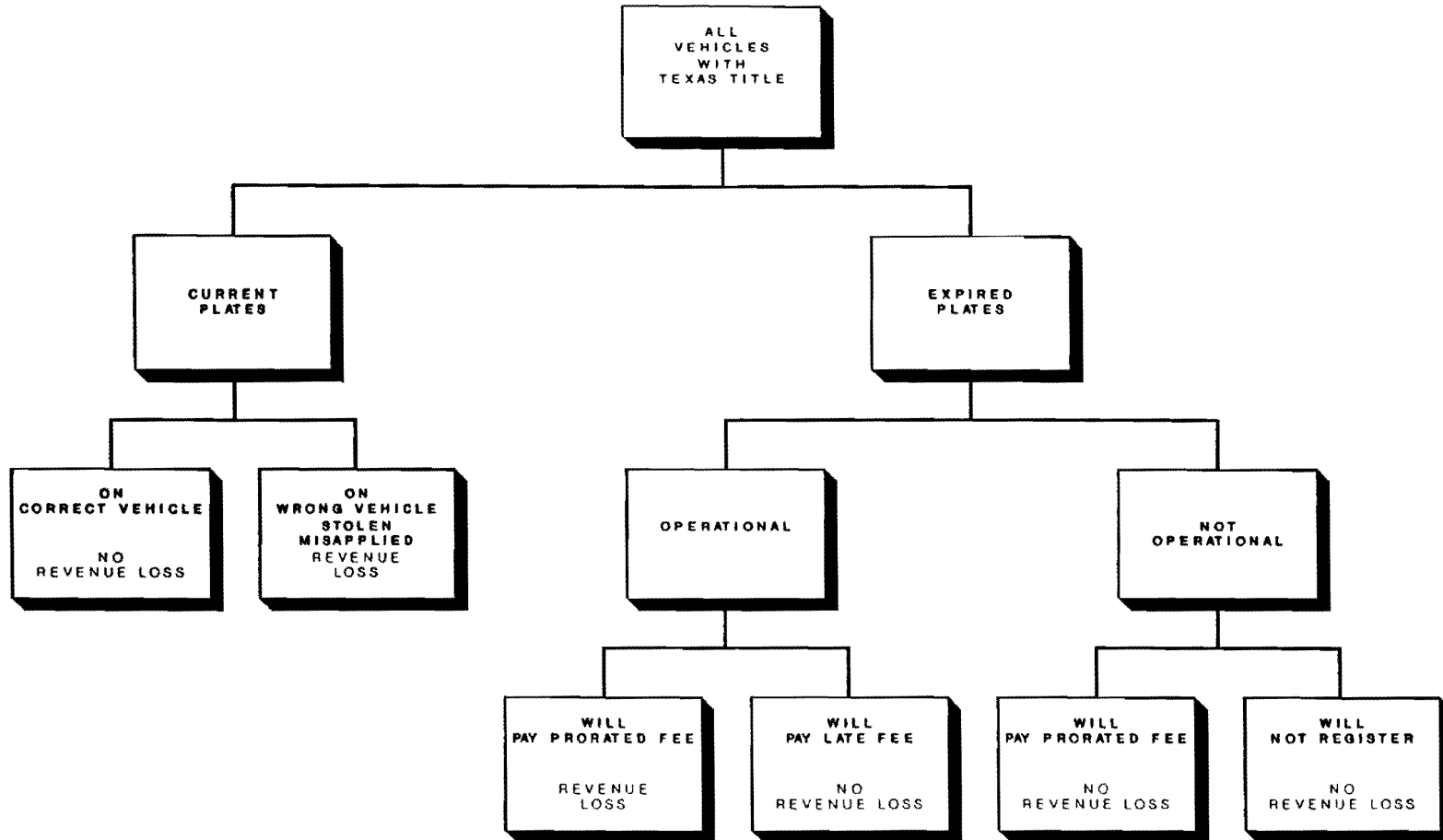


FIGURE 5.3: CLASSIFICATION OF VEHICLES WITH TEXAS TITLE

5.3.1 Mall Survey

Table 5.1 presents the results of the one-day survey conducted at selected mall parking lot locations throughout the state. During the four-hour period, the survey teams visually examined almost 42,000 vehicles to determine their registration status. More than 94 percent of the vehicles observed had current Texas registration. Approximately 1.2 percent had expired Texas registration. Vehicles with out-of-state registration represented 3.5 percent of those surveyed; while less than 1 percent had foreign registration.

Table 5.1. Registration Classification of Vehicles Observed in Mall Survey

Registration Classification	Number of Vehicles	Percent of Total
Texas Registration-Current	39,379	94.4
Texas Registration-Expired	<u>482</u>	<u>1.2</u>
SUBTOTAL	39,861	95.6
Out-of-State Registration	1,467	3.5
Foreign Registration	<u>394</u>	<u>0.9</u>
TOTAL	41,722	100.0

The survey teams were instructed to record the estimated age classification of all Texas vehicles with expired registration. This was necessary in order to compute revenue loss as registration fees in Texas are based upon the age of the vehicle. Table 5.2 presents data on the age distribution of vehicles with expired registration.

Table 5.2. Distribution of Vehicles with Expired Registration by Age

Vehicle Age	Number of Vehicles	Percent of Total
≤ 3 years	104	21.6
4-6 years	185	38.4
> 6 years	<u>193</u>	<u>40.0</u>
TOTAL	482	100.0

Of the vehicles identified as having expired registration, 21.6 percent were 3 years or less in age. More than 38 percent were in the 4 - 6 year age category. Forty percent of the vehicles were classified as being older than 6 years.

The survey teams were also instructed to record the data of expired registrations. This information was required since Texas prorates registration fees. Table 5.3 shows the distribution of expired registration by number of months. Over 48 percent of the expired registration were 1 month late. Over 75 percent of the observed expired registrations are within the first 3 months.

Table 5.3. Distribution of Vehicles with Expired Registration
by Number of Months

Number of Months Expired	Number of Vehicles	Percent of Total
1	234	48.5
2	85	17.6
3	55	11.4
4	24	5.0
5	20	4.1
6	14	2.9
7	9	1.9
8	6	1.2
9	10	2.1
10	3	0.6
11	6	1.2
12	1	0.2
> 12	<u>15</u>	<u>3.1</u>
TOTAL	482	100.0

Table 5.4 presents estimates of vehicles with expired registration by vehicle age. It is estimated that, statewide, 131,000 vehicles were being operated with expired registration. Not surprisingly, the largest number of vehicles were in the older age categories. Approximately 0.9 percent of all vehicles in the state older than 6 years are estimated to be in violation. Vehicles in the 4 - 6 year age category have an estimated violation rate of 1.7 percent. Estimates regarding both vehicles in violation and revenue loss are based on the assumption that the sample of vehicles observed in the mall parking lots approximates the distribution of the population. Information regarding the expanded violation estimates and the upper and lower estimates is presented in the Appendix.

Table 5.4. Estimated Number of Vehicles with Expired Registration by Vehicle Age

Vehicle Age	Number of Vehicles		Percent of Total Age Category*	Percent of Total Age Category*
	Low	High		
≤ 3 years	24,906	36,154	0.9	1.4
4 - 6 years	42,472	56,800	1.7	2.2
> 6 years	<u>45,065</u>	<u>59,325</u>	<u>0.8</u>	<u>1.0</u>
TOTAL	112,442	152,279	1.0	1.4

*Computed from vehicle population data contained in Table 3.11

Two-vehicle families probably take the newer vehicle when shopping just as they tend to do on most trips. Also individuals with older vehicles may make different shopping decisions due to economic concerns. Stores, such as Wal-Mart and K Mart, are not usually located in major malls (such as those where the survey was conducted) while more expensive stores prefer these locations. Also, limiting the survey period to daylight hours may have excluded a segment of the population which normally shops in the evening. These may account for the relatively low percent of older vehicles estimated to be in violation, even though over half of all vehicles in the state are over 6 years of age (Table 3.11).

Table 5.5 presents the distribution of the estimated expired vehicle registration by number of months in violation. As in the previous table, both a high and low estimate are presented. Most of the vehicles estimated to be in violation had expired registration of three months or less. Over time the number of violation tends to decline rapidly. Estimates of vehicles with expired registration greater than 12 months are combined within one group.

