

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

OPEN MEETING VIA TELEPHONE CONFERENCE CALL
PURSUANT TO GOVERNOR'S MARCH 16, 2020,
TEMPORARY SUSPENSION OF CERTAIN
OPEN MEETING PROVISIONS

Thursday,
June 11, 2020

BOARD MEMBERS:

Guillermo "Memo" Treviño, Chair
Charles Bacarisse, Vice Chair
Stacey Gillman
Brett Graham
Tammy McRae
John Prewitt
Paul Scott
Shelley Washburn (absent)

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P R O C E E D I N G S

1
2 MR. TREVIÑO: Good morning. My name is Memo
3 Treviño, and I'm pleased to open the board meeting of the
4 Texas Department of Motor Vehicles.

5 It is approximately 8:03 a.m., and I am now
6 calling the board meeting for June 11, 2020 to order. I
7 want to note for the record that the public notice of this
8 meeting, containing all items on the agenda, was filed
9 with the Office of Secretary of State on June 3, 2020.

10 This meeting is being held by telephone
11 conference call in accordance with Texas Government Code,
12 Chapter 551, as temporarily modified under Governor Greg
13 Abbott's authority to suspend certain statutes due to
14 COVID-19. Governor Abbott suspended various provisions of
15 the Texas Open Meetings Act that require government
16 officials and members of the public to be physically
17 present at a specified meeting location.

18 Under that suspension, the public will not be
19 able to physically attend this meeting in person.
20 Instead, the public may attend this meeting by using the
21 link or by calling the toll-free telephone number which
22 are both posted in our agenda which was filed with the
23 Office of Secretary of State on June 3, 2020. All board
24 members, including myself, will be participating remotely
25 via Webex.

1 At this time, will all attendees please mute
2 your phone for the entire duration of this meeting. I'm
3 asking our Webex host to make sure all attendees' phones
4 are muted and their video is turned off, except for board
5 members and those who are presenting. Callers will be
6 removed for any disruption, including background noises.
7 And I'm going to take just a moment just to make sure that
8 my audio is coming in well.

9 MS. BEAVER: Thank you, Chairman. Yes, we can
10 hear you loud and clear.

11 And would the meeting host please take down the
12 technology device. Thank you.

13 MR. TREVIÑO: Great. I would like to remind
14 all participants that this is a telephone conference call
15 meeting. Because this meeting is being held by telephone
16 conference call, there are a few things that will assist
17 in making the meeting run smoother and assist the court
18 reporter in getting an accurate record.

19 Department staff and any commenters should
20 identify themselves before speaking. Speak clearly.
21 Remember that there may be a slight delay due to the
22 telephone conference call, so please wait a little longer
23 than usual before responding to participants. Do not
24 speak over others, and speakers should ask the chairman to
25 proceed and be sure to get recognized before speaking.

1 If you wish to address the board or speak on an
2 agenda item during today's meeting, please send an email
3 to GCO_General@txdmv.gov. Please identify in your email
4 the specific item you're interested in commenting on, your
5 name and address and whether you are representing anyone
6 or speaking for yourself. If your comment does not
7 pertain to a specific agenda item, we will take your
8 comment during the general public comment portion of the
9 meeting.

10 In accordance with department and
11 administrative rule, comments to the board will be limited
12 to three minutes, then the call will be muted. Comments
13 should be pertinent to the issues stated in your email.
14 When addressing the board, please state your name and
15 affiliation for the record.

16 Before we begin today, I'd like to remind all
17 presenters and those in attendance of the rules of conduct
18 at our board meetings. In the department's rules under
19 Section 206.22, the board chair is given authority to
20 supervise the conduct of meetings.

21 This includes the authority to determine when a
22 speaker is being disruptive of the meeting or is otherwise
23 violating the time or presentation rules I just discussed.

24 Disruptive speakers will be muted, given a warning about
25 disruptive behavior, and removed from the meeting for any

1 continued disruption.

2 Okay. We'll move to agenda item 1 and call the
3 roll of the board members.

4 Board Member Bacarisse, are you here?

5 MR. BACARISSE: Present.

6 MR. TREVIÑO: Board Member Gillman?

7 MS. GILLMAN: I am here.

8 MR. TREVIÑO: Board Member Graham?

9 MR. GRAHAM: Present.

10 MR. TREVIÑO: Board Member McRae?

11 MS. McRAE: Here.

12 MR. TREVIÑO: Board Member Prewitt?

13 MR. PREWITT: Here.

14 MR. TREVIÑO: Board Member Scott? Board Member
15 Scott? I thought I saw Member Scott's video.

16 MR. SCOTT: Here I am. I'm here. Thank you.

17 MR. TREVIÑO: Great.

18 Board Member Washburn? I believe Member
19 Washburn indicated she was not going to be present. Is
20 that correct?

21 MS. BEAVER: Tracey Beaver, general counsel,
22 for the record.

23 That is correct, Chairman. Thank you.

24 MR. TREVIÑO: Okay. And let the record reflect
25 that I, Guillermo Treviño am here too. We have a quorum.

1 Also let the record reflect that Member Washburn is
2 absent today.

3 And now we will move to agenda item 2, the
4 pledge of allegiance. Before we begin, I ask that the
5 board and other panelists please turn off your video,
6 except for Jeremiah Kuntz. We are very fortunate today to
7 have Mr. Parker Kuntz, member of Cub Scout Pack 333 and
8 the son of Jeremiah Kuntz, to lead us in the pledges of
9 allegiance. Please, once you have turned off your video
10 and audio, all stand and honor our country and state with
11 the pledges of allegiance.

12 Parker and Jeremiah, will you please lead us in
13 the pledges?

14 MR. KUNTZ: Thank you, Chairman.

15 (The Pledge of Allegiance and the Texas
16 Allegiance were recited.)

17 MR. TREVIÑO: All right. Parker, thanks a lot
18 for joining us today. You did a great job.

19 PARKER KUNTZ: Thank you.

20 MR. TREVIÑO: Your dad is a great man. We
21 appreciate all he does for the State of Texas; we're very
22 proud of him.

23 MS. GILLMAN: Already a great part of the day.

24 MR. TREVIÑO: Yep. I think it's a mic drop and
25 we just shut it all down here and move on. That was

1 great.

2 Okay. Members and panelists, please turn your
3 video and audio back on.

4 We'll now move to the chair's report, agenda
5 item 3. It is my duty to inform the board that we
6 received Member Joel Richardson's notice of resignation.
7 I would like to thank him for his service on the board,
8 and I know I speak for the entire board when I say we wish
9 him very well.

10 Okay, item 3.B. Section 1001.023 of the
11 Transportation Code sets out the duties of the board chair
12 and vice chair. One of the duties of the board chair is
13 to report to the governor on the state of affairs of the
14 department. The annual report was submitted to the
15 governor on April 23, 2020. It is posted on the agency's
16 external website at www.txdmv.gov at the bottom of the
17 page located under Learn More and Reports and Data.

18 So now we'll turn it over to the executive
19 director, Whitney Brewster, for agenda item number 4.

20 Whitney, are you there? I see Whitney on here.
21 Whitney?

22 MS. BEAVER: Chairman, Tracey Beaver, general
23 counsel, for the record.

24 It appears that there is a technology issue.
25 Perhaps we could give Whitney just a moment to see if the

1 connection restarts. Thank you.

2 MR. TREVIÑO: Certainly, certainly.

3 MS. BREWSTER: Mr. Chairman, can you hear me?

4 MR. TREVIÑO: Yes, we can.

5 MS. BREWSTER: (Inaudible due to audio issue.)

6 MR. TREVIÑO: We had her there for a second.

7 And I apologize for the awkward silence.

8 Tracey?

9 MS. BEAVER: Tracey Beaver, general counsel,
10 for the record.

11 Chairman, if you would like to table agenda
12 item number 4, and we can take it up later in the board
13 meeting, if that would be okay with you, or we could take
14 a break to address the technology issue.

15 MR. TREVIÑO: Okay. So your recommendation is
16 just to take a break to see if we can get Whitney back on.
17 Okay, sure. Great.

18 MS. BEAVER: Actually, it looks like Whitney
19 may have just gotten back on.

20 MR. TREVIÑO: I see her name on the
21 participants list.

22 MS. BEAVER: It appears that there is a
23 technology issue with Ms. Brewster, so if you would like
24 to take a break or go to the next agenda item. Thank you.

25 MR. TREVIÑO: Well, the next agenda item is

1 Daniel Avitia, the contested case. Should we wait for
2 Whitney to do the contested case or should we just jump
3 into that?

4 MS. BEAVER: It might be a good idea to take a
5 break then if there is a technology issue and just take a
6 moment for Ms. Brewster to log back in.

7 MS. BREWSTER: I am here. Can you hear me?

8 MR. TREVIÑO: Yes, we can now.

9 MS. BREWSTER: All right. I apologize for
10 that.

11 MR. TREVIÑO: We can continue with the update
12 on the department.

13 MS. BREWSTER: Thank you, Mr. Chairman.

14 Good morning, Mr. Chairman and members of the
15 board. For the record, Whitney Brewster, executive
16 director. Thank you for the opportunity to update you on
17 some of the activities that are occurring at the
18 department.

19 I'll start off with the Consumer Protection
20 Advisory Committee. When TxDMV went through the Sunset
21 review by the legislature in 2018, the continuing
22 legislation Senate Bill 604 recommended that the TxDMV
23 Board establish formal advisory committees to assist the
24 department staff and the board on decision-making. The
25 board subsequently adopted rules for establishing these

1 advisory committees, including the Consumer Protection
2 Advisory Committee, to ensure inclusivity as well as
3 transparency.

4 This is, just as a reminder, the second
5 advisory committee to be established so far, with the
6 Vehicle Titles and Registration Committee having already
7 met and providing feedback to the board on digital license
8 plates, which you'll be hearing more about later on in
9 this meeting.

10 The Consumer Protection Advisory Committee held
11 its introductory meeting via teleconference on April 23,
12 and has since met again on May 19 and May 28 to dive into
13 some pretty meaty topics before the committee. And I want
14 to thank the CPAC committee for all of their work thus far
15 and the work that they are continuing to do.

16 The committee has been discussing primarily
17 four main topics and will be providing some
18 recommendations to the board later today, as well as an
19 update on their remaining activities. So the topics that
20 they are looking at is, first, how to handle the issuance
21 of a title when a motor vehicle dealer goes out of
22 business, also how to strengthen and enforce data
23 protected under the Driver Privacy Protection Act, also
24 how to issue refunds by motor vehicle dealers and motor
25 carriers transporting household goods, and then finally

1 how to improve the issuance and security of temporary
2 tags.

3 So as you can imagine hearing those, those are
4 pretty substantial topics for discussion by the members to
5 form the recommendations for further direction to the
6 board, and so the committee plans to meet again June 18
7 and June 25 for future meetings.

8 Again, I appreciate all the time and energy our
9 advisory committee members are putting into bringing
10 recommendations to the board for consideration. These are
11 our volunteers, and I very much appreciate the time and
12 energy they are devoting to bringing forward
13 recommendations to the board.

14 (Loss of audio.)

15 MR. TREVIÑO: Whitney, you broke up there
16 toward the end. I would say the last 30 seconds or so
17 were unintelligible.

18 MS. BREWSTER: So I was just indicating that
19 there would be more to come on the CPAC committee later in
20 the agenda, but I was just going to pause here and see if
21 there were any questions. If not, I can move on to item
22 B.

23 MR. TREVIÑO: Thank you, Whitney.

24 Does the board have any questions for Ms.
25 Brewster?

1 (No response.)

2 MR. TREVIÑO: Hearing none, Ms. Brewster, I
3 have a question. What are the salaries of all these
4 committee members? What are their salaries?

5 MS. BREWSTER: Zero.

6 MR. TREVIÑO: No stock options, they get
7 nothing?

8 MS. BREWSTER: No, they get no compensation.

9 MR. TREVIÑO: They're volunteers, so we do want
10 to thank them for their service to the State of Texas. It
11 is greatly appreciated, and that's what our republic is
12 built on, is citizens participating. So thank you very
13 much for your participation in that.

14 Okay. So I guess we can move on to your next
15 agenda item.

16 MS. BREWSTER: Thank you.

17 Not long after closing our offices and shifting
18 most of our workforce to telecommuting due to the COVID-19
19 pandemic in mid-March, department leadership has been
20 discussing what it would look like when we reopen our
21 offices.

22 Now kind of fast forward to mid-May, when in
23 coordination with the Governor's Office, we reopened our
24 regional service centers the week of May 25 after the
25 Memorial Day holiday. Because of that early preparation

1 and planning and with the work of our staff, we
2 successfully opened those offices.

3 (Loss of audio.)

4 MR. TREVIÑO: Whitney, we lost you again.
5 Whitney, are you back?

6 (No response.)

7 MR. TREVIÑO: Is everybody else still on?
8 Brett, Paul, I can see you guys.

9 MS. GILLMAN: Yep, we're still here.

10 MS. McRAE: Here.

11 MR. TREVIÑO: Thank you, Member Gillman.
12 Tracey?

13 MS. BEAVER: Tracey Beaver, general counsel,
14 for the record.

15 Chairman, would you like to take a quick break
16 so we can see if we can address the technology issue?

17 MR. TREVIÑO: We'll give her just a second.

18 While you're addressing that, I think she was
19 talking about getting all the offices opened. Is that
20 correct, having to do with the COVID response?

21 MS. BEAVER: Tracey Beaver, general counsel,
22 for the record.

23 Yes, absolutely. Thank you, Chairman.

24 MR. TREVIÑO: And just to summarize, getting
25 the offices opened out in the field was a great effort by

1 the department. During our weekly -- we have a weekly
2 discussion with staff, and just their preparations, the
3 way they brought everyone together, it was pretty
4 impressive. I mean, it's been a very tough year for Texas
5 and a challenging one for the department itself.

6 I do want to just acknowledge the effort that
7 staff made bringing everybody together, IT, Vehicle Titles
8 and Registration, Finance and Administration, just all the
9 whole work that the executive team did bringing all the
10 areas together to get the offices open safely.

11 They opened up 15 out of the 16 in line with
12 the governor's directive, and they opened the 16th office
13 up a couple of days later, so for me, that's just
14 tremendous to do that safely and bring all these different
15 parts of the department and areas of the State of Texas
16 together to get this done.

17 So congratulations to the department for all
18 your hard work getting this accomplished, which was no
19 easy task. I know it's just a line item on the agenda,
20 but all the work that went into it is staggering and just
21 a great job, great job.

22 Whitney, are you back?

23 (No response.)

24 MS. BEAVER: Chairman, Tracey Beaver, general
25 counsel, for the record.

1 Whitney is going to try to address the
2 technology issue, so we can either move on to the next
3 agenda item, if you'd like, or take a break.

4 MR. TREVIÑO: Do you think it would be
5 appropriate to go to the next agenda item without her, the
6 contested case, or do you think it would be better to wait
7 for her?

8 MS. BEAVER: That would be fine either way,
9 Chairman, if you would like to continue moving on. We can
10 always bring up her executive director reports later on in
11 the board meeting if you'd like to table those items.

12 MR. TREVIÑO: I'd like to do that because it's
13 unclear whether the technology issue will be resolved, and
14 I'd hate to wait 30 minutes and still be in the same
15 position. So if it's appropriate, I would like to move on
16 with the agenda then.

17 So we'll move on to agenda item number 5, it's
18 the contested case. We'll hear a briefing by Daniel
19 Avitia, and before we move to the contested case
20 presentations, we'll hear from our general counsel, Tracey
21 Beaver.

22 MS. BEAVER: Thank you, Chairman.

23 Each party in this case was given an
24 opportunity to present ten minutes for their presentation
25 and five minutes for rebuttal. We do have a

1 representative for the party Bam's on the line as an
2 attendee, and that individual is logged on as Angela
3 McKinnon, so I would ask if the IT host would please
4 promote Angela McKinnon to panelist once the chairman
5 makes that recommendation in the script.

6 And that's all I have. Thank you.

7 MR. TREVIÑO: Great. Thank you, Ms. Beaver.

8 Daniel Avitia will now address agenda item 5,
9 the contested case.

10 Daniel.

11 MR. AVITIA: Thank you, Chairman.

12 Chairman, members, Ms. Brewster, good morning.

13 For the record, I am Daniel Avitia. I am the director of
14 the Motor Vehicle Division.

15 Mr. Damian Shores is the attorney in the
16 Enforcement Division is the attorney that presented this
17 case to the State Office of Administrative Hearings and
18 represented the department at the hearing.

19 Agenda item 5 can be found on page 8 of your
20 board books. It is the contested case regarding the Texas
21 Department of Motor Vehicles v. Harrell Berry d/b/a Bam's
22 Sales and Service, Inc.

23 Bam's application history alerted staff that
24 Mr. Berry was likely acting as a chameleon, which is
25 somebody that applies for a license on behalf of a former

1 business owner who is ineligible or otherwise should not
2 be licensed.

3 Under Texas Administrative Code 215.89(b) (8),
4 the department may deny a person's license application if
5 a manager or affiliate of a corporation is ineligible for
6 licensure.

7 The Motor Vehicle Division Licensing Committee
8 originally denied the license application for Mr. Berry
9 after reviewing circumstances, including the information
10 provided by Mr. Berry.

11 Key factors, again, for originally denying the
12 license are he following: number one, the business
13 website and Facebook pages featured photos of the prior
14 owner and the page text indicated the prior owner was
15 still actively involved in the business; number two, Mr.
16 Berry's application indicated that the prior owner was
17 employed as a business manager, and he provided no proof
18 in the application that the prior owner's employment had
19 been terminated; and then finally, number three, the
20 business website falsely stated that the business was a
21 licensed dealership and advertised nine motor vehicles for
22 sale.

23 Now, while chameleon cases or affiliation cases
24 are extremely difficult to prove, the Motor Vehicle
25 Division believes these cases are important for two

1 reasons: number one, to put license holders on notice
2 that the department will not allow dealers to skirt
3 license eligibility requirements; and two, and more
4 importantly, to protect the public from unscrupulous
5 dealers.

6 In this case and at the time of the hearing the
7 ALJ found that Mr. Berry was taking sufficient actions to
8 disassociate his business from the business owner that
9 formerly owned Bam's, and that the department should issue
10 the license. After careful review, staff is asking the
11 board to issue a final order which concurs with the ALJ's
12 proposal for decision and move forward with approving
13 Bam's Sales and Service's application for a general
14 distinguishing number, or GDN, license.

15 As Counsel Beaver stated earlier, Mr. Berry is
16 represented by Ms. Angela McKinnon. Ms. McKinnon received
17 notice of this meeting, and counsel is present to provide
18 comments today.

19 Members, this concludes my remarks. Thank you.

20 MR. TREVIÑO: Mr. Avitia, thank you very much
21 for your comments.

22 Any questions from board members?

23 (No response.)

24 MR. TREVIÑO: Okay. Hearing none, before we
25 proceed, will the meeting host please move Angela Reese

1 McKinnon to panelist so she can have her video and audio
2 on, and let me know when that's accomplished.

3 Ms. Reese McKinnon, are you on? We can't hear
4 you, still can't hear you. I'm not sure if it's on your
5 end or on our end?

6 MS. MCKINNON: Can you hear me?

7 MR. TREVIÑO: No. I still can't hear you. I
8 thought I heard you just for a split second.

9 MS. MCKINNON: Can you hear me now?

10 MR. TREVIÑO: Yeah, I think there's a delay,
11 though.

12 MS. MCKINNON: May I be heard?

13 MR. TREVIÑO: Yes, you can, but there's a
14 slight delay in your feed somehow, like a split second,
15 but I think we've got you. Try one more time.

