Texas Department of Licensing and Regulation
Brian Francis
Executive Director

Texas Food and Fuel Association
February 12, 2020
TDLR: Mission

To earn the trust of Texans every day... by providing innovated regulatory solutions for our licensees and those they serve.
TDLR: Vision

To be the best at creating ‘next’ practices... that deliver low-cost licensing and regulatory services and an exceptional customer experience.

February 12, 2020
TDLR: Who We Regulate

Business & Occupations (11)
- Driver Education & Safety
- Licensed Breeders
- Combative Sports
- Motor Fuel Metering & Quality
- Polygraph Examiners
- Professional Employer Organizations
- Service Contract Providers
- Towing
- Transportation Network Companies
- Used Automotive Parts Recyclers
- Vehicle Storage Facilities

Medical and Health Professions (11)
- Athletic Trainers
- Behavior Analysts
- Dietitians
- Dyslexia Therapy
- Hearing Instrument Fitters & Dispensers

Professionals (7)
- Auctioneers
- Barbering
- Cosmetology
- Laser Hair Removal
- Offender Education Providers
- Property Tax Consultants
- Property Tax Professionals

Building & Mechanical (8)
- Air Conditioning & Refrigeration
- Architectural Barriers
- Boiler Safety
- Code Enforcement Officers
- Electrical Safety
- Elevators, Escalators & Related Equipment
- Industrialized Housing & Buildings
- Mold Assessors & Remediators

Natural Resources (2)
- Water Well Drillers & Pump Installers
- Weather Modification

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Medical and Health Professions (11)
- Athletic Trainers
- Behavior Analysts
- Dietitians
- Dyslexia Therapy
- Hearing Instrument Fitters & Dispensers
- Massage Therapists
- Midwives
- Orthotists & Prosthetists
- Podiatric Medicine
- Sanitarians
- Speech-Language Pathologists & Audiologists

Natural Resources (2)
- Water Well Drillers & Pump Installers
- Weather Modification

February 12, 2020
TDLR: Keys to Success

Functional Alignment

TDLR’s functionally aligned business model creates efficiencies and savings by distributing work by purpose, not program.

With functional alignment, administration costs are typically lowered, and these savings are passed on to licensees in the form of reduced or eliminated fees.
The Texas Legislature consistently looks to TDLR to transfer and consolidate inefficient licensing programs into the agency’s functional alignment model.

With the transfer of motor fuels, more than 800,000 licensees have been transferred to TDLR by the Legislature since 2001.