Table 5.5. Estimated Number of Vehicles with Expired Registration by Number of Months in Violation

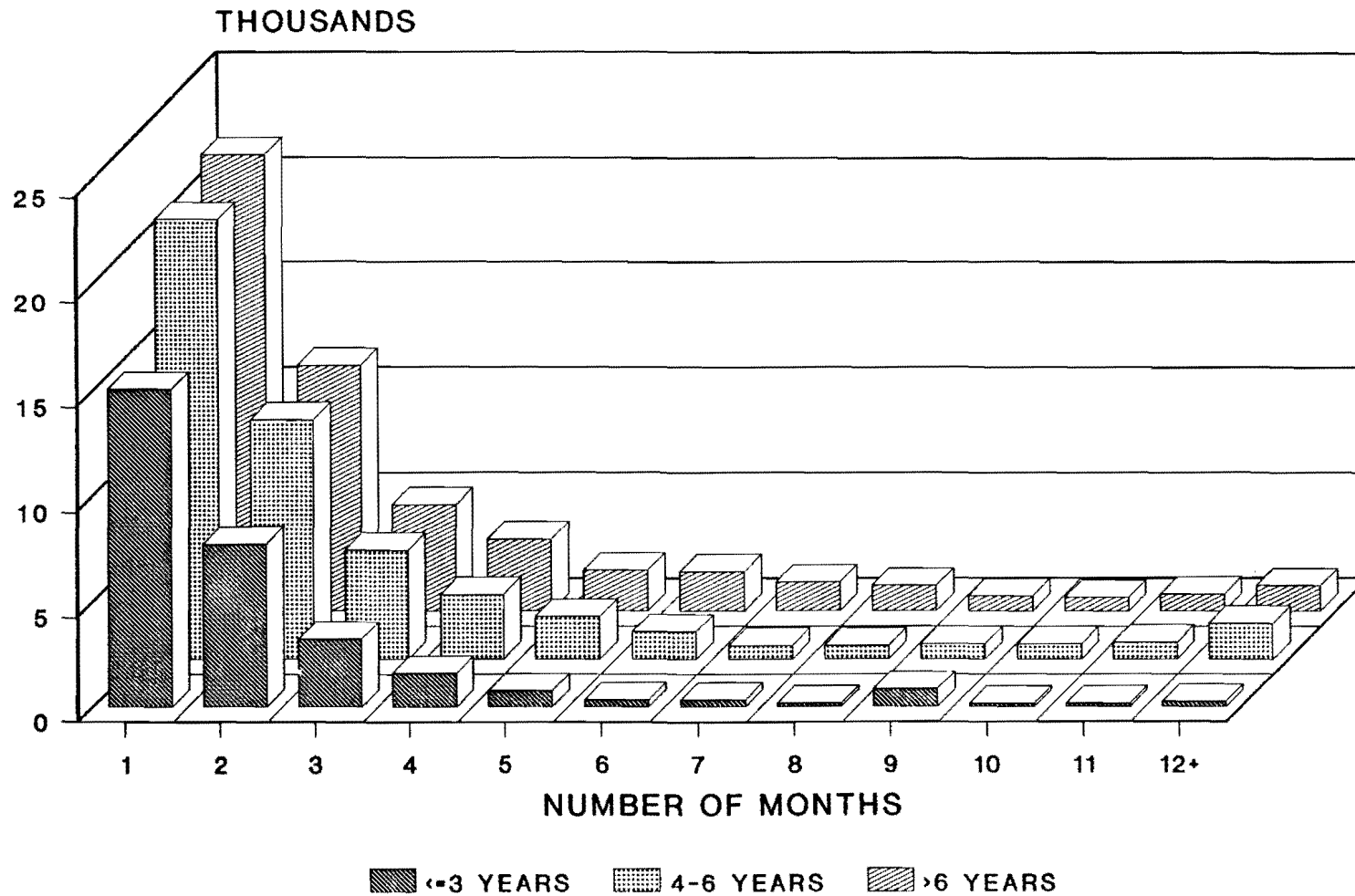
Number of Months	Number of Vehicles	
	Low	High
1	49,554	67,306
2	26,399	35,829
3	11,574	9,437
4	6,988	9,437
5	4,092	5,510
6	3,037	4,059
7	2,050	2,749
8	1,767	2,357
9	1,340	1,787
10	1,340	1,797
11	1,552	2,077
12 >	<u>2,749</u>	<u>3,678</u>
TOTAL	112,442	152,279

Figure 5.4 shows the distribution of the "high" estimate by vehicle age and months of violations. This graphically illustrates the findings that most violations are within the first three months after expiration and that older vehicles tend to exhibit a higher violation rate.

5.3.2 Out-of-State and Foreign Registered Vehicles

During the mall survey, data was collected on out-of-state and foreign registered vehicles observed in the parking lots. This was done to develop information on the failure of new residents in the state to register their vehicles as required by law. During the survey period, 1467 vehicles with out-of-state plates and 394 vehicles with foreign plates were observed. These represent 3.5 and 0.9 percent, respectively, of all vehicles.

FIGURE 5.4 DISTRIBUTION OF REGISTRATION VIOLATIONS BY AGE OF VEHICLE AND MONTHS LATE: MALL SURVEY



EXPANDED SURVEY DATA: HIGH ESTIMATE

Information was recorded by the survey teams which reflected the observed status of the vehicles. Items of particular interest were indications that the vehicle owner either resided or was employed in Texas. Team members were instructed to look for parking stickers or decals such as those used by military installations, schools and universities, employer furnished parking lots, developments, etc. In addition, the teams were instructed to determine if the vehicle registration was current or expired.

Table 5.6 shows the distribution of out-of-state and foreign registered vehicles by items used to indicate resident or nonresident status. More than 77 percent of the out-of-state vehicles had no resident or employment indicator. Almost 12 percent exhibited a military installation sticker, and it is assumed all were owned by military personnel. However, it is probable that some belonged to civilian employees of the military. An indication that the vehicle belonged to a student was found on 4.3 percent of the vehicles. The student indicator was an official parking type sticker and not a college or university decal. In-state employment indicators were found on 2.1 percent of the vehicles. Four percent of the vehicles exhibited a sticker which the survey teams considered to be an indicator that the owners were short-term residents (such as winter Texans) or residents. Examples of these include trailer or mobile home park, condominium parking, planned community, and retirement community. Also, vehicles with a current Texas vehicle safety inspection sticker are included in this category.

Table 5.7 presents information on the number of out-of-state and foreign vehicles in the survey by the status of vehicle registration. Almost 8 percent of these vehicles had expired registration. Of the vehicles with a school indicator, 13.8 percent had expired licenses, and 10.6 percent of those with an employment indicator were also expired.

Table 5.6. Distribution of Out-of-State and Foreign Registered Vehicles by Texas Residence or Employment Indicator

Indicator	Out of State	Foreign	Total	Percent of Total	Probable Status
None	1,067	379	1,446	77.7	Unknown
Military	222	0	222	11.9	Military-Exempt
School	80	0	80	4.3	Student-Exempt
Employment	39	0	39	2.1	Not Properly Registered
Other	<u>59</u>	<u>15</u>	<u>74</u>	<u>4.0</u>	Short-Term Resident, "Winter Texan", or Resident not Properly Registered
TOTAL	1,467	394	1,861	100.0	

Table 5.7. Distribution of Out-of-State and Foreign Registered Vehicles by Status of Registration

Indicator	Number Expired	Percent of Total	Percent of Indicator Group
None	106	72.6	7.4
Military	18	12.3	8.1
School	11	7.5	13.8
Employment	4	2.8	10.6
Other	<u>7</u>	<u>4.8</u>	<u>11.7</u>
TOTAL	146	100.0	7.8

Information regarding the total out-of-state and foreign registered vehicle count in Texas statewide for the sample day (December 17, 1988) is not available. On this day, people from neighboring states as well as Mexico were in Texas cities (especially those near a border) shopping and visiting. In addition, military personnel with out-of-state vehicles were permanently stationed in Texas. While most colleges and universities were not in session, many out-of-state students were probably still in Texas. Also, out-of-state and foreign vehicles continually pass through Texas. However, to estimate revenue loss due to registration violation by out-of-state and foreign vehicles, it was necessary to determine the size of the population of interest.

Using the information developed in the mall survey and (assuming a linear relationship), it is estimated that a number of out-of-state and foreign vehicles of interest ranged in excess of a half million vehicles. Also, it is assumed that out-of-state and foreign vehicles with indicators in the employment and other categories (Table 5.6) reflect registration violation.

Estimates of the out-of-state and foreign vehicle population of interest and the number in violation are shown in Table 5.8. These estimates are not distributed by either vehicle age or number of months in violation as was done for Texas vehicles. The vehicle population of interest is estimated to range approximately between 490,000 and 530,000. The estimated number of vehicles in violation ranges between 30,000 and 32,400.

It is interesting to note an additional aspect of this problem. In 1988, a total of 395,500 out-of-state vehicle titles were surrendered for Texas titles. Using the estimated violations in Table 5.8, between 7.6 percent and 8.2 percent of the out-of-state vehicles that should be registered in Texas may be in violation.

Table 5.8. Estimates of Out-of-State and Foreign Vehicle Population of Interest and Registration Violations

	<u>Estimates*</u>	
	Low	High
Population	491,600	531,200
Vehicles in Violation	30,000	32,400

*High and low estimates are computed at the 95% confidence level of the estimated population of 510,800 out-of-state vehicles.

5.3.3 County Survey

Table 5.9 presents the results of the data collection conducted at selected county tax assessor/collectors' offices by vehicle age. This table corresponds to Table 5.2 in the previous section. The sample size of the county survey was 8,300, compared to 41,732 for the mall survey. A total of 430 vehicles were identified where the owner paid less than full registration fees (prorated fees). All of these vehicles had expired registration; however, this does not indicate that they were in violation, since no violation occurs if the vehicle is not driven.

Table 5.9. Distribution of Vehicles Assessed Prorated Registration Fee at Tax Assessor/Collectors Office by Age

Vehicle Age	Number of Vehicles	Percent of Total	Percent of Sample
≤ 3 years	25	5.8	0.3
4-6 years	43	10.0	0.5
>6 years	<u>362</u>	<u>84.2</u>	<u>4.4</u>
TOTAL	430	100.0	5.2

Approximately 5.2 percent of all the 8,300 vehicles in the county-based sample were assessed less than full registration fees. The majority of these vehicles (84.2%) were found to be in the over 6 years of age category. Only 5.8 percent of the vehicles were in the 3-year and underage bracket. The age distribution in this table is considerable different than that presented in Table 5.2.

Table 5.10 shows the distribution of vehicles assessed a prorated fee by the number of months prorated. This table is comparable to Table 5.3 in the previous section. The distributions of vehicles in both tables are similar, and one month's prorated status is equal to one month of expired status. More than 70 percent of the vehicles assessed a prorated fee were in the first 3 months. Similarly, 77.5 percent of the vehicles identified in the mall survey with expired registration were also within the first 3 months.