16 MS. MCKINNON: Hello.

17 MR. TREVIÑO: We can hear you. We will now
18 receive a presentation by Angela Reese McKinnon.

19 MS. MCKINNON: Yes. As it was stated, we did
20 have an administrative hearing on this particular
21 contested case. We put forth evidence at that time to
22 show that Mr. Berry actually purchased this business from
23 the previous owner, Mr. Harlem Lewis, in a valid, very
24 legal transaction.

25 The public records on file show that Mr. Berry

1 is the only owner for the business. When he initially
2 applied for his license, he had no knowledge of Mr. Harlem
3 Lewis's previous application, and so he did make
4 accommodations and amendments, actually, to the business
5 itself following it in order to comply with the
6 requirements in order for him to receive his license.

7 Mr. Berry has no criminal background, which is
8 what he has attested to in the hearing, and I believe the
9 judge actually decided in our favor and determined that
10 there was no evidence that a chameleon relationship was
11 ever in place for this transaction. There's actually no
12 evidence of a chameleon transaction in this case.

13 Mr. Berry is just asking to have his license so
14 that he can move forward with his business. It's been
15 pending for some time now, and so at this point he's at a
16 position where he's purchased a business, he's invested in
17 a business that he can do very limited things with at this
18 point until he can actually get his license. There is
19 absolutely no true reasons as to why Mr. Berry shouldn't
20 be allowed to obtain a license so that he can move forward
21 with the business.

22 Even boiling down to the business relationship
23 between him and Harlem Lewis, it's just a simple
24 transaction that he invested in business that Harlem Lewis
25 obviously couldn't maintain because he wasn't able to get

1 a license because of his own background. That should not
2 have any bearing on Mr. Harrell Berry.

3 With that, I'll go ahead and close my
4 statements at this point, unless anyone has any questions.

5 MR. TREVIÑO: Okay. Thank you very much, Ms.
6 McKinnon, for that succinct recap of the case.

7 Does anybody have any questions for Ms.
8 McKinnon?

9 (No response.)

10 MR. TREVIÑO: Okay. Hearing none, Ms.
11 McKinnon, do you have anyone else presenting on this case?

12 MS. MCKINNON: No, not unless Mr. Berry was
13 able to log in, but I know he was having his own technical
14 issues and it didn't look like he was able to.

15 MR. TREVIÑO: Okay. Any other questions?

16 (No response.)

17 MR. TREVIÑO: If there's no other questions,
18 will our meeting host please move Angela Reese McKinnon to
19 attendee status.

20 Any questions? Anybody have any other issues
21 on this case?

22 (No response.)

23 MR. TREVIÑO: If not, the chair would entertain
24 a motion. Anyone have any thoughts or would anyone like
25 to proffer a motion?

1 MR. SCOTT: This is Member Scott.

2 MR. TREVIÑO: Member Scott. The chair
3 recognizes Member Scott.

4 MR. SCOTT: I move that the board uphold the
5 SOAH's PFD and adopt the findings of fact and conclusions
6 of law as stated in the proposal for decision, including
7 granting Mr. Berry's application for a GDN.

8 MR. TREVIÑO: Great. We have a motion from
9 Member Scott. Do we have a second?

10 MR. GRAHAM: Second.

11 MR. TREVIÑO: We have a second from Member
12 Graham.

13 Okay. Any discussion?

14 (No response.)

15 MR. TREVIÑO: Hearing none, I will call for the
16 vote. Board members, when I call your name, please state
17 your vote for the record.

18 Board Member Bacarisse?

19 MR. BACARISSE: Aye.

20 MR. TREVIÑO: Board Member Gillman?

21 MS. GILLMAN: Aye.

22 MR. TREVIÑO: Board Member Graham?

23 MR. GRAHAM: Aye.

24 MR. TREVIÑO: Board Member McRae?

25 MS. McRAE: Aye.

1 MR. TREVIÑO: Board Member Prewitt?

2 MR. PREWITT: Aye.

3 MR. TREVIÑO: Board Member Scott?

4 MR. SCOTT: Aye.

5 MR. TREVIÑO: Board Member Washburn is not
6 present. I, Chairman Treviño, also vote aye, so the vote
7 is unanimous and the vote carries.

8 So, congratulations, Ms. McKinnon. Please
9 inform your client that everything went well.

10 Is Whitney back on then?

11 MS. BREWSTER: Mr. Chairman, I'm here. Can you
12 hear me okay?

13 MR. TREVIÑO: Yes, we can hear you well now.
14 So would you like to continue now? I'm more concerned
15 about the team members who are waiting for their annual
16 years in service awards.

17 MS. BREWSTER: Excellent. Technology is
18 awesome when it works.

19 MR. TREVIÑO: You bet.

20 MS. BREWSTER: So not long after closing our
21 offices and shifting most of our workforce to
22 telecommuting due to the COVID-19 pandemic in mid-March,
23 department leadership began discussing what it would look
24 like when we reopen our offices and certainly welcome more
25 of our employees back on site.

1 Now, kind of fast-forward to mid-May when, in
2 coordination with the Governor's Office, we reopened our
3 regional service centers the week of May 25, and that was
4 obviously after the Memorial Day holiday.

5 And because of the early preparation and
6 planning and with the amazing work of staff, frankly, we
7 successfully opened those offices. And I cannot thank
8 enough our Vehicle Titles and Registration and Finance and
9 Administrative Services staff for really everything that
10 they were able to accomplish in preparing these offices.
11 They far exceeded our expectations.

12 On May 26, 15 of the 16 regional service
13 centers reopened to providing in-person services by
14 appointment only and obviously with new health and safety
15 procedures in place. The Pharr office opened shortly
16 thereafter on May 29.

17 Our Finance and Administrative Services
18 Division arranged the procurement and installation of
19 plexiglass barriers at customer counters, social
20 distancing signs, floor markers, and the much sought after
21 PPE equipment for employees.

22 Many, many staff members worked through the
23 holiday weekend to make sure everything would be ready to
24 safely open on time. And we announced the opening of
25 offices to the public via press releases, media

1 interviews, social media posts and website updates, as
2 well as other stakeholder communications.

3 Really, other than a few issues with the online
4 appointment system during the first couple of days,
5 everything has been very smooth at the regional service
6 centers, and while our overall operations are certainly
7 far from normal, resuming in-person service was a huge
8 milestone that I think we should all be proud of.

9 In the meantime, our internal reopening working
10 group is planning the next phases of our reopening plan
11 which will include expanding our services in the regional
12 service centers, the voluntary return of more of our
13 employees to work on site while still allowing
14 telecommuting where feasible. There is some resumption of
15 on-site services at headquarters allowing limited site
16 visits of our regulated community and county tax offices,
17 and eventually a return to somewhat of a normal
18 operations. Certainly normal will be different than it
19 was pre COVID-19.

20 Once we notify the public that normal
21 operations are in effect, that will trigger the start of
22 the 60-day clock for the public to come into compliance
23 with registration and titling requirements.

24 It's important to point out that there is not a
25 time frame yet for these additional phases of our

1 reopening plan. We are working very closely with the
2 Office of the Governor, and the plans are always subject
3 to change, certainly, based on health and safety
4 circumstances and in coordination with state leadership.

5 But as a part of our reopening plan, we asked
6 our employees to complete a survey about returning to the
7 workplace and what they felt like they needed to return
8 comfortably back to the office, and we had an amazing
9 response rate of over 80 percent. Our internal reopening
10 working group has been factoring in those survey results
11 to our reopening plan, and we continue to track both the
12 operational and financial impacts of the COVID-19
13 pandemic.

14 The Finance and Audit Committee, as you know,
15 Mr. Chairman, met yesterday to discuss the financial
16 impacts of COVID-19, and I know Member Graham will give an
17 overview later in the meeting on some of those items, but
18 I just wanted to mention a few operational impacts to you
19 all today.

20 As you can imagine, we've seen a decrease in
21 some of the services that we provide. From March to May
22 of this year we've seen about a 22 percent decrease in
23 oversize/overweight motor carrier permits compared to the
24 same time last year.

25 The number of titles issued during the third

1 quarter of this year is down approximately 34 percent over
2 last year. Registration is not as dire, I'm happy to
3 report. Registration is slightly down for the third
4 quarter over last year by about 4 percent. And although
5 these transactions are down, we have seen some pretty
6 significant increases in call and email volume coming into
7 our Consumer Relations Division. So for example, we saw a
8 122 percent increase in emails coming into the Consumer
9 Relations Division in April, and in May we saw an increase
10 of calls of about 29 percent.

11 So we're continuing to monitor, again, those
12 operational and financial impacts of COVID-19 on the
13 agency, and we will continue to report those to the board
14 and certainly our oversight entities.

15 I do want to thank a couple of employees for
16 their outstanding work for the department's response to
17 the COVID-19 pandemic. First, John Green, who is our
18 business continuity and disaster recovery planner. When
19 the pandemic started there were many organizations, both
20 public and private, that had to start really from scratch
21 and figure out how to respond to this emergency.

22 I'll just say thanks to John's efforts, TxDMV
23 was in much better shape. He had been working for several
24 years with all of our divisions to put together and
25 implement our continuity of operations plan.

1 And we first adopted that plan in 2014, and
2 over the years we have tested and modified the plan which
3 includes scenarios not exactly like the COVID-19 pandemic
4 but certain scenarios that are similar where we had to
5 move all of our employees off site because of a health
6 crisis.

7 John stays in regular contact with FEMA, the
8 U.S. Department of Homeland Security, the FBI, the Texas
9 Department of Public Safety to ensure that we have the
10 critical information we need to navigate an emergency.

11 So we've moved into the continuity phase of our
12 plan, obviously the week of March 16, and we have been
13 planning the reconstitution phase, if you will, for when
14 more employees are able to return to the office.

15 So in closing, John has been a key player in
16 managing our plan, which has allowed us really to be able
17 to provide essential services to our customers during this
18 time.

19 Another employee that I want to make sure I
20 point out and thank is Charity Rehder, who is a permit
21 supervisor in our Motor Carrier Division. Charity is our
22 department's primary representative on the state's
23 Emergency Management Council. Charity and two other Motor
24 Carrier Division employees, Roxanne Boggs and Troy
25 Malecki, have been participating in the Department of

1 Emergency Management training and exercises since last
2 year really to prepare for disaster scenarios.

3 So when there's an emergency, TxDMV is
4 obviously not a first responder in the sense of law
5 enforcement or emergency medical services, but we
6 certainly still play a very important and urgent role in
7 ensuring safe and accurate routing for motor carriers
8 delivering emergency supplies and responding to emergency
9 situations.

10 Having a seat at the table in the state's
11 emergency response process allows our agency really to
12 rapidly respond when needed, and since the beginning of
13 the COVID-19 pandemic, Charity has been participating in
14 ongoing regular calls with the Emergency Management
15 Council to review disaster scenarios and really to stay in
16 contact with the other agencies. She has done an
17 exceptional job, reporting back valuable information to
18 our department so that we can appropriately respond.

19 So in closing, I want to thank very much John
20 and Charity for their hard work during the COVID-19
21 pandemic.

22 With that, Mr. Chairman, I'll pause.

23 MR. TREVIÑO: Thank you, Whitney.

24 Any of the board have any comments?

25 (No response.)

1 MR. TREVIÑO: Hearing none, speaking for the
2 board, I would like to thank Mr. Green and Ms. Rehder for
3 all the hard work, really the entire organization, to be
4 quite honest with you.

5 Just the flexibility, having to recreate things
6 on the fly in real time, keeping your staff and the
7 citizens of Texas health safety top of mind, while still
8 trying to do your job in a completely different way, it's
9 still amazing to me. And congratulations for the great
10 job that you guys are doing.

11 MS. BREWSTER: Thank you, Mr. Chairman. It
12 certainly has been an agency-wide effort, and I am just so
13 proud of TxDMV staff for really continuing to move forward
14 to serve Texans with that customer focus while also
15 staying safe. And so I can't say enough great things
16 about the time during this time. They've just really far
17 exceeded expectations.

18 MR. TREVIÑO: No doubt about it. They're
19 Texans after all, so that's a good thing.

20 MS. BREWSTER: Hear, hear.

21 MR. TREVIÑO: All right. So we can keep on
22 moving.

23 MS. BREWSTER: Thank you, Mr. Chairman.

24 The next two items, I really just wanted to
25 provide a brief update to let you know that we have met

1 certain statutory requirements in terms of reports.

2 The first item, the strategic plan, the agency
3 started the strategic planning process last year, and if
4 you'll recall, agency staff brought to the TxDMV Board for
5 consideration the vision, mission, the philosophy, goals
6 and values of the department, and the board formally
7 adopted those items in the August 2019 board meeting.

8 Since that time TxDMV staff has been very busy
9 completing the required elements of the plan, and I'm
10 happy to report that the department's strategic plan was
11 submitted on time on June 1, 2020, as required, and posted
12 on the TxDMV website and intranet on June 2.

13 The plan spans the time frame of FY21 through
14 FY25 and contains some really good information. I
15 encourage those listening in today to take a look at the
16 strategic plan and certainly let me know if you have any
17 questions.

18 Item D, the security plan. TxDMV completed and
19 submitted the biennial security plan to the Department of
20 Information Resources, as required by law. This
21 submission included a certification of TxDMV completing
22 cybersecurity training, as required by a bill that passed
23 last session, HB 3834.

24 Details of the report are confidential so I
25 won't be going into the details of the report at this

1 time, but did want to just report that the TxDMV, 100
2 percent of TxDMV staff, as well as TxDMV Board, as well as
3 the Motor Vehicle Crime Prevention Authority Board all
4 completed cybersecurity training by June 1st of this year,
5 which I think is a great testament to the importance that
6 the agency puts on cybersecurity, so I'm very excited that
7 we were able to collectively reach that 100 percent mark.

8 MR. TREVIÑO: Wow. That's a stunning
9 statistic. And wait, you're on the record here, Ms.
10 Brewster, so be careful with your answer. Does that
11 include the board, 100 percent of the board?

12 MS. BREWSTER: One hundred percent of the
13 board. Congratulations.

14 MR. TREVIÑO: Wow. I would expect it from the
15 staff but that's amazing. Well done, board, and well done
16 TxDMV, 100 percent. These trainings, I've been on other
17 boards, and this cybersecurity 100 percent, well done,
18 that's terrific. But you know, in the world we live in,
19 we're seeing right now the importance of it. We need to
20 be aware of the cyber risks in front of us.

21 MS. BREWSTER: Completely agree, Mr. Chairman.
22 If you are all right with me moving on to item
23 E?

24 MR. TREVIÑO: Yes, please. I hate that we're
25 making these people wait.

1 MS. BREWSTER: I know.

2 At this time I'd like to recognize an employee
3 who has reached a major state service milestone, and we
4 celebrate this employee as a show of our appreciation for
5 her years of service to the citizens of Texas. Belinda
6 Martin from our Vehicle Titles and Registration Division
7 has reached 25 years of state service.

8 Belinda is the San Antonio Regional Service
9 Center manager, where she has worked since February 18 of
10 2014. She leads a team of 12 employees performing vehicle
11 title and registration related transactions, such as
12 certified copy of title, bonded title rejection letters,
13 and apportioned registration. She's also responsible for
14 supporting 17 county tax assessor-collector offices in her
15 region.

16 Prior to settling in San Antonio, Belinda made
17 stops as a manager at the Corpus Christi and Austin
18 regional service centers. Belinda started with VTR, then
19 obviously part of TxDOT, on September 9 of 1995. Over the
20 years Belinda has become known for her expertise in the
21 vehicle title and registration area, and really always
22 goes above and beyond to help all of the agency's
23 customers and stakeholders.

24 Chairman Treviño and board members, please join
25 me in congratulating Belinda Martin for her years of

1 service.

2 MR. TREVIÑO: Hear, hear.

3 (Applause.)

4 MR. TREVIÑO: Is Belinda on the call?

5 MS. BEAVER: Tracey Beaver, general counsel,
6 for the record.

7 I understand that Belinda is listening in.

8 MR. TREVIÑO: That's great. Okay. Well,
9 Belinda, I'm sorry we can't see you or hear you, but thank
10 you very much for your 25 years of service and all you do
11 for the citizens of Texas. So again, thank you.

12 (Applause.)

13 MS. BREWSTER: Thank you, Mr. Chairman.

14 Additionally, the following employees reached a
15 state service milestone but weren't able to join us this
16 morning. With 20 years: Diana Batts from the Motor
17 Carrier Division; Dawn McNabb from the Finance and
18 Administrative Services Division; Connie Noble of the
19 Motor Carrier Division; Carlos Escobedo with the
20 Compliance and Investigations Division; and Patricia
21 Farris with the Motor Carrier Division. With 25 years we
22 have: Richard Goldsmith with the Motor Carrier Division;
23 Kevin Butts with the Information and Technology Services
24 Division; and Cynthia Fagan with the Vehicle Titles and
25 Registration Division in our Longview Regional Service

1 Center.

2 A huge thank you to these employees for their
3 dedicated and longstanding service to the State of Texas
4 and those that we have the privilege to serve.

5 With that, Mr. Chairman, I have one other item
6 that I would like to make sure that I mention to the
7 committee. Our Compliance and Investigations Division
8 lead investigator, Robert Foster, assumed the role as the
9 National Odometer and Title Fraud Enforcement Association
10 president.

11 It's also referred to as NOTFEA, and it's a
12 nonprofit organization that was created in 1980, and
13 NOTFEA's main purpose is to protect consumers from costly
14 odometer, title and auto fraud related crimes. They meet
15 on an annual basis to discuss trends, share ideas, provide
16 training and discuss odometer and title fraud issues on
17 both the state and federal level.

18 Robert began working for TxDOT in February 2018
19 and transitioned to TxDMV when we became a stand-alone
20 agency, and he has served as the CID lead investigator
21 since the division was created in 2018. He has been a
22 member of NOTFEA since 2011 and was elected to the board
23 of directors in 2013.

24 I just want to congratulate Robert on this
25 exciting leadership role, and I know that he will

1 represent our agency well as the president of NOTFEA.

2 MR. TREVIÑO: Hear, hear. All of the long
3 tradition of the department's leadership not only in the
4 State of Texas but in the industry and nationally, so
5 congratulations, Robert, and I know you'll be fantastic in
6 your new role.

7 MS. BREWSTER: Mr. Chairman, that concludes the
8 executive director's report, and I'm certainly available
9 to answer any questions that the board members have.

10 MR. TREVIÑO: Great. So congratulations to all
11 those people for their years of service. And does anybody
12 on the board have any comments?

13 (No response.)

14 MR. TREVIÑO: Hearing none, I think we'll move
15 to agenda item number 6.

16 Mr. Avitia, you're back up. I would now like
17 to hear agenda item 6 regarding licensing rules. Mr.
18 Avitia.

19 MR. AVITIA: That tricky mute button.

20 MR. TREVIÑO: Gets you every time, doesn't it?

21 MR. AVITIA: It certainly does. We'll get used
22 to it at some point.

23 Chairman, members, Ms. Brewster, again good
24 morning. For the record, I am Daniel Avitia, director of
25 the Motor Vehicle Division.

1 Today we are asking for the board's support to
2 begin the formal rulemaking processes for changes to the
3 criminal history and fitness licensing rules. The rule
4 package is listed on your agenda as number 6, and the
5 details may be found on page 6 of your board books.

6 This rule package implements the Sunset
7 Advisory Commission's recommendation number 4.6 to
8 implement criminal history evaluation rules for the
9 salvage industry consistent with Occupations Code Chapter
10 53, as well as three bills that passed in 2019's 86th
11 Legislative Session to include Senate Bill 604, House Bill
12 1342, Senate Bill 1217.