### Program Transfers: A Track Record of Success

<table>
<thead>
<tr>
<th>Transfer Year</th>
<th>Program</th>
<th>Licensee Population (at transfer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Weather Modification</td>
<td>33</td>
</tr>
<tr>
<td>2003</td>
<td>For-Profit Legal Service Contracts</td>
<td>14,516</td>
</tr>
<tr>
<td>2005</td>
<td>Bartering</td>
<td>32,048</td>
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<tr>
<td>2005</td>
<td>Cosmetology</td>
<td>249,447</td>
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<tr>
<td>2007</td>
<td>Towing/Vehicle Storage Facilities</td>
<td>25,637</td>
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<tr>
<td>2009</td>
<td>Used Automotive Parts Recycling</td>
<td>1,834</td>
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<tr>
<td>2009</td>
<td>Polygraph Examiners</td>
<td>269</td>
</tr>
<tr>
<td>2009</td>
<td>Property Tax Professionals</td>
<td>4,101</td>
</tr>
<tr>
<td>2015</td>
<td>Driver Education and Safety</td>
<td>3,956</td>
</tr>
<tr>
<td>2016</td>
<td>Athletic Trainers</td>
<td>3,716</td>
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<tr>
<td>2016</td>
<td>Dietitians</td>
<td>5,576</td>
</tr>
<tr>
<td>2016</td>
<td>Dyslexia Therapists and Practitioners</td>
<td>895</td>
</tr>
<tr>
<td>2016</td>
<td>Hearing Instrument Fitters and Dispensers</td>
<td>824</td>
</tr>
<tr>
<td>2016</td>
<td>Midwives</td>
<td>268</td>
</tr>
<tr>
<td>2016</td>
<td>Orthotists and Prosthetists</td>
<td>1,012</td>
</tr>
<tr>
<td>2016</td>
<td>Speech-Language Pathologists &amp; Audiologists</td>
<td>20,837</td>
</tr>
<tr>
<td>2017</td>
<td>Code Enforcement Officers</td>
<td>2,571</td>
</tr>
<tr>
<td>2017</td>
<td>Laser Hair Removal</td>
<td>3,357</td>
</tr>
<tr>
<td>2017</td>
<td>Massage Therapists</td>
<td>34,540</td>
</tr>
<tr>
<td>2017</td>
<td>Mold Assessors and Remediators</td>
<td>5,789</td>
</tr>
<tr>
<td>2017</td>
<td>Offender Education Providers</td>
<td>4,077</td>
</tr>
<tr>
<td>2017</td>
<td>Sanitarians</td>
<td>1,336</td>
</tr>
<tr>
<td>2017</td>
<td>Podiatrists</td>
<td>1,633</td>
</tr>
<tr>
<td>2019</td>
<td>Motor Fuel Metering &amp; Quality</td>
<td>400,000+ (est.)</td>
</tr>
<tr>
<td>2020</td>
<td>Motorcycle Safety Training</td>
<td>480 (est.)</td>
</tr>
</tbody>
</table>

**Transferred to TDLR Since 2001**

800,000+
Keeping Money in the Pockets of Licensees

- TDLR annually reviews licensing fees against program administration costs to ensure fees are in balance, and fees are reduced accordingly whenever warranted.

- Due to economies of scale, when existing programs are consolidated at TDLR, program administration costs are typically lowered, and these savings are passed on to licensees in the form of reduced or eliminated fees.

- From Fiscal Year 2010 through Fiscal Year 2018, the total cumulative savings for licensees from all fee reductions amounted to $20 million.
Senate Bill 2119

• Senate Bill 2119 was signed into law by Governor Greg Abbott on June 14, 2019, transferring the regulation of motor fuel metering and motor fuel quality from TDA to TDLR.

• TDLR’s Program Implementation Team began meeting as soon as possible with our TDA counterparts in June 2019.

• Although the effective date of SB 2119 is September 1, 2020 some sections took effect immediately, including transition language regarding consumer complaints and enforcement.
TDLR Program Implementation Team

The Program Implementation Team is made up of three sub-teams.

Program staff from each TDLR division have met continuously with their respective counterparts at TDA since the enactment last summer of SB 2119.

February 12, 2020
Rolling Out Across Texas

- On January 7, 2020 TDLR’s Commissioners, executive leadership team, and staff held media events in Austin, Fort Worth, Houston, and Tyler to introduce the new consumer information sticker.
- TDLR were joined by State Sen. Carol Alvarado, State Rep. Mary Ann Perez, State Rep. Craig Goldman, and Paul Hardin of TFFA.
- More than 45 media outlets statewide ran stories on the event.
New Stickers Now Available!

On January 7, 2020 TLDR began selling the new Texas-shaped consumer information sticker.
New Stickers Now Available!

Order your new or replacement consumer information stickers online.

www.tdlr.texas.gov
New Stickers Now Available!