Table 5.10. Distribution of Vehicles Assessed Prorated Registration Fee at Tax Assessor/Collector's Office, by Number of Months

Number of Months Prorated	Number of Vehicles	Percent of Total
1	163	37.9
2	91	21.2
3	50	11.6
4	34	7.9
5	28	6.5
6	32	7.4
7	14	3.3
8	11	2.6
9	6	1.4
10	1	0.2
11	0	0.0
12	<u>0</u>	<u>0.0</u>
TOTAL	430	100.0

The estimated number of vehicles assessed a prorated fee by age distribution is shown in Table 5.11. As in previous tables, high and low estimates are presented. Two aspects of this table are of particular interest and concern. First, the estimated number of vehicles, (as well as the percentage of age category), assessed prorated fee parallels the estimates of vehicles with expired registration for the first two age brackets. Secondly, the estimated number of vehicles in the over six years of age category substantially exceeds the estimated number of vehicles with expired registration from the mall survey and in the same category.

Table 5.11. Estimated Statewide Number of Vehicles Assessed Prorated Registration Fee, by Age of Vehicle

Vehicle Age	<u>Number of Vehicles</u>			
	Low	Percent of Age Category	High	Percent of Age Category
≤ 3 years	26,513	1.0	57,578	2.2
4-6 years	45,031	1.8	81,362	3.2
> 6 years	<u>458,631</u>	<u>8.9</u>	<u>558,458</u>	<u>9.8</u>
TOTAL	530,175	4.8	697,398	6.4

Table 5.12 shows the estimated number of vehicles assessed a prorated fee by the number of months prorated and is comparable to Table 5.5. Most prorated fees are assessed within the first few months after the previous year's registration has expired. This distribution was also observed with expired registration in which the majority of the vehicles in violation was in the first, second, or third month after renewal.

Figure 5.5 presents the estimated distribution of vehicles with prorated fees by age and months and is comparable to Figure 5.4. It can be seen that over time, the number of vehicles in all age categories rapidly decline. Also, the first two age categories follow the same pattern as previously observed.

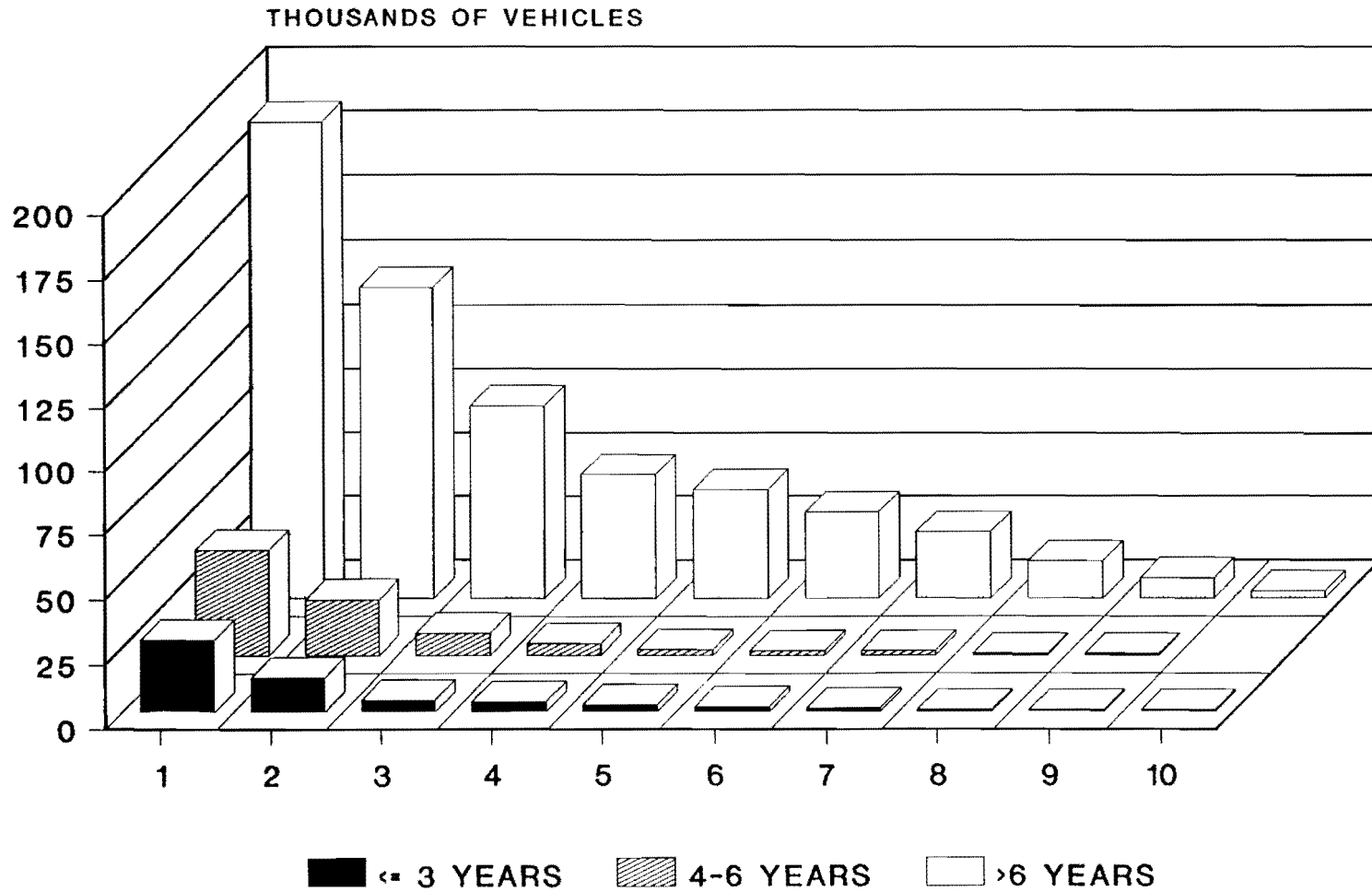
Table 5.12. Estimated Number of Vehicles Assessed Prorated
Registration Fee by Months Prorated

Number of Months	<u>Number of Vehicles</u>	
	Low	High
1	187,495	253,691
2	117,828	156,243
3	68,944	88,731
4	44,123	56,935
5	37,396	47,431
6	29,469	37,304
7	22,665	28,728
8	12,396	15,568
9	7,115	9,137
10	<u>2,742</u>	<u>3,630</u>
TOTAL	530,175	697,398

Section 5.4 Replacement Registrations

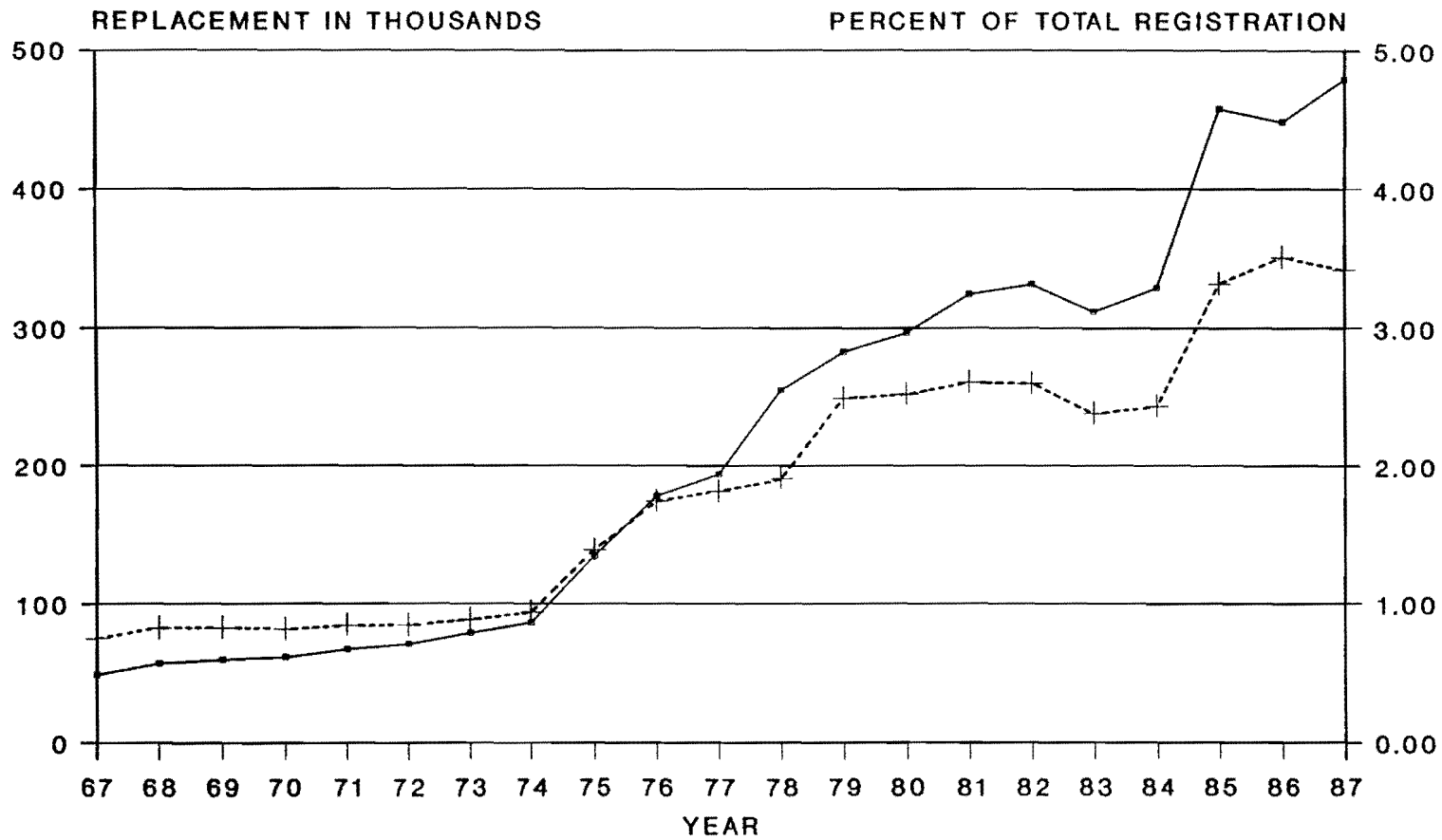
Texas provides for the issuance of a replacement vehicle registration sticker in the event the original is lost, stolen, mutilated, etc. Figure 5.6 presents information on replacements issued for the period 1967-1987. During this period both the absolute number of replacements, as well as the percentage of total registrations, have drastically increased. However, two significant changes have occurred during the time. In 1974, Texas changed to a multiyear plate system; and in 1978, Texas instituted a staggered registration system. The first of these changes noticeably affected the issuance of replacements. In 1987, almost a half million replacements were issued. This was 3.4 percent of total vehicle registrations. Replacements cost \$5.30, of which \$2.80 goes to the state.