13 Additionally, in his October 8, 2019 letter,
14 Governor Abbott requested state agencies to carefully
15 review occupational licensing requirements to ensure rules
16 are not overly burdensome to potential license holders or
17 consumers. I believe this package also implements the
18 governor's directive.

19 This rule package has three proposals: a new
20 Chapter 211 which applies to both motor vehicle and
21 salvage dealers, and two related fitness rules, the first
22 for 215, Motor Vehicle Distribution, and the second for
23 221, Vehicle Dealers.

24 The proposed new Chapter 211 creates a single
25 consistent process for evaluating and making licensure

1 decisions based on applicants' and license holders'
2 criminal history. This new chapter includes a statutorily
3 required criminal offense guidelines in 211.3.

4 I'd also like to highlight 211.5, Criminal
5 History Evaluation letters. This provision allows for
6 applicants for new independent motor vehicle licenses the
7 option of requesting a preliminary evaluation of their
8 criminal history before taking the statutorily required
9 training and making the necessary and often substantial
10 investment required to apply for a license.

11 The criminal history evaluation letter process
12 is defined in Occupations Code 53.101 to .105, and the
13 department may now offer criminal history evaluation based
14 on this statutory requirement for licensing education
15 outlined in Senate Bill 604.

16 The Motor Vehicle Division believes that this
17 proposal strikes the right balance between the public
18 being able to maintain standards for dealers and license
19 holders while also implementing the legislature's
20 statutory intent to enhance opportunities for convicted
21 persons to obtain gainful employment after completing
22 their sentences.

23 Again, the Motor Vehicle Division requests your
24 approval to proceed with publication in the Texas Register
25 so that we may begin to receive public comments and move

1 forward in the formal rulemaking process.

2 I'd certainly also like to thank each of the
3 divisions that collaborated so extensively on this effort
4 in bringing this rule package together. Members of the
5 Enforcement team, the Office of General Counsel, and the
6 Motor Vehicle Division just did an amazing job bringing
7 this rule package together and the amount of significant
8 work and time that was required invested in this.

9 That being said, members, this concludes my
10 remarks, and I'm certainly happy to answer any questions
11 you may have. Thank you.

12 MR. TREVIÑO: Thank you, Mr. Avitia.

13 Does the board have any questions for Mr.
14 Avitia?

15 MR. GRAHAM: I have a question, Mr. Chairman.

16 MR. TREVIÑO: Member Graham.

17 MR. GRAHAM: Just in regards to -- well, let me
18 back up and say my understanding is this was an attempt to
19 perhaps provide better clarity on offenses and how the
20 department approaches those situations.

21 And I'm just kind of curious generally and
22 broadly, not line by line obviously -- this is a very
23 large document -- but how is the general approach
24 different as proposed from the approach today? And I know
25 that's sort of a broad statement on a large document, but

1 I'd just kind of like to understand that concept.

2 MR. AVITIA: Member Graham, thank you for that
3 question. Your assessment as far as what we're trying to
4 accomplish with this rule package is 100 percent on the
5 mark. It is a pretty significant package, but I can
6 highlight what it's trying to do.

7 Currently we evaluate salvage license holders
8 one way when we're looking at criminal fitness, and then
9 on the other side of the house, the motor vehicle side, we
10 evaluate criminal fitness an entirely different way. And
11 so the recommendation by the Sunset Commission was that we
12 look at all license holders the same way and not try to
13 evaluate the differences, if you will.

14 I can highlight very quickly that the proposed
15 rule package applies, again, to both motor vehicle and
16 salvage dealers so that we're looking at them the same.
17 You're right, it publishes the department's criminal
18 offense guidelines as required, it lists the reasons that
19 the department has to be able to make certain
20 determinations.

21 We go into specifics on the offenses that
22 directly relate to the duties and the responsibilities of
23 a license holder -- and you touched on this -- it lists
24 the factors that the department has to consider when we're
25 reviewing applicants for fitness. So it does a lot of

1 things, but more importantly, it streamlines how we look
2 at our license holders, as well as provides a more
3 objective overview and how we evaluate criminal history
4 and fitness, sir.

5 Does that answer your question, Member Graham?

6 MR. GRAHAM: That helps. In the past were
7 those kinds of convictions automatic disqualifies?

8 MR. AVITIA: No, sir. We would look at each
9 applicant's offenses, not just the type of offense but
10 pattern of offenses, history of offenses. We'd look at
11 each and every single one collectively and look for
12 different issues with each applicant.

13 I will say, though, really when you look at the
14 totality of applicants and their submittals, we're looking
15 at about 1 to maybe 1.5 percent of the entire applicant
16 pool that has a criminal history that we have to consider,
17 a very small percentage of individuals.

18 MR. GRAHAM: Can an applicant be different than
19 a license holder, or is an applicant always inevitably the
20 license holder?

21 MR. AVITIA: Correct. Yes, sir, the second,
22 the latter.

23 MR. GRAHAM: Okay. And I was reading through a
24 section that was discussing -- was referencing individuals
25 that -- well, let me not try to explain that and just

1 really ask the question.

2 If you're a license holder, it was talking
3 about managers, and it seems like it was referencing other
4 individuals within the organization that could impact how
5 the business is operating. I want to make sure that it's
6 not possible for a license holder to get disqualified
7 because of the action of a key individual in their
8 organization is convicted of something. Just maybe shed
9 some light on that?

10 MR. AVITIA: Certainly. We've had several
11 instances, especially on the franchise side that I can
12 give you some examples of, where, say for instance, a
13 manager of a dealership is found guilty of certain
14 fraud-related issues.

15 Inevitably that person is no longer employed by
16 the franchised dealer or the owner of the franchise, so it
17 really becomes a non-issue at that point. And I think
18 your question is more around would I be impacted if one of
19 my managers was convicted of something. Is that where
20 you're headed with that?

21 MR. GRAHAM: Yeah, absolutely.

22 MR. AVITIA: No. The answer is no. And from
23 time to time, again, typically because that individual is
24 let go from the organization if they are found guilty of
25 fraud or some other issue within the organization.

1 What we have seen, though, is the manager of
2 that organization many times will apply for their own
3 either franchise or general distinguishing number or GDN
4 license, and then we have a different type of issue that
5 we've got to deal with then.

6 But again, we would look at the specific nature
7 of the criminal act and the conviction before making any
8 determination, but it should not have any bearing on your
9 specific license, sir.

10 MR. GRAHAM: Okay. And one last question.
11 Does it change the approach to -- there was some language
12 that read that the department can consider age when the
13 crime was committed, rehabilitation, overall criminal
14 history, things like that.

15 Does it just clean that language up or does it
16 change the approach for how the department looks at how
17 long ago a crime occurred? I'm just curious to understand
18 are we approaching it differently or are we just cleaning
19 up the language we use to approach it?

20 MR. AVITIA: This rule package is doing both.
21 We're cleaning up language where we need to but we're also
22 streamlining our processes, and certainly also in some
23 small fashion loosening up, if you will, how we would look
24 at applicants inevitably going forward, if this rule
25 package is adopted.

1 Going back to the governor's memo on how we
2 review individuals with a criminal history, people that we
3 formerly may not have licensed may have a better
4 opportunity now, and this very much and specifically
5 outlines how we're going to be looking at that. So there
6 is no question about our methodology.

7 MR. GRAHAM: Okay. I appreciate that and I
8 appreciate the answers, and you know, I think I would
9 support this. I take very seriously the importance of
10 making sure that reputable, honest people are holding
11 these licenses in Texas, at the same time understanding
12 that people make mistakes and because you made a mistake
13 shouldn't just mean your life can never -- you know,
14 you're destined for this path. So you know, I support
15 that as well, and it's a difficult balancing act, I'm
16 sure, but I appreciate your efforts on this.

17 Thank you for letting me ask so many questions.

18 MR. AVITIA: Absolutely, Member Graham. Thank
19 you for your questions.

20 MR. TREVIÑO: Thank you very much, Member
21 Graham, and I think I speak for the board, everybody
22 agrees with your comments.

23 All right. Any further comments or questions
24 for Mr. Avitia?

25 (No response.)

1 MR. TREVIÑO: Mr. Avitia, this was a Sunset
2 recommendation too, by the way, wasn't it?

3 MR. AVITIA: Yes, sir, absolutely. We're
4 implementing number 4.6 recommendation from the Sunset
5 recommendations.

6 MR. TREVIÑO: Good, good.
7 Okay. Any other questions?

8 (No response.)

9 MR. TREVIÑO: Tracey, any comments from the
10 public?

11 MS. BEAVER: Tracey Beaver, general counsel,
12 for the record.

13 No comments.

14 MR. TREVIÑO: No comments. Okay. Hearing none
15 and no more questions, the chair would entertain a motion.

16 MR. GRAHAM: Mr. Chairman, I'll make the
17 motion.

18 MR. TREVIÑO: Okay. The chair recognizes
19 Member Graham.

20 MR. GRAHAM: I move that the board approve
21 agenda item 6, including new Sections 211.1 through 211.5,
22 amendment of Section 215.89, and repeal of Section 215.88,
23 and amendments of Sections 221.15, 221.19, 221.11, 221.12,
24 and repeal of Sections 221.13 and 221.14, for publication
25 in the Texas Register for public comment.

1 MR. TREVIÑO: Great. We have a motion from
2 Member Graham. Do we have a second?

3 MR. PREWITT: Second.

4 MR. BACARISSE: Second.

5 MS. GILLMAN: Second.

6 MR. TREVIÑO: Member Prewitt. Was that Member
7 Prewitt the second?

8 MS. BEAVER: Chairman, Tracey Beaver, for the
9 record.

10 I believe that Member Bacarisse, Member Prewitt
11 and Ms. Gillman all made seconds.

12 MR. TREVIÑO: Okay. Great. All right. We'll
13 take Member Prewitt.

14 MR. PREWITT: Thank you.

15 MR. TREVIÑO: Okay. Any further discussion?

16 (No response.)

17 MR. TREVIÑO: Hearing none, I'd call for the
18 vote.

19 Member Bacarisse?

20 MR. BACARISSE: Aye.

21 MR. TREVIÑO: Member Gillman?

22 MS. GILLMAN: Aye.

23 MR. TREVIÑO: Member Graham?

24 MR. GRAHAM: Aye.

25 MR. TREVIÑO: Member McRae?

1 MS. McRAE: Aye.

2 MR. TREVIÑO: Member Prewitt?

3 MR. PREWITT: Aye.

4 MR. TREVIÑO: Member Scott?

5 MR. SCOTT: Aye.

6 MR. TREVIÑO: And Member Washburn is not here,
7 and I, Chairman Treviño, also vote aye, so the motion
8 carries, it's unanimous. And we move on to agenda item
9 number 7.

10 Tracey, do you want me to go through these and
11 actually ask every member to state their vote, or do we
12 just show of hands?

13 MS. BEAVER: Due to the nature of this
14 conference call, it would be helpful to go through and
15 actually record the vote, but that's up to your
16 discretion, Chairman.

17 MR. TREVIÑO: We'll ask everybody to indicate
18 their votes.

19 We'll move now move to agenda item number 7 and
20 we'll turn it over to Mr. Jeremiah Kuntz.

21 MR. KUNTZ: Good morning, members. For the
22 record, Jeremiah Kuntz, director of the Vehicle Titles and
23 Registration Division.

24 Today I'll start off with presenting agenda
25 item number 7, which is a amendments to Chapter 215.150

1 through 215.158 These amendments are related to
2 legislation that was passed during the last legislative
3 session, House Bill 3760, which allows for the issuance of
4 buyer's tags, temporary tags by a governmental agency.

5 This is in direct response to governmental
6 agencies that are surplusizing vehicles from their
7 inventory, so this would be like old vehicles that the
8 governmental agency no longer needs that they're needing
9 to dispose of. This would allow them to place a buyer's
10 temporary tag on those vehicles so that customers can
11 operate those vehicles to get them home.

12 The proposed amendments are pretty simple in
13 nature in that we are amending the current sections
14 related to buyer's tags and adding to the entities that
15 can issue them state, federal and local governmental
16 agencies so that they can issue those tags.

17 We are also adding a clarification that golf
18 carts and off-highway vehicles eligible for temporary
19 tags, just while we've got this section open, we're
20 clarifying that in our rules since those vehicles cannot
21 be operated with registration on the highways.

22 So with that, we are presenting these to the
23 board for consideration for publishing for public comment,
24 so these rules are just up for proposal.

25 MR. TREVIÑO: Great. Thank you, Mr. Kuntz.

1 Are there any questions for Mr. Kuntz?

2 (No response.)

3 MR. TREVIÑO: No questions.

4 And, Jeremiah, when you introduced yourself you
5 also failed to mention that you're also Parker's dad,
6 which should be high on your list of things to be proud
7 of.

8 MR. KUNTZ: I'm very proud, and apparently he's
9 already made Twitter, so a picture of him doing the Pledge
10 of Allegiance is already posted on Twitter, so yes, very
11 proud this morning.

12 MR. TREVIÑO: Great.

13 Any questions from the board, by the way?

14 (No response.)

15 MR. TREVIÑO: Okay. Tracey, are there any
16 comments from the public?

17 MS. BEAVER: No comments from the public.

18 Thank you.

19 MR. TREVIÑO: Okay. Hearing none, the chair
20 would entertain a motion.

21 MR. BACARISSE: Mr. Chairman.

22 MR. TREVIÑO: Yes.

23 MR. BACARISSE: Vice Chair Bacarisse, for the
24 record. I would like to make a motion that the board
25 approve agenda item 7, including the adoption of proposed

1 amendments of Sections 215.150 through 215.158 for
2 publication in the Texas Register for public comment.

3 MR. TREVIÑO: Great. We have a motion from
4 Member Bacarisse. Do we have a second?

5 MS. McRAE: I'll second the motion, Chairman.

6 MR. TREVIÑO: Member McRae.

7 Okay. Any further discussion?

8 (No response.)

9 MR. TREVIÑO: Hearing none, I would call for
10 the vote.

11 Board Member Bacarisse?

12 MR. BACARISSE: Aye.

13 MR. TREVIÑO: Board Member Gillman?

14 MS. GILLMAN: Aye.

15 MR. TREVIÑO: Board Member Graham?

16 MR. GRAHAM: Aye.

17 MR. TREVIÑO: Board Member McRae?

18 MS. McRAE: Aye.

19 MR. TREVIÑO: Board Member Prewitt?

20 MR. PREWITT: Aye.

21 MR. TREVIÑO: Board Member Scott?

22 MR. SCOTT: Aye.

23 MR. TREVIÑO: Member Washburn is not present,
24 and I, Chairman Treviño, also vote aye, so the vote is
25 unanimous and this agenda item carries.

1 So we will now move on to agenda item number 8.
2 Mr. Kuntz, would you please continue?

3 MR. KUNTZ: Yes. For the record, Jeremiah
4 Kuntz, director of the Vehicle Titles and Registration
5 Division.

6 Before you is agenda item number 8, and again,
7 this is the department seeking approval to publish the
8 proposed amendments in the Texas Register for public
9 comment.

10 These amendments are amendments to 217.74 of
11 the Texas Administrative Code. They relate to some
12 provisions that were in the agency's Sunset legislation,
13 Senate Bill 604, relating to the requirements for each
14 county tax assessor-collector to make webDEALER available
15 to any licensed motor vehicle dealer requesting access.

16 The amendments are pretty simple in that that's
17 exactly what they do, they replace the permissive nature
18 of the use of webDEALER and make it a requirement that the
19 county tax assessor-collectors make the system available
20 to any licensed dealer that is wanting to submit
21 transactions through the system. I do want to go a little
22 bit into this just to make sure that we get some
23 clarification here.

24 The webDEALER application is an application
25 that allows a dealer to submit a title application to the

1 county tax assessor-collector fully electronically. They
2 can scan the secure documents like the title, the 130-U
3 which is the application for title, all of those documents
4 that are required in order to apply for title and
5 registration for a motor vehicle that they've sold fully
6 electronically utilizing that system.

7 At this point the agency has taken a concerted
8 effort to go out and try and get all of the county tax
9 assessor-collectors to at least name an administrator in
10 that system so that they are prepared and ready come
11 September 1st when this becomes effective in statute.

12 And so we've been going out giving the county
13 tax assessor-collectors training, sending out
14 notifications. We will also assist the county tax
15 assessor-collectors with any of their needs to train their
16 dealers or provide them any assistance in getting dealers
17 signed up. So we're not going to just turn it over and
18 say you've got to do this and there's no assistance. We
19 will be there every step of the way to assist them in
20 doing this.

21 I also want to make sure that we clarify that
22 while use of the system is required for county tax
23 assessor-collectors to accept transactions through that
24 system, they are not required to approve a transaction.

25 In other words, if a dealer submits a

1 transaction and it is not complete, it's not proper, it's
2 not been filled out correctly, if there's any reason that
3 that transaction would have been declined over the
4 counter, the county tax assessor-collector has their full
5 discretion, as they do today, to decline a title
6 application that has not been properly applied for, just
7 as they do when that transaction is processed in person in
8 their office.

9 I really wanted to bring that distinction to
10 the board so that there wasn't a feeling that just because
11 you're using the system that that means the transactions
12 have to be approved. They still have discretion to make
13 sure that the transactions are proper in the way that they
14 are being proposed.

15 With that, that concludes my presentation, and
16 I'll answer any questions.

17 MR. TREVIÑO: Great. Thank you, Mr. Kuntz.

18 Does anyone have any questions for Mr. Kuntz?

19 (No response.)

20 MR. TREVIÑO: Okay. Mr. Kuntz, how many tax
21 assessor-collectors do not offer webDEALER in their area?

22 Is there a lot?

23 MR. KUNTZ: Well, it's kind of an interesting
24 question. We have approximately, I believe it's 115 that
25 actively use it on a regular basis. We have significant

1 numbers then that have an administrator named. In other
2 words, they have access to the system but maybe they're
3 not processing transactions. And there's a push and pull
4 here in that --

5 MR. TREVIÑO: A lot or a little?

6 MR. KUNTZ: A lot. I would say approximately
7 half of them are using it on a regular basis.

8 MR. TREVIÑO: Great. Thank you very much.

9 MR. BACARISSE: Mr. Chairman.

10 MR. TREVIÑO: I'm sorry. Did somebody say
11 something?

12 Any comments from the public?

13 MS. BEAVER: Tracey Beaver, general counsel,
14 for the record.

15 There's no comments from the public, and it
16 appears that Member Bacarisse has asked for the floor as
17 well.

18 MR. TREVIÑO: I'm sorry. Member Bacarisse, I
19 apologize.

20 MR. BACARISSE: That's all right.

21 I think I'd like to hear from our colleague on
22 the board the tax assessor-collector's position. I think
23 she may have some insight. Of course, we'll hear from
24 them during the comment period as this rule gets posted,
25 but I'm just curious, Tammy, your thoughts.

1 MS. McRAE: Well, I am highly in favor of
2 webDEALER. I use webDEALER. It proved especially
3 beneficial during COVID. I hope to see some extended
4 changes in webDEALER where we perhaps at some point in the
5 future can also approve them through webDEALER instead of
6 going through RTS.

7 But at this point just having the ability to
8 process webDEALER has been beneficial. I'm in favor of
9 it, I use it extensively. I have over 100 dealers on
10 webDEALER, so it is a good thing, a good process. And as
11 Jeremiah pointed out, you have the full authority to
12 review the document, reject the document back to the
13 dealer if necessary, or approve them.

14 MR. BACARISSE: Thank you.

15 I feel, as a former county elected official who
16 oftentimes had the state, through the rulemaking authority
17 the state has, imposing additional burdens on local
18 elected officials. I'm just sensitive to that issue, and
19 I'm glad to hear Jeremiah say that they plan to have a
20 very robust support for any tax assessor that needs it as
21 they roll out these changes. I think that's important,
22 too, that we approach our county partners in a true sort
23 of partnership fashion.