REMINDER: When replacing your stickers, please be sure to remove all TDA stickers so consumers are not confused.
As of February 7, 2020 TDLR has received 417 complaints related to motor fuels:

- 103 dismissed for insufficient evidence
- 83 referred to another agency
- 10 received warning letter
- 8 withdrawn
- 3 informally resolved

### Alleged Violation Type

<table>
<thead>
<tr>
<th>Alleged Violation Type</th>
<th>Number of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skimmers</td>
<td>72</td>
</tr>
<tr>
<td>Fuel quality</td>
<td>150</td>
</tr>
<tr>
<td>Fuel quantity</td>
<td>96</td>
</tr>
<tr>
<td>Expired license</td>
<td>28</td>
</tr>
<tr>
<td>Pricing</td>
<td>35</td>
</tr>
<tr>
<td>Device not in working order</td>
<td>36</td>
</tr>
<tr>
<td>Unlicensed</td>
<td>10</td>
</tr>
<tr>
<td>Labeling requirements</td>
<td>3</td>
</tr>
</tbody>
</table>

*Some cases contain multiple violation types*
RULES
Fight Against Skimmers

House Bill 2945 directs the **Office of Attorney General (OAG)**, not TDLR, to adopt rules related to the implementation, best practices, and enforcement for fuel facilities and owners.

OAG proposed rules for comment on November 1, 2019. That comment period is now closed.

**TDLR’s Role**

Receive and investigate skimmer complaints.

Work cooperatively with law enforcement and the OAG Fusion Center.

Transmit skimmer report information to the Fusion Center.
TDLR Motor Fuel Metering and Quality Rules
In September, TDLR began accepting applications to fill new positions on the first-ever **Motor Fuels Workgroup**. Positions are voluntary and there is no compensation or reimbursement for serving on the Workgroup. Members will:

- **Help TDLR review program rules**
- **Provide industry insight and expertise**
- **Identify potential burdens to business and consumers**
- **Advise TDLR on how to combat skimmers**
- **Bring improvements and efficiencies to the program.**
Motor Fuels Workgroup Positions

- Two Licensed Service Companies or their representative
- Three Convenience Store Operators or their representative
- One bulk meter operator or their representative
- One liquid propane gas operator or their representative
- Two Fuel Marketers (includes suppliers, distributors or wholesalers) or their representative
- One Law Enforcement Agency Representative experienced in skimmer investigations
- Two Financial Institution representatives or Credit Card issuer representatives
- Three ex officio members
Motor Fuels Workgroup Members

Siraj Ali (Sugar Land), NNB Enterprises, Inc.
Steve Boyd (Houston), Sun Coast Resources, Inc.
Adam Colby (Tyler), Tyler Police Department
Gary Garrison (Bridgeport), Fred Garrison Oil Company
Carlos A. Garza (Edinburg), La Lomita Inc. DBA Tigre Food Stores/TexBest Travel Centers
Jason Harris (Pearland), Buc-ee’s, Ltd.
Terry Maxey (San Antonio), Maxey Energy Company
Wes Nance (Seguin), Petroleum Solutions, Inc.

Stephen Scurlock (Austin), Independent Bankers Association of Texas
Steven Webster (Westbrook), WEX, Inc.
Adam Thompson (Watauga), Meter Calibration Solutions
Lane Worthington (Midland), WTG Fuels, Inc.

Ex Officio Members:

Mike Arismendez, TDLR Deputy Executive Director, Workgroup Chair
Dan Hunter, Assistant Commissioner for Water and Rural Affairs, TDA
Brad Schuelke, Senior Assistant Attorney General, OAG

February 12, 2020
Motor Fuels Workgroup
Inaugural Meeting

**Date:** Thursday, February 27, 2020

**Location:** TDLR’s North Campus in Austin

Online ▪ Live-Streamed ▪ Archived

Stay Connected with Email Updates

https://public.govdelivery.com/accounts/TXDLR/subscriber/new
TDLR is currently under Sunset Review

Motor Fuels Program may still provide input

Process to Review Agency Operations

24 of 39 TDLR Programs Under Review

TDA is also currently under Sunset Review

February 12, 2020
Open Discussion

September 11, 2019
TDLR Strategic Planning Process

We view Strategic Planning as: **Opportunity not a Requirement**

• Collaborative

• Transparent

• Open

• Actionable

February 12, 2020
We remain committed to providing a high level of service and earning your respect.

We are always listening, eager to learn, and willing to change.