FIGURE 5.5: DISTRIBUTION OF VEHICLES ASSESSED PRORATED FEES BY AGE AND MONTHS PRORATED: COUNTY SURVEY



EXPANDED SURVEY DATA: HIGH ESTIMATE

FIGURE 5.6: REPLACEMENT REGISTRATIONS ISSUED



—●— NUMBER -+- PERCENT OF TOTAL

SOURCE: MOTOR VEHICLE DIVISION, STATE DEPARTMENT OF HIGHWAYS AND PUBLIC TRANSPORTATION

5.4.1 Reasons for Issuance of Replacements

Through contacting several tax assessor/collector offices, the research staff found that an individual could obtain a duplicate sticker by bringing the original registration receipt and vehicle or license plate into the office. However, it was not determined if this was the practice throughout the state.

Basically there are few reasons to obtain a replacement sticker:

- the original was lost, damaged or mutilated,
- the original was stolen, or
- the original was knowingly or unknowingly placed on the wrong vehicle.

The first reason does not result in the loss of revenue since the individual has paid the registration fee. When a replacement is issued because the original was stolen, a loss of revenue is assumed since someone is using the registration sticker illegally. Also, if a registration sticker is placed on the wrong vehicle, a revenue loss is assumed. This loss is assumed since the individual is able to secure a replacement for the correct vehicle.

It is possible to suggest the reasons replacements are issued and identify those that result in a probable loss of revenue. However, data is not available which allows for the assignment of revenue loss values to the various reasons in a completely objective manner. It is assumed that illegal use and/or misappropriation of vehicle registration stickers results primarily from economic considerations; however, as long as the correct color-coded registration sticker is displayed on the license plate, the probability of being stopped for a violation of the vehicle registration law is extremely low. In reviewing county-by-county replacement data, researchers found that some counties had replacement rates (replacement as a percentage of total registrations) considerably above the state average.

To determine if there was a relationship between registration replacement rates and economic conditions, several models were examined, using the county replacement rates as the dependent variable:

- county unemployment rate,
- county per capita income, and
- interaction variables (income)(unemployment) = INT

The form of the model:

Replacement Rate = Unemploy

All of the independent variables had significant "T" values at .99, and the "F" ratio in the analysis of variance was also significant at .99. The adjusted "R²" = 0.768. The BETA value for the independent variable UNEMPLOY = 0.223.

The purpose of this procedure was to test the validity of the argument that counties with high unemployment and low per capita income have higher registration replacement rates. The results of the analysis do not refute this argument. Whether these higher rates are the results of illegal or misappropriated use does not necessarily follow. It is not unreasonable to assume that in areas of low per capita income and high unemployment, individuals may attempt to circumvent vehicle registration fees, especially if detection is considered minimal. This is not meant to imply that the issuance of replacement for a token fee is a poor practice or that all or even a high percentage of replacements are issued because of theft or intentional misuse. It does suggest that in some locations, conditions are such that theft and/or the possibility of intentional misuse needs to be recognized.

5.4.2 Revenue Loss Estimates Attributable to Issuance of Replacements

Using the distribution of vehicle age and the registration fee for the three vehicle age categories, the weighted registration fee is approximately \$47.50. Since the specific age distribution of vehicles issued a replacement registration is not available, this value less replacement fee of \$5.30 (\$42.20) is used in this section in developing revenue loss estimates.

As previously stated, it is not possible to know for certain what the number of replacement registrations issued because of misappropriation. If all are legitimate replacements, there would be no revenue loss. If all are issued because of illegal use, the revenue loss would exceed 20 million dollars. Neither of these, however, are reasonable. Rather, it is important to note that for each 1 percent of replacement issued because of theft or intentionally placed on the wrong vehicle, approximately \$200,000 in revenue is lost. Should 25 percent of the replacements be issued because of these reasons, the revenue loss would exceed 5 million dollars annually.

5.5 Revenue Loss Estimates

The previous sections presented information on the number of vehicles estimated to be in violation of some aspect of motor vehicle registration laws. The estimates include:

- Vehicles identified in the mall survey with expired registration which is prima facia evidence of a violation.
- Vehicles assessed a prorated registration fee, some of which may be in violation.
- Out-of-state vehicle domiciled in Texas but not properly registered.
- The issuance of replacement registration, some of which where fraudulent.

These four groups form the basis for the revenue loss estimates presented. In developing these estimates, it is recognized that there are two major analytical problems:

1. There is the potential of double counting. Vehicles showing an expired registration may have had the current registration lost or stolen and later purchased a replacement. Also, owners of vehicles with an expired registration may claim non-vehicle use and receive (illegally) a prorated fee:

2. Vehicles assessed a prorated registration fee may be entitled to a reduced fee due to nonuse. The available data does not reveal which vehicle is or is not legally entitled to a prorated fee. Three aspects of the registration procedure should be recognized. Vehicles receiving a prorated registration fee to which it is not entitled are actually in violation of the registration law. The affidavit of vehicle nonuse is not taken seriously and is referred to as the liar's affidavit. Procedures at the county level are nonstandard in the assessment of late penalties and prorated registration fees.

It is important to note that two different type surveys of the same population resulted in estimates for two age categories (less than or equal to 3 years and 4 to 6 year vehicles) that are very similar. The older than 6 year vehicles estimated for prorated is significantly larger than for expired. There are several reasons which can be put forth that partially account for this difference:

1. The mall survey team may not recognize and/or properly record the various vehicle ages.
2. Older vehicles may have been underrepresented in the mall survey.

3. A larger percentage of older vehicles may be entitled to a prorated fee because they are being repaired, sold, in storage, or not in running condition during the registration cycle.

The revenue loss estimates presented in Table 5.13 includes the 20 percent penalty assessed for late registration. This penalty is included in estimates developed from both the mall and county surveys. In developing these estimates, the following condition and assumptions were established by the study staff:

- The estimated revenue loss in the first category is based on the results of the mall survey.
- It is assumed that 25 percent of replacement registration issued were fraudulently obtained. A loss of \$42.20 is assumed for each registration in this category.
- It is estimated that 32,400 vehicles with out-of-state registration are illegal and should be registered in Texas.
- The revenue loss attributable to each out-of-state vehicle not properly registered in Texas is assumed to be \$72.50. This includes registration fees (\$47.50 weighted average), issue of title (\$10) and use tax (\$15).
- The estimates do not include loss of interest or arrest fines.

Table 5.13. Estimated Revenue Loss Due to Registration Violation by Violation Category

Category	Estimated Revenue Loss
Expired Registration*	\$3,149,300
Illegal Replacements	\$5,000,000
Illegal Out-of-State	<u>\$2,349,000</u>
TOTAL	\$10,498,300

*Includes 20 percent late penalty

Based on these assumptions, it is estimated that the total revenue loss for all violation categories is \$10.5 million. For the 1987 calendar year the Motor Vehicle Division, SDHPT, collected fees in the amount of \$760.9 million. Based on this figure, the estimated revenue loss is 1.4 percent of the total collection. However, since the study focused only on passenger vehicles and light trucks, the percentages are understated. By adjusting the fees collected by the Division to reflect only passenger vehicles and light trucks (using 80 percent of the commercial truck fees), approximately \$536.3 million in revenue was collected. The estimated loss increases to 2.0 percent. The results of both the mall and county survey confirm the \$3.2 million revenue loss due to vehicles being driven with expired registration. The vehicle estimates computed from the county survey, however, raises an interest problem -- the large number of vehicles older than 6 years of age receiving a prorated fee. The mall survey confirms that approximately 10 percent of the older vehicles receiving a prorated fee are being driven. If more than this 10 percent are being driven with expired registration, the estimated revenue loss of \$10.5 million will increase. It is suspected that owners of older vehicles may in fact have a different registration behavior than do owners of newer vehicles and have a higher violation rate than that estimated from the mall survey. If this is so then for each 10 percent of the older vehicles as estimated from the country survey as receiving a prorated fee to which the owner is not entitled, the state loses \$930 thousand. It is not entirely unreasonable to suspect that 50 percent of these older vehicles are receiving the prorated fee even though they are in use. If this is the case the total revenue loss to the state approaches \$15.2 million -- the additional loss being directly attributable to registration violation by owners of vehicles older than 6 years.