24 So, Tammy, I know you'll help us make sure we
25 do that. I'm just sensitive to that issue, any time the

1 state begins promulgating rules that would put an
2 additional burden on local government.

3 Thank you.

4 MS. McRAE: Right. And one other thing I would
5 like to add that our regional service centers have done
6 for us as an added support is that as we bring dealers on
7 to webDEALER, they help in the training if necessary.

8 We go out and we help train our dealers as
9 well, or we invite our dealers in, but our regional
10 service centers they help in that area as well, so we do
11 have that added layer of support there.

12 MR. TREVIÑO: Great.

13 MS. GILLMAN: Mr. Chairman?

14 MR. TREVIÑO: Member Gillman.

15 MS. GILLMAN: I would just add from the
16 dealer's perspective webDEALER is a fantastic tool, and we
17 are really thankful and appreciative for the tool, and so
18 I think webDEALER for all is a really great way forward
19 and should be adopted 100 percent. I like it. It makes
20 our relationship and ease of doing business with the tax
21 collectors just that much better. We appreciate it.

22 MR. TREVIÑO: I think the chair recognizes
23 there are very few things that are as good as apple pie
24 and webDEALER, clearly.

25 (General laughter.)

1 MR. SCOTT: Mr. Chairman?

2 MR. TREVIÑO: Yes.

3 MR. SCOTT: I second what everyone is saying.
4 We use webDEALER all the time, we use it for all of our
5 transactions. It's been very helpful during COVID, so
6 it's a great tool. Just keep pushing it out and get
7 everybody the training, and thank you to everybody. You
8 know, everything when you first start something there's
9 always going to be some hiccups, but the agency has put
10 the resources behind it to make it work, so I appreciate
11 it.

12 MR. TREVIÑO: Great.

13 And, Mr. Kuntz, this is also we're implementing
14 statute, aren't we?

15 MR. KUNTZ: Yes, sir. This was a requirement
16 that was in our Sunset bill, so this was a statute that
17 was passed. We are needing to make sure that our rules
18 align with the statute, and so that's what these changes
19 are intended to do is align our rules with what was passed
20 during the last legislative session.

21 MR. TREVIÑO: Good. Well, it's great to hear
22 that everybody thinks so highly of webDEALER, and let's
23 see if we can get the whole state on board as soon as
24 possible.

25 Okay. So no public commenters, so at that

1 point if there's no further comment, the chair would
2 entertain a motion.

3 MS. McRAE: I'd like to make a motion,
4 Chairman.

5 MR. TREVIÑO: The chair recognizes Member
6 McRae.

7 MS. McRAE: I move that the board approve
8 agenda item number 8, including the proposed amendments of
9 Section 217.74 for publication in the Texas Register for
10 public comment.

11 MR. TREVIÑO: We have a motion from Member
12 McRae. Do we have a second?

13 MS. GILLMAN: I'd like to second, Chairman.

14 MR. TREVIÑO: We have a second by Member
15 Gillman.

16 Any further discussion?

17 (No response.)

18 MR. TREVIÑO: Hearing none, I'd call for the
19 vote.

20 Member Bacarisse?

21 MR. BACARISSE: Aye.

22 MR. TREVIÑO: Member Gillman?

23 MS. GILLMAN: Aye.

24 MR. TREVIÑO: Member Graham?

25 MR. GRAHAM: Aye.

1 MR. TREVIÑO: Member McRae?

2 MS. McRAE: Aye.

3 MR. TREVIÑO: Member Prewitt?

4 MR. PREWITT: Aye.

5 MR. TREVIÑO: Member Scott?

6 MR. SCOTT: Aye.

7 MR. TREVIÑO: Okay. And Member Washburn is not
8 present, and I, Chairman Treviño, also vote aye, so the
9 motion carries unanimously. Thank you.

10 Okay. So we'll now move to agenda item number
11 9.

12 Mr. Kuntz, please continue.

13 MR. KUNTZ: Thank you, Chairman. Jeremiah
14 Kuntz, director of the Vehicle Titles and Registration
15 Division.

16 Before you is agenda item number 9, and this
17 agenda item is for approval of final adoption of
18 amendments to to 217.11. These rules were posted for
19 public comment on April 17th of 2020, the comment period
20 closed on May 18th of 2020. We did receive a few
21 comments. There were no changes to the rule text that
22 were made in response to the comments.

23 This rule is related to extending the time
24 period by which a dealer has to apply for a transaction to
25 be rescinded due to a sale falling through, and the

1 example we have is a purchaser purchases a motor vehicle,
2 they get buyer's remorse, decide that they don't want the
3 vehicle anymore and return it to the dealership.

4 Previously there was a time period of 21 days
5 by which a dealer could apply to the department to have
6 the transaction rescinded. That is being extended to 90
7 days. That was the only change, it was a very simple rule
8 change, just changing the number 21 to 90.

9 One of the public comments we received related
10 to other provisions within the rule that we were not
11 opening up or considering, and so therefore, we made no
12 other changes. And then there was a comment that was in
13 support of the proposed changes to move it from 21 days to
14 90 days.

15 So with that, we believe that this proposed
16 existing rule that has support from the industry that it
17 would directly affect, the auto dealers, and we would ask
18 for your consideration of final adoption.

19 MR. TREVIÑO: Great. Member Gillman would like
20 to comment.

21 MS. GILLMAN: I have a question. So sometimes
22 the example that you gave is exactly correct, sometimes
23 there is buyer's remorse --

24 MR. TREVIÑO: Could other board members mute
25 their lines while someone is speaking? Thanks.

1 Go ahead. Sorry about that.

2 MS. GILLMAN: Okay. Let's see, sometimes
3 exactly the way you said it there is buyer's remorse and
4 we have already titled one vehicle and we need to back
5 that out and title another instead, and sometimes -- and
6 honestly more often, sometimes a customer will purchase a
7 vehicle on a Saturday and on Monday come back and switch
8 to the same type vehicle but a different color. Okay?

9 But all the original paperwork is the first
10 vehicle that they took on Saturday. So it is just merely
11 we accidentally titled the first vehicle because the
12 accounting office and all of the paperwork listed the
13 first vehicle, and sadly, just human error, they didn't
14 switch the VIN number in proper titling. And I think it
15 would be a good idea to mention that sometimes it's just
16 new vehicle to new vehicle switching. Should there be
17 language in here related to that?

18 But I will say, Jeremiah, the time frame of
19 going from 21 to 90 days is really, really helpful
20 because, just to let everyone know, in the past we,
21 dealers had to actually sue the department in order to
22 make this change. So this time frame really helps us to
23 correct errors that are mutually agreed upon between
24 customers and the dealer and the lien holder.

25 But I was wondering, Jeremiah, do you think

1 there should be language relating to the new car switch?

2 MR. KUNTZ: So I'll do my best to try and
3 handle those scenarios. Most of these provisions relating
4 to whether or not a transaction can be rescinded,
5 canceled, or revoked is handled in 501.051 of the Texas
6 Transportation Code, and the time provision that we have
7 put in is really basically clarifying the period that an
8 application is open to be rescinded.

9 When you look at 501.051(b) the department may
10 rescind, cancel or revoke an application for title if a
11 notarized or a county-stamped affidavit containing a
12 statement that the vehicle involved was a new motor
13 vehicle for sale, a statement that the dealer, the
14 applicant and lien holder have canceled the sale, a
15 statement that this vehicle was never in possession of the
16 title applicant or was in possession of the title
17 applicant, and it has the signature of the dealer, the
18 applicant and the lien holder. So there's four things
19 that have to be done in order to rescind, cancel or revoke
20 an application for title.

21 What we're really doing here by setting a time
22 frame is really kind of clarifying when that application
23 is essentially lodged. The reason I'm saying that is it
24 says the department may rescind an application, it doesn't
25 say the department can rescind a title, and so what we

1 have to do is really clarify that the application is still
2 a live application for a set number of days where it could
3 be rescinded, and therefore, undo the deal in the title
4 and registration system.

5 So there's a couple of conditions and a couple
6 of things that have to be met and we do require that that
7 signature be on there about whether or not the vehicle was
8 in the possession of the person or not, and the reason I
9 say that is (c) handles the remainder of this.

10 It says a rescission, cancellation or
11 revocation containing the statement authorized under
12 (b) (3) (B) does not negate the fact that the vehicle has
13 been subject of a previous first retail sale. So the
14 statute is kind of handling this in saying that if the if
15 the customer took the vehicle off the lot and operated it,
16 it's not negating the fact that the vehicle was subject to
17 a first sale, and that really affects the provisions of
18 whether or not that is still a new vehicle or whether it's
19 a used vehicle that should be sold on a title.

20 The situation that you presented, if the
21 dealership has submitted the incorrect paperwork to the
22 county tax assessor-collector and realizes it after the
23 fact, that transaction can be rescinded, you would just
24 need all of those provisions to be met there. In other
25 words, you'd have to have an affidavit saying that the

1 deal was unwound, the buyer, seller and lien holder have
2 all agreed that the sale has been canceled, all of those
3 things.

4 The issue is going to be the fees and whether
5 or not fees have to be paid, because those fees are not
6 refunded when a transaction is rescinded. And so there's
7 some things that could be cleaned up in statute in order
8 to try and assist with those.

9 What you're referring to is what a lot of folks
10 refer to as switched evidence. Unfortunately, if the
11 130-U, the title and everything matches, then that's a
12 properly applied for title.

13 If the 130 has a different VIN than the MCO
14 that's submitted, that's what we refer to as switched
15 evidence which can be just corrected by correcting the VIN
16 and getting the proper either 130-U or title submitted, an
17 that does not require a rescission.

18 Am I kind of clarifying that? Because there
19 are two different processes where there's a corrected
20 title versus a rescission.

21 MS. GILLMAN: I hope so, Jeremiah. I think so,
22 I hope so.

23 MR. KUNTZ: And if there's further
24 clarification that we need to make, we can definitely sit
25 down and kind of talk through those scenarios and provide

1 some additional clarification on how those different
2 scenarios would work.

3 MS. GILLMAN: Thank you. I appreciate it. The
4 department always works with us to correct errors that are
5 no bad intent ever intended. Just the extension of days
6 alone is a really great thing, and if we need to clean up
7 some more, we'll do it later.

8 Thank you.

9 MR. TREVIÑO: Great. Just to recap real quick,
10 we're not changing our rules, we're just extending the
11 time period in which you can file.

12 MR. KUNTZ: Yes, sir.

13 MR. TREVIÑO: Great, great.

14 MS. GILLMAN: With that said, Mr. Chairman, I'd
15 like to make a motion.

16 MR. TREVIÑO: Well, in a moment. I appreciate
17 your enthusiasm, but I've still got to ask a couple of
18 questions here.

19 Any other questions? Tracey, any comments
20 online?

21 MS. BEAVER: Tracey Beaver, general counsel,
22 for the record.

23 No public comments. Thank you.

24 MR. TREVIÑO: Great. So now the chair would
25 entertain a motion.

1 MS. GILLMAN: Mr. Chairman, I'd love to make a
2 motion.

3 MR. TREVIÑO: The chair recognizes Member
4 Gillman.

5 MS. GILLMAN: For agenda item number 9, I move
6 that the board approve agenda item number 9, including
7 adoption of amendments to Section 217.11, as recommended
8 by staff.

9 MR. TREVIÑO: Great. We have a motion by
10 Member Gillman. Do we have a second?

11 MR. BACARISSE: Second.

12 MR. TREVIÑO: I'm sorry. Member Graham?

13 MR. PREWITT: Member Prewitt.

14 MR. TREVIÑO: Oh, Member Prewitt. Sorry about
15 that.

16 Board Member BAcarisse?

17 MR. BACARISSE: Aye.

18 MR. TREVIÑO: Board Member Gillman?

19 MS. GILLMAN: Aye.

20 MR. TREVIÑO: Board Member Graham?

21 MR. GRAHAM: Aye.

22 MR. TREVIÑO: Board Member McRae?

23 MS. McRAE: Aye.

24 MR. TREVIÑO: Board Member Prewitt?

25 MR. PREWITT: Aye.

1 MR. TREVIÑO: Board Member Scott?

2 MR. SCOTT: Aye.

3 MR. TREVIÑO: And Board Member Washburn is
4 absent, and I, Chairman Treviño, also vote aye, so this
5 motion carries unanimously, let the record show.

6 Okay. We'll now move to agenda item number 10,
7 digital license plates.

8 Jeremiah Kuntz, again, please continue.

9 MR. KUNTZ: Thank you, Chairman. For the
10 record, Jeremiah Kuntz, director of the Vehicle Titles and
11 Registration Division.

12 Before you is agenda item number 10. This is,
13 again, we are seeking approval for final adoption of
14 amendments to 217.22, 217.27, 217.32, 217.38, 217.41,
15 217.55, and new 217.58 through 217.64.

16 All of the amendments and new sections in the
17 Administrative Code relate to rules to promulgate
18 provisions from, again, the 86th Legislative Session,
19 Senate Bill 604, which was the agency's Sunset bill which
20 amended the Transportation Code to allow the department to
21 enter into agreements for the provisions related to
22 digital license plates.

23 We've worked quite a bit, and I would like to
24 thank our General Counsel's Office, Finance and
25 Administrative Services Division, my staff, IT, and all of

1 the other folks that have been working on getting these
2 rules together.

3 We have been operating on a very quick timeline
4 to get the rule package put together, as well as at the
5 same time concurrently trying to put together a request
6 for proposals, as well as the requirements for IT changes
7 that will be necessary in order to implement this
8 legislation.

9 It has been quite an effort and an undertaking.

10 I know that all of the staff have been working on this
11 tirelessly. Week after week they've been having many days
12 of the week many hours of those days working on getting
13 all of these things put together all at the same time
14 which has been no small feat.

15 What we have done is tried to create something
16 that no other state has done yet. There are states that
17 digital license plates are operating in today as a pilot,
18 but to the best of our knowledge, they do not have rules
19 promulgated around digital license plates, and some of
20 them have contracts but they are somewhat limited in scope
21 in what was included in those contracts.

22 At the same time, we know that the American
23 Association of Motor Vehicle Administrators, AAMVA --
24 which is the association we belong to -- is looking at
25 adopting standards around new digital license plates as

1 well, and so we have been working with them to try and see
2 a preview of what their standards were going to look like
3 to make sure that we were promulgating rules that were
4 going to be in alignment with this new technology.

5 As you can imagine, there is quite a bit of
6 focus around testing around the standards for this
7 technology and there really isn't a whole lot for us to
8 try and pull from as guidance, and so we have really been
9 blazing some new ground on this as we develop those
10 requirements and develop our request for proposals and our
11 rules.

12 And so what you see here is a rule package that
13 we've put together where we've gone out and we've tried to
14 gather that information to the best of our ability and to
15 try and create standards and testing that would be
16 required for us to make sure that the public is protected,
17 that their data is protected, and that these license
18 plates provide law enforcement with the necessary
19 information that they need as these vehicles are operating
20 with them on Texas highways.

21 We did receive comments, and I will tell you
22 that the commenters were the Collin County Sheriff's
23 Department, the North Texas Tollway Authority, the Central
24 Texas Regional Mobility Authority which is also a tolling
25 entity, the Texas Association of County Tax Assessor-

1 Collectors, the Lubbock County Tax Assessor-Collector,
2 HCTRA which is the Harris County Toll Road Authority, 3M,
3 as well as the Denton County Tax Assessor-Collector.

4 Many of the comments that we received really
5 focused in around what testing would be required. As you
6 can see, we heard from quite a few of the tolling entities
7 in Texas, at least the largest three tolling entities in
8 Texas, and all of them, as well as the Collin County
9 Sheriff's Department were very interested and I guess
10 voiced concerns that the department would ensure that
11 these digital license plates had gone through a good
12 testing program to ensure that they could be read by the
13 toll road cameras, by license plate readers that law
14 enforcement utilize, and making sure that they would fit
15 within the profile of what they're looking for on the
16 roadside.

17 Additionally, the toll road authorities were
18 concerned -- and I'll clarify this a little bit -- with
19 some of the provisions related to the collection of tolls.

20 The statute allows for these digital license plates to be
21 utilized in the same manner as a toll tag and to be read
22 by an RFID chip reader. And so we know that there is
23 technology out there that exists within the license plate;
24 however, the toll road authorities were concerned about
25 not just the interoperability but the interchange of funds

1 and how that would work on the back end.

2 And what we've responded, we've not made any
3 changes because our rules allowed for tolling entities to
4 allow for these to be used for toll collection but it
5 would require an agreement with those tolling entities
6 before the digital license plate could be used in that
7 fashion.

8 So we've really put it back in the hands of the
9 toll road authorities if they would like for these digital
10 license plates to be used in that way that they could
11 enter into agreements with a vendor that provides digital
12 license plates to allow for that interchange in the
13 collection of the toll road fees.

14 As to testing, we are requiring that the plate
15 provider provide testing for reflectivity, readability and
16 legibility and to perform penetration testing, and so
17 we've got provisions in our rules that require that
18 testing to be conducted.

19 Obviously there's a heightened interest in
20 making sure that these license plates can pass those tests
21 and we will make sure that we are staying engaged through
22 all of that and making sure that we get a product from
23 these vendors that is going to be suitable for the
24 traveling public on the roadways and for law enforcement
25 and toll roads to be able to utilize the data that it

1 provides.

2 With that, I know that y'all have received the
3 rules and have seen some of the other comments. I wasn't
4 going to go into great detail unless the board has any
5 questions around any of the changes or comments that we
6 received, but wanted to kind of point out the big ones
7 that I think are out there.

8 MR. TREVIÑO: Thank you, Mr. Kuntz.

9 Does the board have any questions for Mr.
10 Kuntz?

11 MS. GILLMAN: I have a question.

12 MR. TREVIÑO: Member Gillman.

13 MS. GILLMAN: I think it's interesting. So the
14 vendor that the toll authority uses now, are you saying
15 it's back on them to change vendors if the new digital
16 license plates don't work with their current vendor?

17 MR. KUNTZ: Let me try and clarify that a
18 little bit, and I've got a little bit of history with toll
19 roads. I used to work at TxDOT and actually worked on
20 some toll road policy.

21 The way that the system in Texas works is there
22 are three toll tags in the State of Texas. The North
23 Texas Toll Road Authority issues a toll tag, TxDOT has a
24 toll tag, and the Harris County Toll Road Authority has a
25 toll tag.

1 Those are the only three toll tags that are
2 utilized in the State of Texas. All three of those toll
3 tags are interoperable with each other, and so if you
4 think of a toll tag like a credit card, it's the
5 difference between MasterCard, Visa and American Express.

6 Just like with a credit card, you can go to a
7 retail establishment and you can swipe any one of those
8 credit cards on a credit card reader and that credit card
9 processor, the reader itself, works with the credit cards
10 to parse out the money, to take it from the customer and
11 give it to the retailer, and so there's an interchange
12 that occurs in the back-end.

13 The same thing occurs with toll tags, so if I
14 take a toll tag from Harris County and I drive on a toll
15 road in Dallas, the Dallas Toll Road Authority will read
16 that toll tag and they will actually bill the Harris
17 County (loss of audio).

18 MR. TREVIÑO: Jeremiah, we lost you, we lost
19 you on the Harris County Toll Road.

20 MS. GILLMAN: The Dallas authority was going to
21 bill the Harris County authority.

22 MR. TREVIÑO: Well, I guess Mr. Kuntz didn't
23 pay his bill and has been taken off of the toll road.

24 (General laughter.)