It should be noted that two assumptions have a major effect on the magnitude of the revenue loss estimates. As previously discussed, for each 1 percent of replacements fraudulently obtained, there is a revenue loss of approximately \$200,000. Unfortunately, there are no objective measures to determine the number of replacements in this group. While statistical tests indicate a relationship between the percentage of replacements issued by counties and economic indicators such as per capita income and employment, the results are not necessarily an indication of fraud. However, in counties experiencing high unemployment and lower per capita income, replacement rates tend to be high.

It is reasonable to assume that not all individuals paying a prorated registration fee are not entitled to the reduced rate. Here again, however, the data does not indicate the truthfulness of a person; therefore there is no objective measurement technique available. If more than half of the older vehicles are legally entitled to the prorated fee, the revenue loss estimate would decrease. If, however, less than 50 percent are entitled to the reduced fee, the revenue loss estimate would increase.

5.5.1 Fiscal Note on Senate Bill 378

The revenue loss estimates presented above do not include any of the financial implications associated with the passage of S.B. 378 (see Section 3.3.2). A Fiscal Note prepared by SDHPT to accompany the Bill indicates a revenue loss of approximately \$3.9 million for 1990 attributable to provision of the act. This does not include revenues lost to local jurisdiction resulting from dismissal of charges and associated fine of driving a vehicle with expired registration.

The \$3.9 million estimate applies to the entire Texas vehicle fleet of 13.97 million vehicles. To be consistent with this report, which includes only passenger vehicles and light trucks, the vehicle population figure of 11.72 million is used with an average registration of \$47.50. Using the assumption and methodology contained in the Fiscal Note (and the adjusted population and registration fee) the estimated revenue loss is approximately \$2.78 million. This \$2.78 million in lost revenue would be in addition to the estimate presented in Table 5.3. More importantly, though, as the S.B. 378 incentives become more widely known registration violation rates are likely to increase. Consequently, the loss in revenues beyond 1990 are almost certain to be proportionately greater than those estimates in this report.

6.0 ALTERNATIVES

6.1 Introduction

This section presents and discusses several alternatives for consideration by SDHPT officials to reduce the financial loss resulting from violations of the Texas motor vehicle registration laws. Some could be implemented in a relatively short period, while others require a longer term. Cooperation and assistance from other state agencies may be required. Changes in state law may be necessary for implementation. Finally, some of the alternatives may not be politically viable and could encounter some opposition from certain interest groups in the state. The following list of alternatives is not presented in rank order. Also, some of the alternatives can be combined into a total program of revenue loss reduction.

6.2 Do Nothing

As with many policy decisions, the alternative of doing nothing at the time is acceptable. Although the estimated revenue loss due to registration violation is several million dollars annually, the statewide compliance rate is extremely high. The overwhelming majority of vehicle owners pay the registration fee in a timely manner.

6.3 Public Awareness

Most Texans are aware of the Motor Vehicle Division (SDHPT) and vehicle registration only when they receive the registration renewal form. An information program aimed at promoting timely compliance and the importance of the registration revenues to the highway program of Texas should be considered as an alternative.

6.4 Increased Law Enforcement

State and local traffic law enforcement agencies should be made aware of the extent of vehicle registration violations as estimated in this report. With the potential of assessing the maximum fine of \$200, local revenues could be enhanced. A check with law enforcement agencies and courts indicated a range in fine of \$42 to \$65. Informing the driving public through the media that law enforcement officers will be focusing on

expired registration during their patrols could increase voluntary compliance. It is possible that by assigning a higher priority to these violations between the fifth and tenth days of each month, violation rates would decline and the revenue receipts increase. However, the authority of a judge to dismiss the charge of driving with an expired motor vehicle registration as contained in S.B. 378 can render an increased law enforcement program meaningless.

6.5 Information System

Currently a motorist stopped for a registration violation need only pay the traffic fine and register the vehicle. There is no mechanism to ensure that the 20 percent late fee is assessed. By signing the affidavit of nonuse of the vehicle, the owner avoids the late penalty. As there is no independent method to verify the affidavit -- even after its execution -- the motorist has little concern in making a false statement. The state loses the penalty and may also lose part of the registration fee due to proration. An information system to identify vehicles stopped for being driven with expired registration should be investigated. Such a system would provide the opportunity to at least check to determine if the vehicle being registered late during the period registration was expired had been cited in traffic violation. An increase in law enforcement awareness would likely booster the effectiveness of such a system. The effectiveness of an Information System may be impaired by S.B. 378, however.

6.6 Standardized Procedures at the County Level

During the data collection activity at the various tax assessor/collector offices, researchers observed a wide variation among counties in assessing late fee and allowing for a prorated fee. While these offices are highly independent, the Motor Vehicle Division may want to consider a training and education program to standardize procedures such as the administering of the affidavit of nonuse, the assessment of the late penalty, and allowance for a prorated fee.

6.7 Registration Replacement

The issuance of replacement registrations needs evaluation. Original plates may be lost, damaged, stolen or misplaced, and must be replaced. In those counties having a higher than anticipated replacement experience, however, the possibility of either theft or individuals knowingly placing the registration on the wrong vehicle needs to be considered. Local law enforcement agencies and county tax assessor/collector personnel should be informed when their replacement rates are considered excessive. A public awareness program alerting vehicle owners to the potential theft of either the license plate itself or the registration sticker may be beneficial in reducing this form of revenue loss.

6.8 New Residents

Registration of out-of-state vehicles by new residents in Texas is based on voluntary compliance. Since many individuals with out-of-state registration are entitled to an exemption (i.e., students and military personnel), an information system based on utility connections, for example, to remind new residents to register their vehicles in Texas would probably not be cost-effective.

It is possible that many new residents are not aware of the need to register their vehicles in Texas within the 30-day time period. This group may best be informed through the public awareness program previously discussed. Also by providing information for inclusion in employment packages to large employers and companies locating and moving employees to Texas, many new residents will become familiar with the vehicle registration procedure in Texas. The same type of information should be furnished to the local chamber of commerce to be distributed to new residents.

6.9 Bounty Program

A bounty program to provide a financial incentive to law enforcement agencies throughout the state may significantly reduce violation rates. Such a program could be designed to encourage vigorous enforcement. Not only would the local jurisdiction benefit from the increase in traffic fines collected, but it could receive a portion of the delinquent registration fee imposed. Perhaps the local jurisdiction could receive all of

the late penalty assessed. The benefits of a bounty program to local jurisdictions would disappear if judges choose to dismiss the violation as allowed in S.B. 378 and assess, instead, an administrative fee of up to \$10.

6.10 Higher Penalties

Increasing the amount of the late penalty could result in an increase in revenue and a stimulus to timely registration. To be effective, however, the integrity of the affidavit of nonuse must be established and, when applicable, late fees assessed. The penalty should be established at a level sufficient to discourage the operation of an unregistered vehicle.

Both the mall and county survey indicated that the older vehicles have a higher violation rate. Given the declining vehicle registration fee structure and a prorated late penalty, the vehicle class with the highest violation rate pays the least violation penalty. The establishment of uniform late penalty would remedy this situation.

6.11 Sale and Issuance of Vehicle Registration by SDHPT Employees

Total control of the sale of vehicle registration by SDHPT employees may be a method to standardize registration procedures and reduce the suspected abuse of the affidavit of nonuse and the associated revenue loss due to the proration of registration fees. Employees of SDHPT are located in virtually every county in Texas and presumably could assume this additional function. The cost-effectiveness of this alternative was not investigated; however, given the magnitude of the estimated loss it deserves consideration. Also, increased control by the state might reduce some of the loss attributable to replacement registrations.

APPENDIX

State _____

Section I Registration Laws

- 1. What is the elapsed time allowed a new resident before registering a vehicle? _____ months
- 2. Does the state have provisions for: (Yes or No)
 Student exemptions _____ Military _____
 Semi-permanent residents/Long-term visitors _____
- 3. What type of penalty is accompanied with violation of the state's registration laws? Civil _____ Criminal _____
- 4. If the penalty is monetary, where do the funds go?
 Highways _____ General Revenue _____ Other (specify) _____
- 5. What agency is primarily responsible for enforcement of vehicle registration laws in your state? _____
- 6. In your opinion, what type of priority do the enforcement agencies assign to this violation? Please mark with a check on the following scale.