25 MR. TREVIÑO: We'll wait a second to see if we

1 can get his line back on here to address this issue around
2 interoperability.

3 Tracy, are you checking with IT on this one?

4 MS. BEAVER: Tracey Beaver, general counsel,
5 for the record.

6 Yes, I'm checking in with Jeremiah and ITSD so
7 that they can reach out as well.

8 MR. GRAHAM: Mr. Chairman, I have a question.
9 Obviously, it's kind of challenging with everyone being
10 spread out, but has leadership discussed a date at which
11 they might start returning to headquarters?

12 I see Tracey is in her office; the others I
13 don't think so, but is there a timeline being discussed
14 when that will start to be considered?

15 MR. TREVIÑO: Tracey, can you address that?

16 MS. BEAVER: Tracey Beaver, general counsel,
17 for the record.

18 Yes, that was on the agenda earlier under the
19 director's report, so I can make a comment on that.
20 Whitney had discussed a little bit about the regional
21 service centers reopening, and at this point in time the
22 TxDMV headquarters is still primarily telecommuting, and
23 we do have staff on site to do those essential functions,
24 but I would turn it to Whitney to elaborate on that.

25 MR. TREVIÑO: Sorry about that. I didn't know

1 you were on. I apologize. Thank you.

2 MS. BREWSTER: No worries, whatsoever. Whitney
3 Brewster, executive director, for the record.

4 To answer Member Graham's question as to
5 whether or not a date has been discussed as to when
6 headquarters agency staff would be returning, we are
7 working very closely with the Office of the Governor on
8 potential dates. We have not yet determined what the
9 appropriate date is at this point, but we are working very
10 closely with state leadership to make sure that we are in
11 alignment with their expectations.

12 MR. GRAHAM: Thank you.

13 MR. TREVIÑO: Mr. Kuntz, are you back?

14 MR. KUNTZ: I am. Sorry I lost y'all there.

15 MR. TREVIÑO: You were on the Harris County
16 Toll Road the last time we talked to you.

17 MR. KUNTZ: Yep. So hopefully y'all got some
18 of the information that basically there's an interchange
19 that occurs with those fees, and what the toll roads have
20 raised concerns about is that these digital license plates
21 would basically be like a fourth toll tag in the State of
22 Texas and that there would have to be interoperability and
23 an interchange set up with them in order for it to operate
24 the same way that the other three toll tags work, and so
25 that's the concern that has been raised.

1 They would not have to change their vendors in
2 any way, but what it would do is it would require the
3 digital license plate to enter into agreements with those
4 other toll road entities to make sure that their license
5 plates RFID chip can read and then have an interchange on
6 the back-end set up for the transfer of funds between the
7 different accounts.

8 MR. TREVIÑO: Great.

9 Member Gillman?

10 MS. GILLMAN: Thank you, Jeremiah, thank you.

11 MR. TREVIÑO: Anyone else have any other
12 questions for Jeremiah? Member McRae.

13 MS. McRAE: Jeremiah, I just want to clarify,
14 it looks like the way that they're proposed right now that
15 the county tax assessors will not play a role at all in
16 the issuance of the digital plates. Is that correct?

17 MR. KUNTZ: So yeah. The way the process is
18 set up is that a person would come in and get normal title
19 and registration just like they would, so you'd have to
20 have active registration on your vehicle, and then the
21 customer would go to the digital plate provider and order
22 a digital license plate.

23 And I'll use, for example, let's say my current
24 license plate is ABC 123, I would take that and I would
25 contact the digital license plate provider and say, hey,

1 here's all my information, here's my VIN number, here's my
2 license plate number. The vendor would send them a
3 digital license plate in the mail, and then they would
4 activate it and their activation would display the
5 registration that's already been issued by the county tax
6 assessor-collector.

7 The counties would not have to do any
8 fulfillment for the license plate, the vendor is going to
9 directly mail those license plates to them. You would do
10 your normal process just like you would; you'd issue them
11 the standard registration, and the customer is going to
12 get that registration displayed on their plate.

13 The only difference would be that when that
14 customer comes in to renew their registration, the \$95
15 administrative fee will be tacked on on top of their
16 normal registration, and so you would be collecting it
17 just like you would all the rest of the fees. So they'd
18 pay normal registration, all the local fees plus the \$95,
19 and they would pay it to you just like you would do normal
20 registration renewal.

21 MS. McRAE: Okay. And I'm assuming we'd be
22 going out for RFP for the vendor?

23 MR. KUNTZ: Yes. As I mentioned, we've been
24 working on both the rules, the RFP, as well as the
25 requirements for the RTS system for us to build that

1 interface to talk to the vendor's system.

2 MS. McRAE: Okay.

3 MR. KUNTZ: So we plan on issuing the RFP very
4 shortly after the rules are finalized, and that way we can
5 get it out on the street, and really we're trying to
6 compress this schedule to get the RFP out on the street as
7 soon as possible.

8 MS. McRAE: Okay. And just to go back and kind
9 of going back to what Member Bacarisse said earlier, since
10 the counties will be collecting that additional fee, will
11 there be any additional commission back to the county for
12 that role?

13 MS. McRAE: It would be the standard processing
14 and handling fee that you would receive on a registration
15 renewal. It's just like if somebody had a special license
16 plate and you were doing a renewal for that special
17 license plate. It's just one transaction, it's just a
18 different amount for the transaction.

19 MS. McRAE: Okay. Thank you.

20 MR. KUNTZ: Yes, ma'am.

21 MR. TREVIÑO: Good questions. Anybody else
22 have any questions for Mr. Kuntz?

23 (No response.)

24 MR. TREVIÑO: Mr. Kuntz, these are only for
25 commercial vehicles right now. Is that correct?

1 MR. KUNTZ: So the statute is a little bit odd
2 on this. There are vehicles beyond commercial vehicles
3 that can have them: governmental vehicles can have them
4 even if they're a passenger vehicle. Really the ban, if
5 you call it, the exception, is that a passenger vehicle is
6 not eligible to receive these. There's not a restriction
7 on trucks, trucks can have these, commercial vehicles can
8 have them, as well as any class of vehicle that is owned
9 by a governmental entity.

10 MR. TREVIÑO: Okay. Good.

11 Any other questions?

12 MS. GILLMAN: When is the testing going to
13 begin?

14 MR. KUNTZ: So that would be part of the RFP
15 process. So there's requirements for testing that would
16 be included in the request for proposals, and so the
17 vendors would have to demonstrate that their license plate
18 is able to pass those tests as part of that request for
19 proposals process, part of that contracting process.

20 MS. GILLMAN: This year or next year?

21 MR. KUNTZ: We anticipate the RFP will be done
22 this year, this calendar year, and so that testing would
23 be aligned with the RFP.

24 MR. TREVIÑO: So hopefully this year.

25 MR. KUNTZ: Yes.

1 MR. TREVIÑO: Great. Okay. Any other
2 questions?

3 (No response.)

4 MR. TREVIÑO: Good.

5 Tracey, do we have any comments?

6 MS. BEAVER: Tracey Beaver, general counsel,
7 for the record.

8 Chairman, we do have Major Palmer with the
9 Texas Department of Public Safety who has joined the
10 meeting and would like to provide comment today.

11 MR. TREVIÑO: Great. Can we get Major Palmer
12 up?

13 Major Palmer, welcome. Glad to have you
14 addressing this body.

15 MAJ. PALMER: Yes, sir. Major David Palmer
16 with the Texas Department of Public Safety.

17 I just wanted to add that we did work very
18 closely with DMV staff on these rules. We were provided
19 ample opportunity to submit suggestions and work with the
20 team there at DMV, and just wanted to say that we
21 appreciated that effort.

22 We had many good meetings, a lot of positive
23 dialogue with staff, some adjustments -- actually, many
24 adjustments were made throughout the process to help allay
25 many of the concerns that law enforcement in general would

1 have, in addition to the things that Jeremiah brought up
2 previously during this discussion.

3 You know, the readability of license plate
4 readers and things like that were very important to us
5 because they're just exceptionally strong tools that we
6 use to try to help protect the public.

7 So I just wanted to say thank you for that and
8 thank you for being willing to make those adjustments that
9 needed to be made moving forward with such a new
10 technology.

11 And that's all I have unless anybody has any
12 questions.

13 MR. TREVIÑO: Great.

14 Member Bacarisse.

15 MR. BACARISSE: I've got a question for Major
16 Palmer. And first of all, I want to say thank you to all
17 of you out there that are doing a great job for the people
18 of Texas and ensuring our safety.

19 The question is when you make a traffic stop
20 with a digital plate, are you going to be able to run the
21 data that you need to run so that you know whose the
22 registration is and everything, all the data that you need
23 when you're on the roadside and you've made a traffic
24 stop? Is that going to be able to be transmitted quickly
25 to you with a vehicle with a digital plate?

1 MAJ. PALMER: Yes, sir, we believe so. Those
2 were things that we discussed. You've got the regular
3 piece that the registration will be available just like
4 any other license plate through the electronic system,
5 through TLETS and the Motor Vehicle Division system.

6 However, also in there there's some additional
7 things that DMV is going to do to ensure that when an
8 officer stops a vehicle with a digital license plate that
9 they can actually verify that that physical digital plate
10 is the one that belongs with the vehicle that's been
11 assigned. So there are some various security pieces that
12 were put in place to help that roadside officer make sure
13 that what they're seeing belongs where it belongs.

14 MR. BACARISSE: Great. Thank you.

15 MAJ. PALMER: Yes, sir.

16 MR. TREVIÑO: Any other questions for Major
17 Palmer?

18 MR. KUNTZ: And Chairman?

19 MR. TREVIÑO: Yes, Jeremiah.

20 MR. KUNTZ: Jeremiah Kuntz, for the record.

21 As well, Member Bacarisse, one of the
22 requirements is that the vehicle also have a physical
23 license plate if it was equipped with two license plates,
24 so for those vehicles that are supposed to have two
25 license plates, we will still have a metal license plate

1 on the front of the vehicle as well, so that should assist
2 law enforcement.

3 MR. TREVIÑO: Great. Okay. Any other
4 questions for Major Palmer?

5 (No response.)

6 MR. TREVIÑO: Hearing none, Major Palmer, thank
7 you very much for coming and being with us today, and
8 thank you for your service to the citizens of Texas.

9 MAJ. PALMER: Thank you, sir. My pleasure.

10 MR. TREVIÑO: Great.

11 Any other comments, Tracey?

12 MS. BEAVER: Tracey Beaver, general counsel,
13 for the record.

14 We did receive one phone call of an individual
15 who wanted to comment that they oppose the rule. They
16 were given instructions on how to participate to provide
17 their verbal comments, so I just wanted to give an
18 opportunity if that person was able to join today if
19 they'd please raise their hand using the instructions
20 given so that person could be recognized.

21 MR. TREVIÑO: Great. So is IT reviewing that?

22 MS. BEAVER: Yes. I would ask if the meeting
23 host could please review to see if anybody has raised
24 their hand, and if so, to please unmute them.

25 (Pause.)

1 MS. BEAVER: And chairman, Tracey Beaver, for
2 the record.

3 I don't see anybody raising their hand. The
4 call-in user did indicate that they would not likely be
5 able to participate, but I did want to give a reasonable
6 opportunity for them to do so. And we have no other
7 comments for this agenda item.

8 Thank you.

9 MR. TREVIÑO: Okay. Sorry they weren't able to
10 participate.

11 So any other comments or questions from the
12 board, public, anyone else?

13 (No response.)

14 MR. TREVIÑO: Okay. Hearing none, the chair
15 would entertain a motion.

16 MR. BACARISSE: Mr. Chairman?

17 MR. TREVIÑO: Member Bacarisse.

18 MR. BACARISSE: I would like to make a motion
19 to move that the board approve agenda item 10, including
20 adoption of amendments to Sections 217.22, 217.27, 217.32,
21 217.38, 217.41, and 217.55, and new Sections 217.58
22 through 217.64, as recommended by staff. And I do want to
23 echo what Jeremiah said about the tremendous amount of
24 work that's been done here. So that is my motion. Thank
25 you.

1 MR. TREVIÑO: Thank you for the comments and
2 the motion, Member Bacarisse.

3 Do we have a second?

4 MS. McRAE: I second.

5 MR. TREVIÑO: Second by Member McRae.

6 Member Bacarisse, how do you vote?

7 MR. BACARISSE: Aye.

8 MR. TREVIÑO: Board Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. TREVIÑO: Board Member Graham?

11 MR. GRAHAM: Aye.

12 MR. TREVIÑO: Board Member McRae?

13 MS. McRAE: Aye.

14 MR. TREVIÑO: Board Member Prewitt?

15 MR. PREWITT: Aye.

16 MR. TREVIÑO: Board Member Scott?

17 MR. SCOTT: Aye.

18 MR. TREVIÑO: Member Washburn is not with us
19 today, and I, Chairman Treviño, also vote aye, so the
20 motion carries unanimously. Thank you very much.

21 Thank you, Mr. Kuntz.

22 So I think now, if everybody is in agreement,
23 we'll take a little break, about five minutes, and be back
24 shortly. I'd suggest you stop your video and also mute
25 yourself as well.

1 (Whereupon, at 10:03 a.m., a brief recess was
2 taken.)

3 MR. TREVIÑO: Okay. So we are back and live.
4 Thank you, everybody, for being prompt and adhering to the
5 five minutes.

6 We will now move to agenda item number 11,
7 briefing and action items.

8 Mr. Kuntz on agenda item 11.A through 11.G
9 regarding specialty plate designs.

10 Mr. Kuntz.

11 MR. KUNTZ: Thank you, Chairman. Again for the
12 record, Jeremiah Kuntz, director of the Vehicle Titles and
13 Registration Division.

14 Before you for your consideration are seven
15 license plates. We have five plates that are from our
16 marketing vendor My Plates, and two plate designs are from
17 two nonprofit organizations.

18 As you can see in your board materials, since
19 we don't have our board that we would normally have with
20 the actual license plates, we've tried to include pictures
21 of the different license plates in your board materials.
22 Hopefully you can see those in your board book. They
23 start on page 29.

24 The first redesign is the Georgia Tech license
25 plate, the second is the Texas Tech license plate, the

1 third is the Texas State University license plate, and the
2 fourth is the SMU license plate.

3 As you can see, in all of these license plates
4 we have had a very large trend on these redesigns, and you
5 can see that they are going to a black background. I can
6 tell you based on our sales of specialty license plates,
7 the all-black background is our top selling license plate,
8 and so what you see is a lot of these organizations that
9 have license plates are migrating to that very similar
10 design with the all black license plates, the black
11 backgrounds, or a dark background as you see with SMU.

12 We also then have a couple of new license
13 plates. The Lone Star carbon fiber license plate. The
14 carbon fiber plate is a very popular one as well, and so
15 My Plates has added the Lone Star, which has got the image
16 of the star on the left-hand side, in all carbon. So we
17 currently have an all black Lone Star, this is adding the
18 carbon fiber background with the Lone Star.

19 The two new license plates that are by
20 sponsored organizations are the Texas Honey Bee license
21 plate which has images of a flower with some honey bees on
22 it, and PGA Reach is the other license plate as well.

23 With that, I will answer any questions.

24 MR. TREVIÑO: Does anyone have any questions
25 for Mr. Kuntz?

1 (No response.)

2 MR. TREVIÑO: Hearing none, Tracey, are there
3 any comments from the public?

4 MS. BEAVER: Tracey Beaver, general counsel,
5 for the record.

6 No comments from the public on this agenda
7 item.

8 MR. TREVIÑO: Great. So hearing none, the
9 chair would entertain a motion.

10 MS. GILLMAN: Mr. Chairman, I'd like to make a
11 motion.

12 MR. TREVIÑO: Member Gillman.

13 MS. GILLMAN: I especially love 7,700 people
14 loved the honey bees? Isn't that cool?

15 MR. TREVIÑO: Who doesn't love honey bees
16 really?

17 MS. GILLMAN: And the State of Texas has a
18 little honeycomb on it. That's cute.

19 With that, I move that the board approve agenda
20 items 11.A through 11.G, and accept all seven plate
21 designs as presented by staff.

22 MR. TREVIÑO: We have a motion from Member
23 Gillman, pointing out not only that but just acknowledging
24 just how much everybody loves honey bees.

25 Do we have a second?

1 MR. PREWITT: Second.

2 MR. TREVIÑO: From Member Prewitt? Is that
3 Member Prewitt?

4 MR. PREWITT: Yes, it is.

5 MR. TREVIÑO: Okay. Any further discussion?
6 (No response.)

7 MR. TREVIÑO: Hearing none, I'll call for the
8 vote.

9 Member Bacarisse?

10 MR. BACARISSE: Aye.

11 MR. TREVIÑO: Member Gillman?

12 MS. GILLMAN: Aye.

13 MR. TREVIÑO: Member Graham?

14 MR. GRAHAM: Aye.

15 MR. TREVIÑO: Member McRae? Member McRae?

16 Tammy, are you on mute. You there, Member McRae? Member
17 McRae, we see you now. Can you unmute? Would you like to
18 vote on this or would you like to abstain? I still can't
19 hear you.

20 MS. McRAE: You're cutting out.

21 MR. TREVIÑO: I'm sorry. Would you like to

22 vote on the license plates, specialty license plates?

23 Thumbs up if you do, or thumbs down if you would prefer.

24 Speciality license plates. Tammy, are you there? I can

25 see you now. I think that is an aye.

1 Member Prewitt?

2 MR. PREWITT: Aye.

3 MR. TREVIÑO: Great. Member Scott?

4 MR. SCOTT: Aye.

5 MR. TREVIÑO: Okay. Member Washburn is not
6 present, and I, Chairman Treviño, also vote aye, so the
7 motion carries unanimously.

8 All right. We will now move to agenda item
9 12.A, Advisory committee appointments. We're going to
10 take up the appointment of members to the Consumer
11 Protection Advisory Committee, presented by Executive
12 Director Brewster.

13 MS. BREWSTER: Thank you, Mr. Chairman,
14 members. For the record, Whitney Brewster, executive
15 director. I am addressing item number 12.A. which starts
16 on page 39 of your board books.

17 I am recommending that the Texas Department of
18 Motor Vehicles Board appoint the individuals from the list
19 of those potential members to the Consumer Protection
20 Advisory Committee. The board is required to appoint
21 members to an advisory committee by selecting them from a
22 list of potential members provided by the executive
23 director. The board is required to look at various
24 factors, including the balance of the advisory committee,
25 to ensure representation of industries or occupations or

1 indirectly regulated by the board, consumers of services
2 provided by the board, and different geographical regions
3 of the state.

4 And so I have reviewed approximately 30
5 applications for the Consumer Protection Advisory
6 Committee. I considered the various eligibility
7 standards, I looked at the applicant's knowledge and
8 interest in the work of the committee, differing
9 viewpoints, as well as the industry or occupation of the
10 applicant.

11 I also looked at the different geographical
12 regions of the state, as well as whether the applicants
13 were consumers of our services. I also determined that
14 the recommended members will satisfy the requirements of
15 the Transportation Code for rules committee consisting
16 specifically of representatives of motor carriers
17 transporting household goods using small, medium and large
18 equipment, and the public.

19 A review was also done to ensure that these
20 members are in good standing with the department, meaning
21 that there are no outstanding sanctions by the department
22 or anything of that sort. I'm thinking of anything else.

23 We have been really fortunate to have balanced
24 representation from tax assessor-collectors, independent
25 and franchised motor vehicle dealers, certainly

1 manufacturers, a sheriff, and consumer protection agencies
2 on the committee as they meet to deliberate some of the
3 really important topics for the department.