Low priority ●-----+-----+-----+-----+-----● High priority
 1 2 3 4 5

7. In your opinion why is the priority assignment this way?

Section II Registration Revenue

- 1. What is the average fee for initial registration of:
 Cars \$ _____ Light trucks \$ _____ Motor homes/travel trailers \$ _____
- 2. Are there other fees collected at the time of registration? _____
 If yes, what is the average amount for :
 Cars \$ _____ Light trucks \$ _____ Motor homes/travel trailers \$ _____
- 3. What is the total number of vehicles registered in 1987 for:
 Cars _____ Light trucks _____ Motor homes/travel trailers _____

* * Please Turn Page Over * *

4. What is the average annual revenue from replacement registration from:
 Cars \$_____ Light trucks \$_____ Motor homes/travel trailers \$_____
5. What is the number of replacement registrations issued in 1987? _____
6. Have you ever documented the revenue loss from noncompliance of your state's registration laws? (Yes or No) _____
- If so, what was the amount of the loss? \$ _____
- If not, what would you estimate the loss to be \$ _____
7. Which problem do you think is greater?
 Failure to reregister a vehicle _____
 Failure to register a vehicle by a new resident _____

Section III Additional Information

1. Please attach a copy of the state's current registration fee schedule for cars, light trucks and motor homes/travel trailers.
2. Who may we contact for any further information?
 Name: _____ Phone #: _____
 Mailing address: _____

Please Return by December 10, 1988 to: Ms. Dian Neill
 State Department of Highways
 and Public Transportation
 Division of Motor Vehicles
 40th and Jackson Ave
 Austin, TX 78779-0001

Summary Form

Capacity of the parking lot _____ (# of vehicles if full)

Recent traffic count made by the mall management _____

8 hour count ____; 12 hour count ____; 24 hour count ____; other ____

Estimated number of vehicles in the parking lot at the end of the 4-hour period _____

OR

The estimated % of the total capacity _____

OR

See vehicle count sheet plus _____ (# of vehicles)

OR

Team made a complete circuit of the parking lot in the assigned time _____
(check)

Registration Fee Schedule for a Passenger Vehicle Less Than a Full Year

		Number of Months the Vehicle Is Registered										
		11	10	9	8	7	6	5	4	3	2	1
>6	Paid	37.43	34.05	30.68	27.30	23.93	20.55	17.18	13.80	10.43	7.05	5.30
	Revenue Not Collected	3.37	6.75	10.12	13.50	16.87	20.25	23.62	27.00	30.37	33.75	35.50
4-6	Paid	46.59	42.38	38.18	33.97	29.76	25.55	21.34	17.13	12.93	8.72	5.30
	Revenue Not Collected	4.21	8.42	12.62	16.83	21.04	25.25	29.46	33.67	37.87	42.08	45.50
1-3	Paid	53.93	49.05	44.18	39.30	34.43	29.55	24.68	19.80	14.93	10.05	5.30
	Revenue Not Collected	4.87	9.75	14.62	19.5	24.37	29.25	34.12	39.00	43.87	48.75	53.50

EXAMPLE #4

Renewal of Miscellaneous Multi-year
Classification Without Renewal Notice

In this example, on February 12, 1986, the owner of a two ton truck with a "Mar-86" registration expiration date contacted his County Tax Collector to renew his registration. The owner was unable to present his license plate renewal notice or any other type of evidence of his current registration. He did, however, present his certificate of title and advise the tax collector of his current license number. The registration shall be issued as follows:

1. Verify the current license number through the county license receipt file or contact the Department for verification.
2. When the current registration status of the vehicle has been verified, calculate the proper annual fee to be collected using the appropriate License Fee Schedule.
3. Select an "87" year sticker from the appropriate sticker book.
4. Write the license number of the plates being validated and registration fee collected on the ledger page in the block exposed by the removal of the "year" sticker.
5. Prepare a Form 39 showing the correct sticker serial number, license number, and "month" and "year" of expiration.

TEXAS VEHICLE REGISTRATION RECEIPT					
1. Date of receipt	2. Validation sticker no.	3. Expires last day of	Month	Year	4. Texas license no.
2-12-86	378321L	MAR	87	AE1141	
5. Check appropriate block		<input checked="" type="checkbox"/> Registration fee paid: no plates issued	<input type="checkbox"/> Registration fee paid: new plates issued		
6. OWNER					
Name, street address, city, state, zip					
Jane Baker 9608 N. Lynn Blank, Tx. 99999					
7. Classification	8. Tonnage	9. Empty weight	10. Carrying capacity	11. Gross weight	
Truck	2	6500	4000	10,500	
12. Year	13. Make	14. Body style		15. Prev. license no.	
77	Chev.	Van		AE1141	
16. Vehicle identification number			17.	18. Title number	
CCE537F130224				56178231	
19. Index number	20. Diesel fee	21. Penalty	22. No. of mos.	23. Total Reg. Fee (Do not include block 25)	
2378221			12	\$100.38	
24. Tax Assessor Collector			25. Road & Bridge Fee		
J. L. Harris			\$5.00		
26. County		27. County no.	28. Deputy		
Blank		255	ab		
ORIGINAL	1	This receipt to be carried in ALL COMMERCIAL VEHICLES		REC. NO.	
Form 39					

6. Place the highway portion of the sticker number renewal label on the Highway Copy of the Form 39.

(Section 4.(a) Cont'd.)

7. Collect the proper fee and staple the year sticker to the owner's copy of the license receipt and give it to the owner.

VII. Once a vehicle has been registered under the year-round registration system and the owner applies for renewal of registration at a subsequent date, the tax collector shall issue only a new "year" sticker or a new license plate in the case of annual classifications. No "month" stickers will be issued when processing renewals since the "month" sticker first issued for a vehicle remains permanently assigned to that particular vehicle.

A. If an owner fails to renew his registration prior to midnight of the fifth day after the last day of the month in which his registration expires, the vehicle shall not be operated thereafter until the proper registration fee has been paid and a new "year" sticker or annual license plate(s), as the case may be, has been issued and affixed to the vehicle.

B. If an application for reregistration is filed more than one month subsequent to the date the previous year's registration expired, the current year's registration fee will be prorated for the balance of the year, provided the applicant executes a "Non-use" Affidavit, Form 64, stating that the vehicle has not been operated upon the public streets or highways of this State more than five days subsequent to the expiration of the previous year's registration. If the applicant is unable to execute such affidavit because the vehicle has been operated, he forfeits the privilege of paying a prorated license fee; and he shall, therefore, be required to pay the full year's registration fee plus a penalty equal to twenty percent (20%) of such annual registration fee.

Note: Late renewals do not alter or affect the expiration month originally assigned to a vehicle.

VIII. Any person who is apprehended for operating an unregistered vehicle or a vehicle with expired registration shall be subject to a fine in any sum not to exceed Two Hundred Dollars (\$200.00). In addition, such person shall be required to purchase Texas registration and pay a penalty equal to twenty percent (20%) of the prescribed fee. The prescribed registration fee for such apprehended vehicles is as follows:

A. Texas titled vehicles retain the registration period originally assigned to them. If apprehended unregistered or with expired registration, the registration fee is to be collected for the entire year or from the date of transfer if the vehicle was transferred to the present owner within the current registration period. In such instances, the applicant is not eligible to sign a non-use affidavit since the vehicle has been operated.

- B. New and out-of-state passenger cars, light trucks, motorcycles, farm trucks, farm trailers, travel trailers, and trailers and semitrailers registered with regular trailer license plates shall be registered from the date of apprehension for a 12-month period inclusive of the month in which the registration is to be issued.
- C. New and out-of-state vehicles in the miscellaneous classifications with March 31st registration expiration dates, shall be registered as of the date of apprehension through March 31st of the current registration period.
- D. Refer to Fig. 81 for additional information relative to apprehended vehicles.

IX. Reregistration Under Different Registration Classification

After a vehicle has been registered under the year-round registration system and assigned a registration expiration month, the owner shall continue to re-register his vehicle within that registration period each year thereafter. However, if a vehicle's classification should change and the owner applies for reregistration under a different classification during a subsequent year, his registration period may be affected, depending on the classification change involved. In such instances, the classification of the new license plates being issued shall dictate the registration expiration month to be assigned to the vehicle. If, for example, the classification change involves the issuance of passenger plates for truck plates for a light truck (one ton or less), then the same expiration month that was originally assigned to the vehicle shall be retained. If the classification change involves the issuance of license plates that have the established registration expiration date of March 31st, then the registration expiration month shall be March, regardless of the expiration month of the previous registration.

- A. When a vehicle is reregistered under a different classification the notation "CLASS CHANGE" should be placed on the license receipt, Form 39. The proper renewal procedure is as follows:
 - 1. Passenger Vehicle Reregistered as Light Truck or Vice Versa - The registration expiration month will remain unchanged since both classifications have year-round expiration dates. Issue new passenger or truck plates as the case may be using a Form 39 and collect 12 month's registration fee. The appropriate "year" sticker and a "month" sticker bearing the same expiration month as shown on the original plates must be affixed to the new plates by the deputy.

2. Light Truck (one ton or less) Reregistered as Farm Truck or Soil Conservation Truck - If reregistered as farm truck, the registered expiration month will remain the same; and new farm truck plates with the appropriate month and year stickers affixed thereto will be issued for the annual fee using a Form 39. If reregistered with soil conservation plates, the registration expiration month must be changed to March; and the soil conservation license fee will be prorated for the unexpired portion of the current registration period ending March 31st. Soil conservation plates (annual plates) shall be issued on a Form 39.
 3. Trailer Reregistered as Farm Trailer - The registration expiration month will remain unchanged since both classifications have year-round expiration dates. Collect the Five Dollar and Thirty Cent (\$5.30) "flat fee" and issue new plate using Form 39. The appropriate "year" sticker and a "March" month sticker must be affixed to the plate by the deputy.
- B. The following examples outline the procedure to be utilized when a vehicle displaying "reduced fee" or "flat fee" license plates, such as Farm Plates, Permit Plates, Disaster Relief Plates, etc., is to be reregistered with regular commercial registration. Since these special plates are restricted in use, the applicant must be qualified in order to obtain the exemption from regular registration fees. Usually, situations requiring a vehicle displaying "reduced fee" or "flat fee" license plates to be reregistered with regular commercial registration will occur when the vehicle has been transferred and the purchaser (who is not qualified for such plates) attempts to reregister the vehicle for the forthcoming year and transfer it into his name at the same time.
1. Farm Truck or Soil Conservation Truck (one ton or less) Reregistered as Light Truck - The expiration month on the farm truck plates or the "March" expiration month on the soil conservation plates shall be retained as the expiration month for the new truck license plates. However, since farm truck and soil conservation license plates are restricted "reduced fee" license plates, the truck plates must be issued as of the date of application; and credit will be allowed for the unexpired portion of the farm truck or soil conservation license fee. For example, if a 1/2 ton farm truck (March 31st expiration date) is reregistered with truck plates during the month of February, the truck fee will be collected for 14 months, and 2 month's credit will be allowed for the unexpired portion of the farm truck license fee. The truck plates must be issued using a Form 39, and a "March" month sticker and the appropriate "year" sticker must be affixed thereto by the deputy.
 2. Farm Truck or Soil Conservation Truck (exceeding one ton) Reregistered as Heavy Truck - Handle in the same manner as stated above.