4 Moving forward, we want to make sure that that
5 balanced representation continues. We have had some
6 recent resignation of four members of the Consumer
7 Protection Advisory Committee, and after review of the
8 composition of the committee in light of those recent
9 departures, I am presenting the board with six names for
10 consideration before you today.

11 I am recommending that the board appoint one
12 member who is with the Texas Trucking Association, and
13 also the director of operations of Southwest Movers
14 Association, two members from franchised auto dealers, two
15 representatives of household goods movers who use small,
16 medium, and large equipment, as I talked about earlier,
17 and one public member who is the chief operating officer
18 of the Better Business Bureau, which all, I think, will be
19 excellent additions to the CPAC.

20 And so at this point I would recommend that the
21 board appoint six members provided to you in the board
22 book supplement, and with that, I would be happy to try to
23 answer any questions that the board members have.

24 MR. TREVIÑO: Great. Whitney, thank you very
25 much.

1 Do any of the board members have any questions
2 for Ms. Brewster on the appointments to the CPAC?

3 MR. SCOTT: Mr. Chairman, this is Member Scott.

4 I notice that we don't have any representation
5 by an independent dealer.

6 MS. BREWSTER: Yes, sir, we do. We have Juan
7 Solis with All Star Motors, who is an independent dealer
8 out of Brownsville.

9 MR. SCOTT: Okay. How many members on this
10 committee total?

11 MS. BREWSTER: If the board chooses to move
12 forward with the six that I have presented today, it would
13 bring the group to 14. Currently, with the resignations
14 that we've recently experienced, we have eight, and with
15 some of the topics that are going before the CPAC, we
16 thought it would be very important, especially with recent
17 resignations, to include some additional members here.

18 This certainly is not the end-all, be-all. If
19 there are other applicants that come in, we'll continue to
20 consider those applications based on the criteria that I
21 mentioned earlier, Member Scott.

22 MR. SCOTT: Okay.

23 MS. GILLMAN: Whitney, this is Stacey.

24 MR. TREVIÑO: Hold on. Member Scott, finish
25 your thought.

1 MR. SCOTT: How many meetings have you had of
2 this committee?

3 MS. BREWSTER: There have been to date two and
4 there are two more scheduled in the immediate future.

5 MR. SCOTT: Okay. So our independent dealer on
6 this committee, Mr. Solis, has he been an active member of
7 the committee? Has he been attending meetings and so
8 forth?

9 MS. BREWSTER: I believe that is accurate, but
10 I will defer to Tracey Beaver to just confirm his
11 attendance.

12 MS. BEAVER: Tracey Beaver, general counsel,
13 for the record.

14 Thank you for the question. I can look at the
15 transcript from the prior meetings to find out who all was
16 in attendance at the prior meetings, but we did have
17 balanced representation at the prior meetings. I do know
18 that the motor vehicle dealer and several of the public
19 members, manufacturers were present, but I can certainly
20 look that up very quickly.

21 MR. TREVIÑO: Great.

22 MR. SCOTT: I would appreciate that. Obviously
23 what they're going to be working on is going to affect us
24 all, franchised and independents, everything that the
25 department does, so I'm just trying to make sure or see to

1 it that independent dealers are represented and that the
2 representative that we have there is being active so the
3 voice of the independents is being heard.

4 So appreciate it. Thank you.

5 MR. TREVIÑO: Thank you for your comments,
6 Member Scott.

7 Member Gillman?

8 MS. GILLMAN: Thank you, Mr. Chairman.

9 Whitney, can you send a complete list of the
10 committee as soon as it is decided?

11 MS. BREWSTER: Yes, ma'am, we'd be happy to do
12 that.

13 MR. TREVIÑO: Great. And I just would remind
14 the board that these are all volunteers, and when we
15 established the committees we tried to have balanced
16 representation as one of the objectives, so any
17 suggestions or comments the board has, I think we're very
18 interested in that and sensitive to balanced
19 representation on this board.

20 Okay. Any other questions for Mr. Brewster on
21 this?

22 MS. BEAVER: Chairman, if I may? Tracey
23 Beaver, general counsel, for the record.

24 I just wanted to confirm that, yes, the
25 independent dealer representative was present at the CPAC

1 meeting on April 23, so there was balanced representation
2 at those meetings. He did not attend the other meeting.

3 MR. TREVIÑO: So Mr. Solis.

4 MR. SCOTT: Thank you, Tracey.

5 MR. TREVIÑO: Thank you for answering Member
6 Scott's questions.

7 Any other questions or comments for Ms.
8 Brewster?

9 (No response.)

10 MR. TREVIÑO: Hearing none, any comments from
11 the public, Tracey?

12 MS. BEAVER: Tracey Beaver, general counsel.

13 No comments from the public on this agenda
14 item. Thank you.

15 MR. TREVIÑO: Thank you, Tracey.

16 In that case, the chair would entertain a
17 motion.

18 MR. GRAHAM: Mr. Chairman, this is Brett
19 Graham. I'll make a motion. I will move that the board
20 approve agenda item 12.A and the following Consumer
21 Protection Advisory Committee appointments: Dorothy
22 Brooks, Tiffen Eshpeter, James French, Traci McCullah,
23 William Smith, and Richard Cavender.

24 MR. TREVIÑO: Great. We have a motion from
25 Member Graham. Do we have a second?

1 MS. GILLMAN: I'll second.

2 MR. TREVIÑO: Member Gillman, a second by
3 Member Gillman. And I will call for the vote.

4 Member Bacarisse?

5 MR. BACARISSE: Aye.

6 MR. TREVIÑO: Member Gillman?

7 MS. GILLMAN: Aye.

8 MR. TREVIÑO: Member Graham?

9 MR. GRAHAM: Aye.

10 MR. TREVIÑO: Member McRae?

11 MS. McRAE: Aye.

12 MR. TREVIÑO: Member Prewitt?

13 MR. PREWITT: Aye.

14 MR. TREVIÑO: Member Scott?

15 MR. SCOTT: Aye.

16 MR. TREVIÑO: Member Washburn is not present,

17 and I, Chairman Treviño, also vote aye, so the motion

18 carries unanimously. And thank these citizens for

19 volunteering to serve on this committee.

20 We will now move on to agenda item 12.B, the

21 CCAC recommendations. First we will hear from Corrie

22 Thompson, the director of Enforcement.

23 Corrie, are you present?

24 MS. THOMPSON: I am. Can everyone see and hear
25 me?

1 MR. TREVIÑO: I can.

2 MS. THOMPSON: So good morning, everyone.
3 Corrie Thompson, director of the Enforcement Division. I
4 am presenting item 12.B this morning which relates to the
5 Consumer Protection Advisory Committee recommendations on
6 refunds by motor vehicle dealers and motor carriers
7 transporting household goods.

8 As Whitney mentioned, the Consumer Protection
9 Advisory Committee met in May, and as well in April, to
10 discuss a number of items. One item that was discussed
11 was refunds for consumers of motor vehicle and household
12 good movers when there are violations, and that's in order
13 to implement the new enforcement authority that was
14 granted to the department as recommended by the Sunset
15 Advisory Commission and it was added to statute this past
16 legislative session.

17 So the department has been granted the
18 authority under two code provisions, so in Occupations
19 Code 2301.807, that's the new statute that was added per
20 our Sunset bill that allows the department to have new
21 sanction authority for authorizing refunds as they relate
22 to motor vehicle dealers, and then Transportation Code
23 Section 643.257 which authorizes a similar sanction refund
24 authority for the department for motor carriers who
25 transport household goods.

1 When the advisory committee met to discuss this
2 item, staff posed a number of questions to the committee
3 just to start to drum up discussion because obviously
4 staff is more familiar with some items that the consumer
5 members may not be familiar with but the dealer members
6 and the household goods movers may be more familiar with,
7 so we had some questions just to start with some talking
8 points.

9 And so some of the things that we discussed
10 were how should refund be defined under this new
11 authority, what's covered, and under what circumstances
12 should the department order a licensee or a registrant,
13 when we're talking about those household goods movers, to
14 provide a refund.

15 Should the department's authority to order a
16 refund depend on how much time has passed since the
17 transaction or the purchase occurred? And then we also
18 discussed whether refunds should be ordered and we posed
19 several different example scenarios, and whether or not
20 refund authority would be appropriate in those specific
21 situations.

22 So there's going to be a presentation by the
23 presiding officer of the CPAC committee, so I'm going to
24 hand that over to Mr. Laird Doran, who serves as the
25 presiding officer of the committee, and he's going to

1 present the recommendations that were moved forward by the
2 committee after these discussions that we had during these
3 meetings. And the recommendations that he's going to be
4 discussing are going to form the basis that the department
5 will take back to develop rules.

6 So we have the statute in place now because of
7 Sunset and because of the last legislative session that
8 gives the department the authority. We have the
9 authority, now we need rules, so these recommendations
10 from the committee will form the basis of those rules that
11 will be developed, and once developed, they will, of
12 course, come back before the board as an item to be
13 proposed to be published for public comment.

14 So with that, I'm going to hand it over to Mr.
15 Doran.

16 MR. TREVIÑO: Corrie, before we move to Mr.
17 Doran, does any of the board have any questions for Ms.
18 Thompson before we move to Mr. Doran?

19 (No response.)

20 MR. TREVIÑO: Okay. Hearing none, next we'll
21 hear from the Consumer Protection Advisory Committee's
22 presiding officer, Laird Doran, and first vice chair,
23 Melissa Colvin. Will she also be present?

24 MR. DORAN: No, Mr. Chairman, she will not be
25 present today, unfortunately.

1 MR. TREVIÑO: Okay. No problem.

2 Meeting host, so are we going to get Mr.
3 Doran's video in as well, or just audio?

4 MR. DORAN: I'm fine with audio, Mr. Chairman.

5 MR. TREVIÑO: All right. Thank you. Welcome
6 to the board meeting and thank you for volunteering to
7 serve and your time on this committee.

8 MR. DORAN: Thank you.

9 Good morning, Mr. Chairman, board members and
10 Ms. Brewster. For the record, my name is Laird Doran. I
11 serve as the presiding officer for the Consumer Protection
12 Advisory Committee, otherwise known as CPAC for short.

13 Unfortunately, First Vice Chair Melissa Colvin
14 and Second Vice Chair Michael Rigby were unable to
15 participate today, so I will be the sole CPAC officer
16 presenting today; however, the recommendations represent
17 the work of the entire committee.

18 The CPAC would like to take a moment to thank
19 you, the board, for giving us an opportunity to provide
20 our group advice and recommendations. I would also like
21 to thank DMV staff who worked very patiently with CPAC
22 members throughout this process.

23 Our committee has met on three occasions,
24 beginning on April 23, 2020, and we would like to present
25 our recommendations regarding refunds by a motor vehicle

1 dealer and motor carriers transportation household goods.

2 We are charged by this board with reviewing and making
3 recommendations to this board on three additional areas:
4 temporary tags, handling title issues when a dealer goes
5 out of business, and finally, protecting personal
6 information contained in the state's motor vehicle
7 database under what is known as the Driver's Privacy
8 Protection Act, or DPPA.

9 The CPAC will provide this board with its
10 recommendation on these additional three areas at a future
11 Texas DMV Board meeting. So I'll now turn to CPAC's
12 recommendations regarding refunds.

13 The CPAC was first asked to determine how a
14 refund should be defined. After considerable discussion,
15 the CPAC recommends to this board that a refund should be
16 defined as any monies paid or contracted to be paid to a
17 dealer, including overpayments, fees paid for services not
18 rendered, and any other payments made for products not
19 delivered.

20 The second question posed to the CPAC was:
21 Under what circumstances should to the Texas DMV order a
22 licensee or registrant to provide a refund? The CPAC
23 recommends to this board that the department be allowed to
24 order a refund as part of the initial notice of department
25 decision, as well as have the ability to order a refund as

1 part of a settlement negotiation.

2 The third question presented to the CPAC is:
3 Should the department's authority to order a refund depend
4 on how much time has passed since the time of purchase,
5 and if so, how much time needs to pass in order for a
6 complaint to be considered untimely to still order a
7 refund?

8 The CPAC recommends that the department's
9 authority to order a refund should be limited to no more
10 than four years; in other words, a four-year limitation
11 period.

12 Next, the CPAC was presented with several
13 different scenarios and asked under each scenario whether
14 CPAC recommends that a refund be ordered. The first:
15 When a consumer has to purchase a 30-day permit because
16 the dealer has failed to transfer title before the buyer
17 tag expired. That was the first scenario.

18 The CPAC recommends that the department have
19 the authority to order a refund where a consumer has to
20 purchase one or more 30-day permits because the dealer
21 failed to transfer title before the buyer tag expired.

22 The next scenario: When a consumer has to make
23 additional payments on a trade-in vehicle to their lender
24 because the dealer was late in making the agreed-upon loan
25 payoff.

1 In this situation the CPAC recommends that the
2 department have the authority to order a refund where a
3 consumer has to make additional payments on a trade-in
4 vehicle to their original lender because the dealer was
5 late in making or fails to make an agreed-upon payoff of
6 the loan securing the trade-in vehicle.

7 The next scenario: When a consumer has to pay
8 for a safety inspection that should have been completed by
9 the selling dealer.

10 The CPAC recommends that the department have
11 the authority to order a refund where a consumer has to
12 pay for a safety inspection that should have been
13 completed by the dealer.

14 The next scenario: When a consumer has out-of-
15 pocket expenses because the dealer failed to honor the
16 written we owe portion of the contract.

17 The CPAC recommends that the department have
18 the authority to order a refund when a consumer incurs an
19 out-of-pocket expense because a dealer failed to honor the
20 written we owe portion of the contract.

21 The next scenario: When a consumer has to
22 obtain a bonded title because a dealer failed to provide
23 title or obtain a bonded title for the consumer.

24 The CPAC recommends that the department have
25 the authority to order a refund where the consumer incurs

1 an out-of-pocket expense because the dealer failed to
2 provide title or obtain a bonded title for that consumer.

3 The next scenario: When a consumer is
4 overcharged for TT&L, documentary fee, or other fictitious
5 fees are charged.

6 The CPAC recommends that the department have
7 the authority to order a refund where a consumer was
8 overcharged for TT&L, documentary fees, or other
9 fictitious fees.

10 The next scenario: When a consumer purchases a
11 third-party extended warranty offered by the dealer and
12 the dealer does not submit the paperwork or funds, the
13 consumer then needs repairs and discovers they do not have
14 the warranty that they believe they paid for.

15 The CPAC recommends that the department have
16 the authority to order a refund of the cost of repairs
17 that would have been covered by the third-party extended
18 warranty where a consumer purchased a third-party extended
19 warranty offered by a dealer and the dealer failed to
20 submit the paperwork or funds for that extended warranty.

21 The final scenario: When a consumer is charged
22 for costs not listed on their tariff after the household
23 goods mover takes possession of the consumer's property
24 and the mover refuses to unload the consumer's property
25 until the charges that were not listed on the tariff are

1 paid by the consumer.

2 The CPAC recommends that the department have
3 the authority to order a refund where a consumer is
4 charged for costs not listed under a household goods
5 mover's tariff after the household goods mover takes
6 possession of the consumer's property and the mover
7 refuses to unload the customer's property until those
8 charges are paid.

9 The CPAC further recommends that the department
10 refer unregistered household goods carriers to law
11 enforcement.

12 This concludes the CPAC's recommendations for
13 refunds by a motor vehicle dealer and motor carriers
14 transporting household goods. We very much appreciate the
15 opportunity to present these recommendations to you today.

16 Thank you.

17 MR. TREVIÑO: All right. Thank you, Mr. Doran,
18 for those comments.

19 Does anybody have any questions for Mr. Doran?

20 MS. GILLMAN: Yes, Mr. Chairman.

21 MR. TREVIÑO: Member Gillman.

22 MS. GILLMAN: So I think I understand the
23 direction and intent of these recommendations. After
24 reading them, when I got my board book, I have to tell you
25 that I have a lot of concerns, and I think basically that

1 the examples that you have given are way too broad, and
2 starting with your definition of a refund. In my
3 experience, a refund is only due when you pay someone.
4 For example, if you pay me \$20 and I do not give you a \$20
5 value or a product of \$20 value, if I fail to give you
6 that, then I give you \$20 back. That is a refund.

7 So when I look at -- I'm just going to your
8 example number A, when a consumer has to purchase a 30-day
9 permit, and in your language you say because the dealer
10 failed, I don't understand this language because, number
11 one, the dealer was never paid anything so how can they
12 refund something? That's number one.

13 Number two is sometimes if a consumer has to
14 purchase an extension on their temporary tag, it's not
15 because the dealer failed. Most recently the tax offices
16 have been closed in Harris County and it's not because the
17 dealer failed them, and so I would like to respectfully
18 ask that the committee, especially with the new
19 appointments that we just approved, go back and modify
20 language to be a little bit more -- to clarify in these
21 instances.

22 Okay. I'd love to talk about letter B, when a
23 consumer has to make additional payments because the
24 dealer was late in making the agreed loan payoff. Again,
25 I'm talking about the real world here. Consumers very

1 often -- I mean it happens regularly that a consumer wants
2 to trade in their vehicle and I'm just going to say a
3 woman comes in to trade in her vehicle and she didn't know
4 that her ex-husband is on the title with her, and so all
5 of a sudden she has to track down the ex-husband in order
6 to properly trade in her title, so it takes some time for
7 the consumer to get their affairs in order.

8 And the trade-in that was intended on this
9 purchasing of a new car, the dealer, in my opinion, it's
10 not on them to start making payments on a vehicle that
11 actually cannot be traded in until you get both signatures
12 of the woman and her ex-husband.

13 That's just one example that the dealer was not
14 at fault, the dealer is not late. And also, it's not a
15 refund because the dealer has not been paid anything that
16 he needs to refund.

17 So it's a second example that I think your
18 blanket rule is not serving our industry very well, and I
19 would appreciate it if you could go back. And I think I
20 understand the intent but I think the language is
21 troubling.

22 Okay. Would you like to hear the next one?

23 MR. DORAN: Board Member Gillman, may I respond
24 to your questions as you're bringing them up as opposed to
25 addressing them all at the end?

1 MS. GILLMAN: I've got one more, Laird.

2 MR. DORAN: Okay.

3 MS. GILLMAN: C, when a consumer has to pay for
4 a safety inspection that should have been completed by the
5 dealer. Again, if you paid the dealer for a safety
6 inspection, I completely agree you should get one, there's
7 no question there.

8 But if the consumer did not pay for a safety
9 inspection, then I don't know that they are entitled to
10 one. It's only if the customer was charged for it should
11 the customer receive it; otherwise, there's no refund that
12 would apply here.

13 I think that my examples here just in A, B and
14 C is my request that the committee go back and review,
15 revise and maybe rework some of the language and then come
16 back to us. Is that reasonable?

17 MR. TREVIÑO: Mr. Doran, would you like to
18 respond to the comments?

19 MR. DORAN: Yes. Thank you, Member Gillman,
20 for your examples and for your questions and your
21 comments. Let me first start off by saying it was my
22 understanding, and I believe the committee's
23 understanding, that we were tasked with making
24 recommendations, not rules, and that these recommendations
25 would help serve the basis for rulemaking but that these

1 are not rules in and of themselves.

2 So you have raised a series of excellent
3 examples, and I don't actually believe that there's really
4 much daylight between what you're saying and what we as a
5 committee have proposed here.

6 Each of the scenarios that you've raised post
7 individually different facts, and it was our understanding
8 as a committee that what we were doing was trying to begin
9 the discussion of outlining the contours of the authority
10 that the legislature had given to the department in order
11 to make rules when a customer has a complaint and the
12 department needs to -- or has the ability, I should say,
13 to exercise their new authority to provide refunds.