3. Permit or Disaster Relief Vehicle (exceeding one ton) Reregistered as Heavy Truck - Permit and Disaster Relief License Plates expire in March, and truck plates for a heavy truck also expire in March. The truck plates must be issued as of the date of application for the period extending through March 31st of the next succeeding year, and no credit may be allowed for the permit or disaster relief plates since they are restricted plates which are issued for a nonprorated "flat fee" of Five Dollars and Thirty Cents (\$5.30). For example, if application for reregistration is filed in February, the truck fee shall be collected for 14 months (February through March of following year), and no credit shall be allowed for the Permit or Disaster Relief License Plate. The truck plates must be issued using a Form 39, and a "Mar" month sticker and the appropriate "year" sticker must be affixed thereto by the deputy.
 4. Token Trailer Reregistered as Regular Trailer - Since Token Trailer License Plates have the established expiration date of March 31st, the regular trailer plate must be issued as of the date of application for the period extending through March 31st of the succeeding year. No credit will be allowed for the token trailer plate. The trailer plate must be issued using a Form 39, and a "MAR" month sticker and the appropriate "year" sticker must be affixed thereto by the deputy.
 5. Farm Trailer Reregistered as Regular Trailer - Both classifications have year-round expiration dates; therefore, the expiration month of the farm trailer plate shall be retained. Issue the trailer plate with the appropriate month and year sticker affixed thereto using a Form 39 and collect the trailer license fee as of the date of application for 12, 13, or 14 months as the case may be. No credit is allowed for the farm trailer plate.
- C. In the event a vehicle is being reregistered under a different registration classification which has a staggered registration expiration date (passenger, light truck, trailer, etc.) and the owner does not apply for reregistration until sometime after the old registration has expired, such owner shall retain the same registration expiration date that was assigned under the previous registration; and the license fee shall be prorated as of the date of application. However, if the application for reregistration is filed more than one month subsequent to the expiration date of the previous registration, such owner must execute a non-use affidavit (Form 64) in order to acquire prorated license fees. If the owner cannot execute a non-use affidavit because the vehicle has been operated, the registration fee shall be collected back to the date the previous registration expired, plus an additional twenty percent (20%) penalty shall be collected.

- D. If a vehicle which has a staggered registration expiration date is being re-registered after the previous registration has expired and the classification is to be changed to a miscellaneous classification, then the registration fee shall be collected as of the date of application through March 31st; however, if the application is filed more than one month subsequent to the date the previous registration expired, the owner must execute a non-use affidavit or pay the registration fee back to the date the previous registration expired plus an additional penalty equal to twenty percent (20%) of the prescribed fee.

X. Wrong "Year" Sticker Issued By County

In the event the wrong "year" sticker is issued by the county and the applicant later discovers the error and returns the incorrect sticker to the tax office, it will be necessary for the county to exchange the incorrect sticker for the proper "year" sticker.

- A. Wrong "year" sticker issued but not affixed to the license plate - For example, a deputy issued a registration receipt showing a "July - 86" expiration date and collected the proper fee, but through error, the applicant was issued an "85" year sticker. Later, the applicant returned to the tax office with the unused "85" year sticker and pointed out the error. In this case, an "86" year sticker must be issued on a no charge "even exchange" basis as follows:

1. Require the owner to surrender his copy of the license receipt along with the returned "85" year sticker.
2. Examine the license receipt to verify that the proper fee was collected.
3. Remove a 1986 universal sticker from the appropriate sticker book and write the applicant's license number and the words "no fee" in the proper space on the ledger page. Also, the tax collector may wish to show the notation "Exchange Sticker Only - (Sticker #) Returned" at the bottom of the sticker number block on the ledger page. (See example on the following page.)

**AFFIDAVIT AND APPLICATION
FOR THE RE-REGISTRATION OF A MOTOR VEHICLE THAT HAS NOT BEEN
USED FOR THE CURRENT REGISTRATION YEAR**

To the Tax Assessor-Collector of _____ County, Texas:

Application is hereby made to register the following described:

Year _____ Make _____ Body Style _____ Vehicle Identification No. _____

OLD LIC. NO.	EXPIRED LAST DAY OF	MONTH	YEAR
--------------	------------------------	-------	------

NEW LIC. NO.

OR

NEW STICKER NO.

STATE OF TEXAS

County of _____



Before me, the undersigned authority, personally appeared the owner of the vehicle described above and being duly sworn deposes and upon oath states that the vehicle has not been used on the public highways of this State at anytime subsequent to the expiration of the previous year's registration.

Signed _____ Owner

Address _____

Subscribed and sworn to before me this _____ day of _____, 19 ____ .

Notary Public in and for _____ County, Texas.

NOTE: The Texas Registration Law, Article 6675a-4, Vernon's Texas Civil Statutes, requires the above affidavit to be executed if application for re-registration is filed more than one month subsequent to the expiration date of the previous year's registration. If the applicant does not or cannot execute the affidavit, he must pay the full year's registration fee plus a 20% delinquent fee penalty.

Computation of the Expanded Violation Estimate

First, calculate the violation rate by age-class, which is the number of violation of a particular vehicle class observed in the survey, divided by the sample size of that particular vehicle class. The (expanded) violation estimate is then the sum of multiplications of each violation rate by its respective population size.

$$\begin{aligned} \text{Expanded Violation Estimate} = & \left(\frac{\text{Violation Count of Class A}}{\text{number of Class A in the Sample}} \times \text{number of Class A in Population} \right) \\ & + \left(\frac{\text{Violation Count of Class B}}{\text{number of Class B in the Sample}} \times \text{number of Class B in Population} \right) \\ & + \left(\frac{\text{Violation Count of Class C}}{\text{number of Class C in the Sample}} \times \text{number of Class C in Population} \right) \end{aligned}$$

Computation of the Confidence Range

The highs and the lows are the worst and the best estimates of the total violation in the population. Using a statistical approach, the upper limit and lower limit of the violation rate (of each vehicle class) are estimated, such that with the probability of 95 percent, the "true" violation rate will fall between the upper limit and the lower limit.

MEAN ESTIMATES

MALL

VIOLATION COUNT

EXPIRE	AGE			TOTAL	POPULATION:		
	A	B	C		CLASS A	CLASS B	CLASS C
1	15119	20960	21738	57817			
2	7773	11374	11642	30789			
3	3246	5199	5048	13493			
4	1623	3087	3419	8129			
5	769	2031	1954	4754			
6	342	1300	1873	3514			
7	342	650	1384	2376			
8	171	650	1221	2042			
9	85	731	733	1549			
10	171	731	651	1553			
11	171	812	814	1797			
12 +	256	1706	1221	3184			
TOTAL	30,067	49,232	51,699	130,997			

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:	
CLASS A	0.0112
CLASS B	0.0192
CLASS C	0.0091

VIOLATION COUNTS:	
CLASS A	30,067
CLASS B	49,232
CLASS C	51,699

TOTAL VIOLATION 130,997

LOST REVENUE + FINANCE CHARGE

EXPIRE	PENLTY			TOTAL	A.P.R. FACTOR	
	A	B	C		MONTHLY RATE	
1	74699.14	89470.2	74524.21	238693.59		
2	77448.51	97909.4	80493.22	255851.08		
3	48917.79	67695.8	52785.46	169399.03		
4	32881.03	54041.4	48073.72	134996.12		
5	19632.31	44809.3	34624.53	99066.12		
6	10555.18	34699.5	40151.77	85406.48		
7	12416.99	20413.9	34912.69	67743.59		
8	7159.92	23524.6	35497.37	66181.88		
9	4054.93	30017.7	24160.40	58233.00		
10	9099.69	33630.9	24063.98	66794.58		
11	10093.07	41442.8	33356.20	84892.11		
12	16645.24	95742.5	55043.24	167431.00		
TOTAL	323,604	633,398	537,687	\$1,494,689		

PENALTIES:	
CLASS A	\$353,583
CLASS B	\$500,194
CLASS C	\$421,861

TOTAL PENALTIES \$1,275,638
 LOST REVENUE \$1,283,179

TOT LOST REVNUUE \$2,770,327
 FIN.CHG INCLUDED \$63,794

LOST W/O FINCHG \$2,706,533

UPPER LIMIT ESTIMATES

MALL

VIOLATION COUNT

EXPIRE	AGE A	AGE B	AGE C	TOTAL
1	18180	24182	24945	67306
2	9346	13122	13360	35829
3	3903	5999	5792	15694
4	1951	3562	3924	9437
5	924	2343	2242	5510
6	411	1500	2149	4059
7	411	750	1588	2749
8	206	750	1401	2357
9	103	844	841	1787
10	206	844	747	1797
11	206	937	934	2077
12 +	308	1968	1401	3678
TOTAL	36,154	56,800	59,325	152,279

POPULATION:

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:

CLASS A	0.0135
CLASS B	0.0222
CLASS C	0.0104

VIOLATION COUNTS:

CLASS A	36,154
CLASS B	56,800
CLASS C	59,325

TOTAL VIOLATION 152,279

LOST REVENUE + FINANCE CHARGE

EXPIRE	PENLTY A	PENLTY B	PENLTY C	TOTAL
1	89822.60	103224.2	85518.23	278565.00
2	93128.61	112960.6	92367.81	298457.01
3	58821.61	78102.4	60572.52	197496.53
4	39538.07	62348.9	55165.70	157052.71
5	23607.03	51697.7	39732.44	115037.12
6	12692.16	40033.8	46075.07	98801.00
7	14930.92	23552.1	40063.11	78546.09
8	8609.51	27140.9	40734.05	76484.49
9	4875.88	34632.2	27724.61	67232.67
10	10942.00	38800.9	27613.97	77356.82
11	12136.50	47813.7	38277.01	98227.19
12	20015.21	110460.7	63163.37	193639.24
TOTAL	389,120	730,768	617,008	\$1,736,896

A.P.R. FACTOR 10.00%
MONTHLY RATE 0.83%

PENALTIES:

CLASS A	\$425,168
CLASS B	\$577,087
CLASS C	\$484,095

TOTAL PENALTIES \$1,486,351

LOST REVENUE \$1,283,179

TOT LOST REVNUUE \$3,223,247

FIN.CHG INCLUDED \$73,943

LOST W/O FINCHG \$3,149,304

LOWER LIMIT ESTIMATES

MALL

VIOLATION COUNT

EXPIRE	AGE			TOTAL	POPULATION:		
	A	B	C		CLASS A	CLASS B	CLASS C
1	12524	18082	18948	49554			
2	6439	9812	10148	26399			
3	2689	4485	4400	11574			
4	1344	2663	2981	6988			
5	637	1752	1703	4092			
6	283	1121	1632	3037			
7	283	561	1207	2050			
8	142	561	1065	1767			
9	71	631	639	1340			
10	142	631	568	1340			
11	142	701	710	1552			
12 +	212	1472	1065	2749			
TOTAL	24,906	42,472	45,065	112,442			

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:	
CLASS A	0.0093
CLASS B	0.0166
CLASS C	0.0079

VIOLATION COUNTS:	
CLASS A	24,906
CLASS B	42,472
CLASS C	45,065

TOTAL VIOLATION 112,442

LOST REVENUE + FINANCE CHARGE

EXPIRE	PENLTY			TOTAL	A.P.R. FACTOR	
	11.76	10.16	8.16		MONTHLY RATE	10.00%
	AGE				0.83%	
	A	B	C			
1	61877.79	77185.6	64960.97	204024.40		
2	64155.26	84466.0	70164.01	218785.30		
3	40521.55	58400.9	46011.82	144934.27		
4	27237.34	46621.3	41904.71	115763.33		
5	16262.62	38656.8	30181.37	85100.80		
6	8743.49	29935.2	34999.34	73677.98		
7	10285.74	17611.0	30432.56	58329.30		
8	5930.99	20294.6	30942.21	57167.78		
9	3358.94	25896.1	21060.04	50315.11		
10	7537.82	29013.3	20976.00	57527.07		
11	8360.70	35752.6	29075.80	73189.07		
12	13788.26	82596.7	47979.87	144364.83		
TOTAL	268,061	546,430	468,689	\$1,283,179		

PENALTIES:	
CLASS A	\$292,894
CLASS B	\$431,516
CLASS C	\$367,726

TOTAL PENALTIES \$1,092,136
LOST REVENUE \$1,283,179

TOT LOST REVNUUE \$2,375,315
FIN.CHG INCLUDED \$54,904

LOST W/O FINCHG \$2,320,411

MEAN ESTIMATES

COUNTY

VIOLATION COUNT

EXPIRE	AGE A	AGE B	AGE C	TOTAL
1	18912	30116	168234	217262
2	9006	15895	110361	135262
3	3152	6274	68639	78066
4	2702	3346	43965	50013
5	1801	1673	38581	42055
6	1351	1255	30506	33112
7	901	1255	23328	25484
8	450	418	13010	13879
9	450	418	7178	8047
10	450	0	2692	3142
11	0	0	0	0
12 +				
TOTAL	39,176	60,649	506,495	606,320

POPULATION:

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:

CLASS A	0.0146
CLASS B	0.0237
CLASS C	0.0888

VIOLATION COUNTS:

CLASS A	39,176
CLASS B	60,649
CLASS C	506,495

TOTAL 606,320

LOST REVENUE + FINANCE CHARGE

EXPIRE	AGE A	AGE B	AGE C	TOTAL
1	93443.3	128553.0	576761.8	798758.06
2	89735.2	136827.1	763016.6	989578.92
3	47503.6	81690.8	717769.8	846964.14
4	54742.2	58571.5	618103.9	731417.66
5	45998.7	36909.0	683671.4	766579.05
6	41743.8	33496.9	654096.7	729337.40
7	32738.0	39405.3	588422.7	660566.03
8	18863.3	15133.1	378169.0	412165.36
9	21398.0	17166.6	236684.2	275248.80
10	23973.7	0.0	99438.7	123412.46
11	0.0	0.0	0.0	0.00
12				
TOTAL	470,140	547,753	5,316,135	\$6,334,028

A.P.R. FACTOR 10.00%
MONTHLY RATE 0.83%

PENALTIES:

CLASS A	\$460,707
CLASS B	\$616,197
CLASS C	\$4,133,001

TOTAL PENALTIES \$5,209,906
LOST REVENUE \$6,334,028

TOT LOST REVNUES \$11,543,934
FINCHG INCLUDED \$227,574

LOST W/O FINCHG \$11,316,360

UPPER LIMIT ESTIMATES

COUNTY

VIOLATION COUNT

EXPIRE	AGE A	AGE B	AGE C	TOTAL
1	27796	40401	185493	253691
2	13236	21323	121683	156243
3	4633	8417	75681	88731
4	3971	4489	48475	56935
5	2647	2244	42540	47431
6	1985	1683	33636	37304
7	1324	1683	25722	28728
8	662	561	14345	15568
9	662	561	7915	9137
10	662	0	2968	3630
11	0	0	0	0
12 +				
TOTAL	57,578	81,362	558,458	697,398

POPULATION:

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:

CLASS A	0.0215
CLASS B	0.0318
CLASS C	0.0979

VIOLATION COUNTS:

CLASS A	57,578
CLASS B	81,362
CLASS C	558,458

TOTAL 697,398

LOST REVENUE + FINANCE CHARGE

EXPIRE	PENLT 11.76	AGE 10.16	AGE 8.16	TOTAL
1	137337.3	172456.0	635932.9	945726.20
2	131887.4	183555.8	841296.0	1156739.23
3	69817.9	109589.5	791407.2	970814.63
4	80456.8	78574.6	681516.5	840547.92
5	67606.1	49514.0	753810.6	870930.70
6	61352.5	44936.6	721201.8	827490.94
7	48116.3	52862.9	648790.2	749769.40
8	27724.1	20301.3	416966.1	464991.50
9	31449.6	23029.3	260966.1	315444.89
10	35235.1	0.0	109640.4	144875.50
11	0.0	0.0	0.0	0.00
12				
TOTAL	690,983	734,820	5,861,528	\$7,287,331

A.P.R. FACTOR 10.00%
MONTHLY RATE 0.83%

PENALTIES:

CLASS A	\$677,120
CLASS B	\$826,638
CLASS C	\$4,557,014

TOTAL PENALTIES \$6,060,773
LOST REVENUE \$7,287,331

TOT LOST REVNUES \$13,348,104
FINCHG INCLUDED \$260,188

LOST W/O FINCHG \$13,087,916

LOWER LIMIT ESTIMATES

COUNTY

VIOLATION COUNT

EXPIRE	AGE A	AGE B	AGE C	TOTAL
1	12799	22360	152336	187495
2	6095	11801	99932	117828
3	2133	4658	62153	68944
4	1828	2484	39810	44123
5	1219	1242	34935	37396
6	914	932	27623	29469
7	609	932	21124	22665
8	305	310	11781	12396
9	305	310	6500	7115
10	305	0	2437	2742
11	0	0	0	0
12 +				
TOTAL	26,513	45,031	458,631	530,175

POPULATION:

CLASS A	2,678,057
CLASS B	2,558,555
CLASS C	5,704,368

VIOLATION RATE:

CLASS A	0.0099
CLASS B	0.0176
CLASS C	0.0804

VIOLATION COUNTS:

CLASS A	26,513
CLASS B	45,031
CLASS C	458,631

TOTAL 530,175

LOST REVENUE + FINANCE CHARGE

EXPIRE	PENLTY A	PENLTY B	PENLTY C	TOTAL
1	63239.0	95447.3	522257.5	680943.85
2	60729.6	101590.6	690911.1	853231.31
3	32148.7	60653.3	649940.2	742742.17
4	37047.6	43487.8	559692.8	640228.19
5	31130.2	27404.0	619064.1	677598.30
6	28250.7	24870.6	592284.2	645405.50
7	22155.9	29257.5	532816.5	584229.79
8	12766.0	11235.9	342431.8	366433.73
9	14481.4	12745.8	214317.4	241544.57
10	16224.6	0.0	90041.7	106266.28
11	0.0	0.0	0.0	0.00
12				
TOTAL	318,174	406,693	4,813,757	\$5,538,624

A.P.R. FACTOR 10.00%
MONTHLY RATE 0.83%

PENALTIES:

CLASS A	\$311,790
CLASS B	\$457,511
CLASS C	\$3,742,430

TOTAL PENALTIES \$4,511,731

LOST REVENUE \$5,538,624

TOT LOST REVNUES \$10,050,355

FINCHG INCLUDED \$200,086

LOST W/O FINCHG \$9,850,269