14 So as it relates to, I think you gave an
15 example involving a divorced couple, I would imagine and
16 would anticipate -- and I believe this holds true for the
17 committee -- that Texas DMV staff would take those
18 individual facts into consideration and that there would
19 be plenty of due process afforded the dealer in each of
20 these scenarios so that they could explain the basis for
21 why they don't believe a refund should be issued.

22 The other comment I would just have in response
23 to your comment or question, you had framed it as saying,
24 I think as it related to the 30-day permit, that the
25 customer failed to obtain from the dealer that the

1 customer hadn't paid the dealer for that.

2 I believe it is the thought of the committee
3 that the doc fee that is paid to a dealer, which usually
4 amounts to about \$150, those are fees that the consumer is
5 paying to that licensed dealer so that that dealer can
6 accurately and completely process and finalize that
7 registration and that title work and perform those
8 services necessary to legally consummate the sale and
9 purchase of that motor vehicle

10 Hopefully I answered your questions, but I
11 believe our understanding of it -- and I'll defer to Ms.
12 Thompson -- was that these are recommendations, they are
13 not rules, and the ability to account for individual cases
14 and facts would be taken into consideration by the
15 department.

16 MR. TREVIÑO: Ms. Thompson, would you like to
17 comment before we get back to Ms. Gillman?

18 MS. THOMPSON: Yes, Chairman, if I may. Corrie
19 Thompson, director of the Enforcement Division.

20 Mr. Doran is absolutely correct. The committee
21 is tasked with coming up with recommendations that
22 basically form the parameters within which the department
23 is able to operate, so we have the authority, it's granted
24 in statute, and now we just have to decide what that looks
25 like.

1 We do not have any rule language drafted at
2 this point. This is the precursor to going back and then
3 formulating what the rules are going to look like. So he
4 spoke correctly when he said this is not the language of
5 the rule that would appear in the Texas Administrative
6 Code; this is just starting the discussion around the
7 authority the department should have and when.

8 And I would liken it to current authority in
9 the Texas Occupations Code in Chapter 2301, which
10 authorizes the department to impose a civil penalty up to
11 \$10,000 for each violation per day that a violation
12 continues.

13 Does the department exercise that authority in
14 the instance of every single violation? No, it does not.

15 But that authority has been granted to us in statute and
16 we just have to operate within those parameters. But each
17 case is different and investigators and attorneys evaluate
18 the facts of each specific case and determine what's most
19 appropriate, and can change at various points of the
20 investigative or attorney stage of the case process.

21 So we might allege something initially in a
22 charging document and then the dealer gets back to us and
23 says, hey, you know, this is really what happened, like
24 one of the scenarios that Member Gillman posed.

25 They provide additional information about why

1 that trade-in vehicle wasn't paid off, and then that does
2 not mean that any refund that was ordered in the initial
3 charging document ultimately sticks.

4 Every single day we have dealers contacting the
5 department giving us mitigating factors or giving us the
6 other side of the story about what really happened, and we
7 use those additional details to remove sanctions that were
8 within those documents or to lessen the sanctions, so I do
9 want to make everybody aware of that.

10 MR. TREVIÑO: Great.

11 Member Gillman, would you like to add some more
12 comments?

13 MS. GILLMAN: I just wanted to say is it
14 reasonable to request a revision and review of some of the
15 language, and with just a little bit of time that I've had
16 to look at this before the board meeting, I'm very happy
17 to offer language. I always hate to present just the
18 problem, I like to offer a solution, but I don't have the
19 language worked out just yet in my head, but I'm happy to
20 provide some suggested solutions if you'd like.

21 And also, I do want to say that I know -- and
22 this is to Laird and the other committee members -- I know
23 this is a voluntary position, and I do appreciate you
24 being there, and so I just don't want you to take my
25 comments as being too controversial. So I am able to

1 offer solutions and I do thank you for your service.

2 MR. TREVIÑO: Great. Thank you, Member
3 Gillman.

4 Member Bacarisse I think has a comment.

5 MR. BACARISSE: Just if we could to thank
6 everybody involved here certainly, but really I'd like to
7 step back just a moment, and either if it's Whitney or
8 maybe it's Corrie, just walk us through the process again.

9 We're at the beginning here, these are comments
10 from our volunteer folks into the process where we're at
11 the beginning of the process. Do you want to walk us just
12 through that process real quickly, just remind everybody
13 just kind of steps? That might be helpful.

14 MS. THOMPSON: Sure. Chairman, Corrie
15 Thompson, if I may?

16 MR. TREVIÑO: Okay.

17 MS. THOMPSON: I would have to defer to general
18 counsel on whether or not Member Gillman is able to
19 provide any suggestion she may have that she would like to
20 share with the Consumer Protection Advisory Committee.

21 But as to Member Bacarisse's request for
22 information on the process, yes, this is the first step in
23 the process. The committee was assembled at Sunset's
24 request. We now have members of the committee, we've had
25 several meetings, and they've been tasked with certain

1 topics.

2 We're starting with the one, of course, that's
3 based on the Sunset recommendation and the statutory
4 change that allows the department to have this new
5 enforcement sanction authority to authorize refunds as
6 part of our administrative cases.

7 And so next steps now are to go back, take this
8 language within the Office of General Counsel and with
9 program staff from the Enforcement Division and any other
10 division that may be affected, and start to use these
11 parameters to develop that rule language. And then, as
12 you know, the rules come back to the board in various
13 forms.

14 More recently we've started bringing back rules
15 to the board during meetings at an informal stage, which
16 we used to not do, which we've recently introduced, or we
17 bring the rules back for proposal.

18 So we've had some rules on the agenda today
19 that they're up for proposal, they'll go into the Texas
20 Register and then there's a time period for people to
21 comment on the rules on whether or not things negatively
22 affect industry, and then that gives the department to
23 then go back and take a look at those comments and
24 determine whether or not any of the language in that rule
25 should be changed.

1 So yes, we are at the very beginning stage, we
2 have not even started the development of the actual
3 language for the rule at this point, Member Bacarisse.

4 MR. BACARISSE: Thank you.

5 Thank you, Mr. Chairman.

6 MR. TREVIÑO: Thank you, Member Bacarisse.

7 Any other questions? Member Graham.

8 MR. GRAHAM: Thank you.

9 I just wanted to echo Member Gillman's
10 comments. You know, when I read this document, a lot of
11 it hit me the way that it hit her, just the tone of the
12 language in the document.

13 Another one that I had circled was when a
14 consumer is overcharged for TT&L, documentary fees or
15 other fictitious fees, and it just felt like the tone of
16 the document was that any mistake in any part of a
17 transaction between a dealer and a consumer is just
18 egregious and blatant on behalf of the dealer.

19 And so after reading it, my first initial
20 thought was: Was there a dealer in this room when this
21 happened? That's when I reached out and got a copy of the
22 members on this committee, and then I was glad to see that
23 there were two dealers added to the list that we approved
24 today. I think having a committee that's balanced and
25 representative in the same way that our board is is

1 critically important to all of these committees.

2 Anyway, it kind of hit me the way that it hit
3 her. I won't say any more; she did a fine job. And I
4 recognize that at the end of the day the board will
5 inevitably take these recommendations that come out of
6 these committees and determine what moves forward and how
7 it's worded, and I appreciate that. But I just wanted to
8 echo that sentiment.

9 Thank you.

10 MR. TREVIÑO: Thank you, Member Graham.

11 Any other comments or questions, Member Scott?

12 MR. SCOTT: Yes. I kind of echo what Member
13 Graham said. I looked at number F too and it says,
14 Consumers overcharged for TT&L, documentary or other
15 fictitious fees. (Loss of audio) -- to the fact that it's
16 almost like documentary fees are fictitious fees. So
17 that's just clean-up of the language, but the tone is what
18 I'm looking for.

19 MR. TREVIÑO: Thank you very much for those
20 comments, Member Scott.

21 Does anybody else have any comments?

22 MS. GILLMAN: Yesterday I said the word
23 fictitious fees offended me. It needs modification.

24 MR. TREVIÑO: Thank you for those comments,
25 Member Gillman.

1 Any other comments or questions for Ms.
2 Thompson or Mr. Doran?

3 (No response.)

4 MR. TREVIÑO: I have a general question. How
5 many vehicles are sold in the State of Texas over the
6 course of a month, ballpark?

7 MS. THOMPSON: Corrie Thompson here.

8 I do not have an idea of that number. I'm sure
9 that we can obtain that information.

10 MR. TREVIÑO: Great. My guess is a lot. You
11 know, don't really have the fact check on this one, but a
12 lot, and the vast, vast majority of these are transactions
13 that both parties are very happy about and are executed
14 with no problems at all.

15 Occasionally problems do happen, as Member
16 Gillman and Member Graham mentioned, and we just want to
17 recognize that the vast majority of transactions that
18 happen in the state of Texas are completed well, on time
19 and the motoring people is happy with how it's working.

20 So I would like to thank Mr. Doran for all the
21 hard work that his committee put in here and recognize
22 that there's some work we need to do around tone, but I
23 don't think there was any intent from Mr. Doran to
24 intimate that there's some problem with the dealer
25 community or people who sell automobiles in general.

1 Mr. Doran, it's putting words in your mouth,
2 but I don't think that was the intent of the committee.

3 MR. DORAN: Thank you, Mr. Chairman. No, that
4 was not the intent of the committee whatsoever, and anyone
5 who was listening in on those committee hearings would
6 know that there were dealers present on those, and I
7 myself have at times spoken up to express the dealer's
8 perspective on things.

9 So I appreciate the feedback from the board,
10 and we will certainly take these comments to heart, and
11 we'll take those back and work with staff, and so I thank
12 all of the board members for their feedback. We
13 appreciate it.

14 Thank you.

15 MR. KUNTZ: Thank you, Mr. Doran. Thank you,
16 Ms. Thompson.

17 Any other comments or questions for Ms.
18 Thompson or Mr. Doran?

19 MS. BREWSTER: Mr. Chairman?

20 MR. TREVIÑO: Yes.

21 MS. BREWSTER: Whitney Brewster, executive
22 director.

23 I just wanted to answer your question about the
24 daily volume of title transactions. It is approximately
25 30,000 are printed a day by Xerox, our vendor who prints

1 our titles, so just wanted to give that bit of
2 information. For the third quarter we issued
3 approximately 1.4 million, but that is down last year at
4 the same time of 2.1- over the quarter.

5 MR. TREVIÑO: Well, thank you very much. I
6 stand corrected. It's not just a lot, it's a heck of a
7 lot. So I thank you for clarifying that point. And I'd
8 like to thank the dealer community for executing those
9 transactions well and keeping the motoring public happy
10 and on the roads of Texas.

11 So any other comments?

12 MS. GILLMAN: Mr. Chairman. I think that we
13 sell 1.7 million per year.

14 MR. TREVIÑO: There you go.

15 MS. GILLMAN: New vehicles.

16 MR. TREVIÑO: New vehicles, but you can't
17 forget that there are other vehicles sold that aren't new.

18 MS. GILLMAN: Of course. Mr. Scott is going to
19 answer that one.

20 MR. TREVIÑO: Hear, hear. So lots of them,
21 lots of them.

22 MS. GILLMAN: About 140,000 per month.

23 MR. TREVIÑO: Great, great. With very few
24 fictitious fees, I would suggest.

25 MS. GILLMAN: Exactly.

1 MR. TREVIÑO: Okay. So we have that behind us.
2 Tracey, are there any comments from the public?

3 MS. BEAVER: Tracey Beaver, general counsel.
4 No comments from the public.

5 MR. TREVIÑO: Great. So at that point, the
6 chair would entertain a motion.

7 MS. GILLMAN: Mr. Chairman, I'd like to make a
8 motion.

9 MR. TREVIÑO: The chair recognizes Member
10 Gillman.

11 MS. GILLMAN: I'd move that the Consumer
12 Protection Advisory Committee's recommendations not be
13 adopted at this time and that the CPAC consider discussion
14 that has been made during this board meeting and make
15 necessary changes based on the policy guidance provided
16 today.

17 MR. TREVIÑO: Okay. We have a motion from
18 Member Gillman. Do we have a second?

19 MR. GRAHAM: I'll second. This is Brett.

20 MR. TREVIÑO: Member Graham seconds. And just
21 to clarify the motion, it's that the recommendations from
22 CPAC not be adopted and be sent back for revision based on
23 the comments that were given today.

24 Is that a good summation of the motion?

25 MS. GILLMAN: Yes, Mr. Chairman.

1 MR. TREVIÑO: And Mr. Graham, you're willing to
2 second that?

3 MR. GRAHAM: Yes.

4 MR. TREVIÑO: Great. So now I'll call for the
5 vote -- no -- any further discussion on this point?
6 Anybody like to discuss the motion?

7 MR. BACARISSE: Mr. Chairman.

8 MR. TREVIÑO: Yes, Member Bacarisse.

9 MR. BACARISSE: I'm just asking a question
10 here.

11 MR. TREVIÑO: Go ahead.

12 MR. BACARISSE: This will come back but this is
13 the very, very beginning, this is sort of the raw data
14 that gets put into the process, and there's ample time and
15 ample opportunity for all sides to have input in the
16 rulemaking process.

17 So we're not adopting rules, we're just taking
18 in comment, essentially, and so I don't want to stop the
19 process. My thought is we've taken the comment. Now, you
20 know, the Texas Auto Dealers Association and any citizen,
21 whomever can also add information into the process, and we
22 as board members will work with and ultimately oversee and
23 vote on the rules that get proposed for public comment,
24 and then secondly, finally adopted.

25 So I don't think we need to kill this process

1 right now. We've pointed out problems with it, but I
2 don't think we need to kill it. Let's just take the
3 comments and let's just move the process as it should be
4 run, in a sense. So that's my comment.

5 MR. TREVIÑO: Thank you, Member Bacarisse.

6 Member Prewitt, did you have a comment?

7 MR. PREWITT: I think the idea is that there be
8 a discourse. It appears from Member Gillman's comments
9 that the discourse can be expanded, and I do agree, I
10 don't think there was any intent for ill statements of the
11 industry or anything like that, but I do think a broader
12 discourse would be recommended.

13 And I don't think we're killing it, I would
14 disagree with that, I think we're just saying, look, we
15 want to give direction and that direction would be a
16 little more discourse and bring it back again. And the
17 idea being that things being proper today for approval,
18 don't meet with the approval of all the members, and so
19 because of that I think the idea is just go back not to
20 the drawing board but at least to maybe have a little
21 broader discourse on it before it's brought back again.
22 That's my thoughts.

23 MR. TREVIÑO: Okay. Thank you, Member Prewitt.

24 Any other comments?

25 MR. SCOTT: I have a question for general

1 counsel on this. Is it necessary that we take action
2 here, or can this just be tabled?

3 MS. BEAVER: This is an action item on the
4 agenda today, but you can absolutely table this if that's
5 the board vote at this point. There was a motion and a
6 second made, so a vote would need to be taken on that
7 motion. If that motion fails, then there could also be
8 another vote to table this.

9 In effect, I think those motions would be
10 similar because Member Gillman's motion was that the
11 committee reconsider and come back, so in essence, if the
12 motion succeeds that Member Gillman made, it will be
13 tabled to the next meeting anyway because the committee
14 would come back again with recommendations for a vote.

15 MR. SCOTT: Thank you, Tracey.

16 MR. TREVIÑO: Member Graham, your mic is on.
17 Do you have a comment?

18 MR. GRAHAM: Well, the thought that crossed my
19 mind here as we've talked about this is -- and the reason
20 I would continue to hold my second for this motion is,
21 yes, it is a matter of stages, these recommendations come
22 out of these committees, then staff will begin to develop
23 proposed rules, those proposed rules then go through their
24 stages.

25 And clearly I think the two franchised dealers

1 on the board would like to see some things improved and
2 cleaned up. And I fully understand that there wasn't
3 intent in the way these things were done but the tone, I
4 think, could be cleaned up and improved on to create a
5 better product.

6 And I just think about we have these meetings
7 and so much happens between these of time, if that rolls
8 through one particular meeting and I'm not there and maybe
9 Stacey is not there, then things happen and get through,
10 and I just think it would be better to send it back and
11 let them sort of work on it, just clean it up however they
12 see fit, bring it back, and then we can take it from
13 there.

14 But that's my thoughts, so I'll stand put with
15 my second.

16 MR. TREVIÑO: Great. Thank you, Member Graham.
17 Any other comments or questions?

18 (No response.)

19 MR. TREVIÑO: Hearing none, I'll call for the
20 vote.

21 Member Bacarisse? This is for it not to be
22 adopted.

23 MR. BACARISSE: I understand, and I respect my
24 colleagues' opinions. And thank you, General Counsel, for
25 your explanation of the motion.

1 I vote aye.

2 MR. TREVIÑO: Member Gillman?

3 MS. GILLMAN: Aye.

4 MR. TREVIÑO: Member Graham?

5 MR. GRAHAM: Aye.

6 MR. TREVIÑO: Member McRae?

7 MS. McRAE: Aye.

8 MR. TREVIÑO: Member Prewitt?

9 MR. PREWITT: Aye.

10 MR. TREVIÑO: member Scott?

11 MR. SCOTT: Aye.

12 MR. TREVIÑO: And also, Member Washburn is not
13 present, and I, Chairman Treviño, also vote aye, so it's
14 unanimous. The recommendations are not accepted by this
15 board with just some comments about taking it back and
16 reviewing it.

17 So, Tracey, you'll work up the language around
18 that?

19 MS. BEAVER: I'm sorry. The language around
20 what, Chairman?

21 MR. TREVIÑO: About the rejection of the motion
22 because I did not have it in what I would consider to be a
23 good form other than the motion not be adopted.

24 MS. BEAVER: Yes, sir.

25 MR. TREVIÑO: Great. Okay. Good.

1 I would like to thank Mr. Doran. This is no
2 reflection on your committee in the sense that they're not
3 handling their charge well. I'd like to thank everyone on
4 that committee for their work, and realizing that this
5 process is give and take over time, but I'd like to thank
6 them all for all their contribution. And Ms. Thompson
7 too.

8 We'll now move on to agenda item number 13,
9 Finance and Audit Committee update. Committee Chair Brett
10 Graham, assisted by Linda Flores, Sergio Rey, Brian Kline
11 and Ms. Sandra Menjivar-Suddeath.

12 MR. GRAHAM: Thank you, Mr. Chairman.

13 I will begin with item 13.A, the accounts
14 receivable initiative. Each of these items I'll just give
15 you a summary on and then we'll take questions.

16 On the accounts receivable initiative, the
17 department has requested approval from the Governor's
18 Office to engage a third-party vendor to examine the
19 decentralized accounts receivable functions within the
20 department.

21 That statement of work includes first
22 evaluating TxDMV's existing accounts receivable structure,
23 also provide options for improvements that would ensure
24 consistent and uniform processes, policies and procedures
25 across the department that would comply with government

1 and industry best practices, and the third was to provide
2 recommendations for additional software needed to better
3 manage division accounts receivables under each method,
4 those methods being centralized, decentralized, or some
5 hybrid thereof, and including a plan for integrating those
6 proposed software options with all the department's
7 current billing, cash receipts and accounts receivables
8 applications and functions.

9 For consulting contracts, TxDMV must obtain
10 approval from the Governor's Office first before
11 submitting the RFQs to the vendor community, and that is
12 the accounts receivable overview.

13 I'm kind of thinking we just stop and allow any
14 questions before I move to the next item, if that's okay
15 with you, Mr. Chairman.

16 MR. TREVIÑO: Yes, Member Graham.

17 Any questions for Member Graham or staff?

18 MS. GILLMAN: I just have one comment. I
19 support and endorse the accounts receivable proposal to
20 move forward to try and find a new vendor. I think
21 there's 18 -- Brett, you have to correct me where I'm
22 wrong -- like 18 different offices doing it 18 different
23 ways, and it seems so nice and logical finding a vendor
24 that can bring all the systems together. I think Linda
25 and Sandra would -- it would surely support our DMV office

1 and I think it would be a really good expenditure.

2 Thank you.

3 MR. TREVIÑO: Great. Thank you for those
4 comments.

5 Any others?

6 (No response.)

7 MR. TREVIÑO: Member Graham, please proceed.

8 MR. GRAHAM: Thank you. And just to wrap up
9 and add to Member Gillman's comments, one of the paths
10 forward may very well be the state system, but we don't
11 know that until we get the approval from the Governor's
12 Office to move forward. We'll just have to wait and see.

13 But at the end of the day, it is the objective
14 of all of the DMV staff to find the best path forward to
15 make sure that we are providing the tightest oversight
16 possible for taxpayer dollars, so that will continue to be
17 the objective.

18 So with that, we'll move on to 13.B, which is
19 the preliminary fiscal year 2022-2023 legislative
20 appropriations request baseline and exceptional items.

21 Ms. Flores and her staff briefed the committee
22 on the LAR process for the upcoming legislative session
23 yesterday. That included a timeline, estimated revenue
24 collections by fund, included baseline budget
25 appropriations request by strategy which was \$310.8

1 million. It also included capital project budget summary
2 baselines which totaled \$43.6 million, preliminary
3 exceptional item requests which totaled \$17.1 million and
4 11 FTEs, and then lastly, it included the five riders that
5 assist in department operations.

6 One of those riders were relevant to making
7 payments to a vendor for the marketing and sale of
8 personalized license plates, and four to those riders were
9 to address carryforward and unspent state dollars between
10 the bienniums for operations grants and headquarters
11 capital projects.

12 This process includes submission of the
13 department estimated expenditures for the current biennium
14 which is also known as base reconciliation to the LBB
15 which was done on May 21 of 2020, and also includes
16 estimated approval of base reconciliation by the LBB which
17 is expected in mid July.

18 There was a second presentation of the LAR to
19 the Finance and Audit Committee -- there will be, and then
20 it will be brought to the full board for your
21 consideration sometime in early August. Of course, we
22 don't know what the future is going to hold for our board
23 meetings, but I'm going to tell you that I'm planning on
24 being in Austin for that meeting so I'm really looking
25 forward to that. And then the estimated submission date

1 for the LAR to the LBB and the Governor's Office will be
2 after that approval.

3 Let me just stop right there. We'll take
4 questions or comments on the legislative appropriations
5 request.

6 MR. TREVIÑO: Great. Thank you, Member Graham.

7 Would anybody like to ask any questions or
8 would staff like to add any comments to Member Graham's
9 recap?

10 MS. FLORES: For the record, this is Linda
11 Flores.

12 Just to kind of reiterate, this is a
13 preliminary budget presentation. There's still a lot of
14 work to be done over the next four to six weeks on this
15 request. We do have some technical corrections as well.
16 We did reflect the Automobile Burglary and Theft
17 Prevention Authority, which is now known as the Motor
18 Vehicle Crime Prevention Authority. So we'll be making
19 those type of corrections as well as just continuing to
20 make sure that we've aligned our base reconciliation
21 appropriately to ensure that we're meeting the divisions'
22 program needs further. So just to kind of reiterate,
23 there's still a lot of work to be done.

24 Thank you.

25 MR. TREVIÑO: Thank you, Member Graham. Thank

1 you, Ms. Flores.

2 And Ms. Flores, can you comment on any
3 directions you've had from the Governor's Office on
4 preparing these budgets?

5 MS. FLORES: So far the only guidance that
6 we've been provided -- and that will be addressed in the
7 financial impacts -- there is a 5 percent reduction
8 savings plan that's due June 15 for the current biennium.

9 There is a 5 percent reduction to our general revenue
10 program which is the Motor Vehicle Crime Prevention
11 Authority. That reduction equates to \$1.28 million, and I
12 do know that Mr. Bryan Wilson, along with his board, are
13 working together to identify where they can make some of
14 those cuts.

15 We have not received any guidance on the actual
16 LAR deliverables or schedules or what policy letters may
17 be coming our way at this point, so they're really focused
18 on the financial impacts of the COVID to state agencies
19 for general revenue and general revenue dedicated
20 accounts.

21 MR. TREVIÑO: It's your general sense that it
22 will be a tight budgeting process as we move through this.
23 Right?

24 MS. FLORES: Yes, sir, absolutely.

25 MR. TREVIÑO: Great.

1 Member Graham, any other comments? Thank you
2 for that great recap of your meeting. And I just want to
3 comment for the record that I listened in on private and
4 you did a great job, you ran a great meeting.

5 MR. GRAHAM: Well, I appreciate it, Mr.
6 Chairman. I do have one more section to cover.

7 MR. TREVIÑO: Go ahead.

8 MS. BEAVER: Chairman, I'm sorry. This is
9 Tracey Beaver. Could I interrupt real quick?

10 MR. TREVIÑO: Certainly, Tracey.

11 MS. BEAVER: Thank you.

12 We may have MVCPA Chairman Hansen on the line.
13 I'm not sure if he was able to join in with us this
14 morning to provide input on the exceptional item related
15 to that.

16 MR. TREVIÑO: Thank you, Tracey.

17 Do we have anybody on the line? Mr. Hansen?

18 MS. BEAVER: Chairman, Tracey Beaver, general
19 counsel, for the record again.

20 It does appear that the meeting host has
21 changed the settings for Carrie to be host, so if we could
22 give them a moment for IT to please regain the host role
23 so that they might be able to recognize Chairman Hansen,
24 if he has joined. If we could just give them one moment.

25 MR. TREVIÑO: Sure. And thank you very much

1 for mentioning Mr. Hansen is on the line.

2 (Pause.)

3 MR. BACARISSE: Mr. Chairman, would you tell us
4 again who might be joining us? I kind of missed the
5 affiliation that Mr. Hansen holds, Chairman Hansen.

6 MS. BEAVER: Sorry. This is Tracey Beaver,
7 general counsel, for the record.

8 Mr. Hansen is the chairman of the Motor Vehicle
9 Crime Prevention Authority of the department. Thank you
10 for the question. I used the acronym MVCPA.

11 MR. BACARISSE: I missed that. Thank you.

12 MR. TREVIÑO: And, Whitney, since we have a
13 moment, can you explain the MVCPA to the board?

14 MS. BREWSTER: Absolutely, Mr. Chairman.

15 For the record, Whitney Brewster, executive
16 director.

17 The Motor Vehicle Crime Prevention Authority is
18 a separate governor-appointed board that oversees efforts,
19 statewide efforts in fighting motor vehicle crime. The
20 scope of MVCPA expanded this last legislative session
21 under SB 604, which was the Sunset bill, to also include
22 things like title and odometer fraud, and the MVCPA Board
23 is responsible for the grants that are distributed to
24 local law enforcement for these efforts. And Chairman
25 Hansen been a long serving member of the then ABTPA Board,

1 now the Motor Vehicle Crime Prevention Authority, and is
2 the chairman.

3 MR. TREVIÑO: Great. Thank you, Whitney.

4 And I have attended one of these meetings and
5 they do a great job for the citizens of Texas and
6 administer grants all over the state.

7 MS. BEAVER: And, Chairman, Tracey Beaver,
8 general counsel, for the record.

9 I just also wanted to mention that we have
10 Bryan Wilson who is the director of MVCPA on the line as
11 well. He is currently on the meeting. I don't know if he
12 has any comments he'd like to make, but it does not appear
13 that we have any other comments for today.

14 MR. TREVIÑO: Bryan, I apologize for skipping
15 you. I didn't see your face. I apologize.

16 MR. WILSON: I don't know what happened. I
17 know all morning long --

18 MR. TREVIÑO: I can't hear you at all.

19 MR. WILSON: Oh, sorry. I've been listening to
20 y'all but not speaking all morning, so thank you,
21 Chairman.

22 I haven't been able to get ahold of Chairman
23 Hansen today since we've talked earlier. I think the main
24 thing was on the original budget, there was concern that
25 the new statute that was passed, House Bill 2048, that

1 moved us into the Transportation code with DMV, I think
2 many of y'all don't realize that we have collected about
3 \$50 million a year. If you look at the bottom of your
4 insurance policy the next time you pay your insurance
5 bill, you'll see that you pay for every vehicle, it was
6 \$2, now it's \$4.

7 So we've been working real diligently to try to
8 incorporate our collection process in with DMV's. There's
9 evidence that there's probably anywhere from \$500,000 up
10 to \$5 million, based on mathematical models we've applied,
11 that is not being collected, and under the new law 20
12 percent of those funds are supposed to go to support not
13 only law enforcement but we have many other statutory
14 duties, developing community programs to stop auto theft,
15 to help consumers, to try pilot projects, and even things
16 like digital license plates that can be used to track
17 vehicles that are stolen, so ironically, we can touch on a
18 lot of those things.

19 So we just wanted to make sure that at the
20 outset of the budget presentation that our six-month
21 period that just ended for collections was \$40 million, so
22 our share of that would be \$8 million so that's \$16
23 million. So Chairman Hansen wanted to make sure that the
24 board took into consideration that at least in our outset
25 presentation to start off with what the statute says, and

1 then if we're told otherwise that's one thing, but just
2 making sure that we always start with what the law says
3 that we're supposed to do. And to be clear, these are DMV
4 appropriations -- as Linda will always point out to me --
5 but they're for the MVCPA.

6 Thank you, Chairman.

7 MR. TREVIÑO: Thank you very much, Bryan. In
8 all my dealings with the committee that you oversee,
9 Chairman Hansen does a great job, and he's very dedicated
10 to what your committee is doing.

11 And I think, since this is statute, I think I can
12 speak for the department and for the board that we want to
13 follow the law in all instances in everything that we do,
14 so in the budgeting process, every dollar the statute
15 indicates should go to MVCPA, I think I can say very
16 safely they'll get it.

17 You know, if statute says it, they're going to
18 get it. So I think the budget process is working its way
19 through all the channels and that Ms. Flores will do
20 everything she can to clarify what MVCPA is supposed to
21 receive, based on statute.

22 Ms. Flores, is that correct?

23 MS. FLORES: That is correct, Chairman. We
24 actually did get clarification from our analyst at the
25 LBB -- his name is Thomas Galvan -- he indicated that we

1 should prepare an exceptional item request for the
2 additional funds. I think that based on the statutory
3 provisions give us the justification for those dollars,
4 and we will do our part to make sure that it's in the LAR
5 when we come back to you in August with an exceptional
6 item justified by that statutory reference.

7 MR. TREVIÑO: Great. It's been money well
8 spent. You guys have done a great job. So we'll see
9 where that leads us.

10 And also, if you get Chairman Hansen and you
11 want to break in in another part of the meeting, happy to
12 take his comments and fit him in wherever we can. Okay?

13 MR. ENG: This is the host. I believe Chairman
14 Hansen has just been unmuted.

15 MR. TREVIÑO: He's been what, he's in?

16 MR. ENG: Unmuted.

17 MR. TREVIÑO: Unmuted.

18 Chairman Hansen, are you there?

19 MR. HANSEN: I am, and I've been here the whole
20 time, I was just unable to get through to you guys.

21 MR. TREVIÑO: Okay.

22 MR. ENG: Apologies.

23 MR. HANSEN: Oh, that's fine, that's fine. I
24 understand technology. We've been through this.

25 I appreciate your time, Chairman and DMV Board

1 I would like to add a few little things to what Bryan
2 said, and Bryan covered a lot of this.

3 This program, just to give you an example, a
4 news story broke involving three of our task forces as
5 well as DMV investigators that resulted in the recovery of
6 60 vehicles valued at over \$200.2 million in recovered
7 value.

8 So you know, we're trying to do this, we do
9 want to follow the statute. For the first time in years
10 the legislature -- you know, we're there and House Bill
11 2048 was passed out which clearly took out any questions
12 we had of how much money we're supposed to get, but it
13 also greatly increased our collections. As you know, 20
14 percent to the state for criminal justice matters, 60
15 percent to emergency services, and 20 percent of that to
16 us.

17 I would also like to comment that the amount
18 has increased over what we expected thanks to staff
19 because Mr. Wilson and them have identified a number of
20 insurance companies that weren't paying the appropriate
21 amounts, thus putting us even more money for our program,
22 as well as for the State of Texas.

23 And just one reminder to all you guys, you're
24 taxpayers and all we want to do is spend this money
25 appropriately to provide the services that the citizens

1 pay for. When it comes to stolen vehicles, everyone
2 sometimes doesn't get that, but if I'm going to smuggle
3 dope, if I'm going to smuggle people, I'm going to smuggle
4 cash, I'm going to do a drive-by shooting, I'm not going
5 to use my car, I'm going to use yours.

6 So these guys are involved in all type of
7 criminal investigations from capital murder to gangs to
8 everything, and I think at this point in time in our
9 society it's the last time we need to take a chance of
10 losing any police officers that can be paid for by grant
11 money.

12 So with that being said, I want to thank you
13 again, and I think Mr. Wilson covered a lot of it. We're
14 anxious to move forward. Senate Bill Sunset also added a
15 lot of responsibilities to us that we have trained people
16 the ability to do and now it's legal for us to do that,
17 and we don't want to lose any funding to follow up on
18 that, and this recent investigation is just a key example
19 of what we can do.

20 And I'll end with this here: we fund about 240
21 officers, give or take, for the whole State of Texas, and
22 just last go-round these guys recovered over 11,000
23 vehicles, and if that's not providing a service to the
24 citizens of Texas, I don't know what is. And I'll end
25 with that.

1 Thank y'all very much for your time.

2 MR. TREVIÑO: Thank you, Chairman Hansen.

3 Any questions or comments for Chairman Hansen?

4 (No response.)

5 MR. TREVIÑO: I would just to add that I did
6 visit an auto theft prevention unit in a police department
7 with Chairman Hansen, and I never thought this was a
8 foundational important thing until I actually visited a
9 group of people who are actually doing this, and this
10 thing about the stolen car leads to other crime -- it's
11 not simply a stolen car -- is a very, very important
12 point.

13 Chairman Hansen, thank you for all your work on
14 your committee.

15 MR. HANSEN: Thank you very, very much. And
16 thank the guys on the streets, because they're the ones
17 putting themselves on the line every single day.

18 MR. TREVIÑO: Hear, hear. Well said.

19 Further comments?

20 (No response.)

21 MR. TREVIÑO: Okay. So can we move on, Member
22 Graham, to your next part of the presentation?

23 MR. GRAHAM: Absolutely. Glad to, Chairman.

24 And I just wanted to point out one other point
25 on the legislative process for the board to remind them

1 that even after we walk through this process and get this
2 proposal put together and sent to the Governor's Office in
3 August, that process will continue to evolve even into the
4 session and through the session, because they'll have a
5 lot of say as to what needs to come out and go in, so it's
6 a pretty lengthy process. But we're in the early stages
7 and look forward to bringing that to you hopefully at the
8 August board meeting in Austin. Right?

9 All right. A couple of other things I need to
10 touch on. First, just kind of a overview of the financial
11 impacts of COVID-19 on DMV. Staff provided us the
12 estimated revenue and expenditure impacts yesterday on the
13 pandemic.

14 And the most significant items that I will
15 touch on in regards to that would be, first, to the
16 General Fund 001 we're looking at right now end of fiscal
17 year an impact of about \$16.6 million; on the State
18 Highway Fund 006, that loss is in the \$95 million range,
19 and the TxDMV Fund 0010 is in the \$22 million range. So
20 you know, clearly there's some significant impact
21 resulting from COVID-19 on the revenues of the department.

22 The amounts expended through April 2020,
23 expenditures for PPE and whatnot, totaled right at
24 \$800,000, and those expenditures were primarily from staff
25 time for planning and preparation of COVID-19 response

1 activities, the acquisition of personal protective
2 equipment items for employees and customers, and then
3 cleaning supplies and facility preparation activities like
4 de-fogging services and installation of plexiglass
5 partitions. So that totals about \$800,000.

6 The total projected cost for COVID-19 response
7 is estimated to be about \$1.577 million through the end of
8 our fiscal year, end of August, and the year-end estimate
9 assumes continued staff time through the middle of June
10 and continued cleaning services and cleaning supplies, PPE
11 replenishment through the end of the fiscal year. Those
12 costs are anticipated at this point to be covered; we
13 should be able to cover those internally with the existing
14 budget.

15 So thank you to Ms. Flores for the extensive
16 amount of work, and her team in putting this together.
17 They've been reporting this to the governor and trying to
18 keep everybody in the loop on this.

19 Let's see, I will also touch on the mandated
20 general revenue appropriations savings plan. On May 20th
21 of this year, the legislature provided a communication to
22 all state agencies to engage in prudent fiscal management
23 as a response to the economic conditions during COVID-19.
24 Included in that communication is a specific request that
25 all agencies in Texas submit a 5 percent savings plan for

1 the general revenue appropriations for 2020-2021 biennium.

2 TxDMV has one general revenue appropriation, as you know,
3 as we just discussed, for MVCPA. The appropriation
4 provides funding for five MVCPA employees as well as
5 administrative costs of the grants to local law
6 enforcement agencies.

7 The fiscal 2020-2021 general revenue
8 appropriation amount for MVCPA is \$25,671,702, so a 5
9 percent savings plan of that would be \$1.283 million, or
10 \$641,000, and that has been identified for the 2020-2021
11 biennium.

12 All right. I've got one more for you here, and
13 that is agenda item 13.D, which is the fiscal year 2021
14 Internal Audit risk assessment.

15 And by the way, thanks to Ms. Flores and her
16 team on all that financial stuff. They've done an amazing
17 job with that, putting that together.

18 In regards to Internal Audit, Ms. Menjivar-
19 Suddeath provided an update to us on the Internal Audit
20 risk assessment which is used to create the six-month
21 internal audit plan. The risk assessment includes
22 identifying, reviewing and evaluating each department's
23 risks and determining the available hours for the upcoming
24 year.

25 So far, Internal Audit has identified 260 risks

1 and has categorized these risks into four key themes that
2 will shape the first six months of our internal audit
3 plan. The themes are transformation, information
4 technology, human resources, and procurement and supply
5 chain management. You will see the definitions of these
6 themes in the committee material on page 55, and the
7 update included information as well on the available hours
8 for the upcoming year.

9 Ms. Menjivar-Suddeath provided an update as
10 well on the current status of Internal Audit activities,
11 including four engagements on the internal audit plan.
12 She provided information on a new external audit being
13 conducted by the Texas Comptroller of Public Accounts and
14 an update on the division activities related to Internal
15 Audit Month.

16 And perhaps most importantly, the biggest news
17 of the day came from the staff of five division
18 participated in Internal Audit Bingo among many other
19 things in their entire month-long celebration of Internal
20 Audit Month.

21 So it was a very, very exciting month to be
22 Finance and Audit chairman, and I appreciate all the staff
23 members who worked hard and made that pretty fun.

24 No other action was required from the committee
25 on any of the briefing items, Mr. Chairman, and with that,

1 that concludes my summary for Finance and Audit.

2 MR. TREVIÑO: Thank you very much, Member
3 Graham.

4 Would any members of staff, Ms. Menjivar-
5 Suddeath, would you like to comment, anybody else?

6 MS. MENJIVAR-SUDDEATH: Good morning. Sandra
7 Menjivar-Suddeath, Internal Audit director.

8 No, I have no comments.

9 MR. TREVIÑO: Great. Thank you, Ms. Menjivar-
10 Suddeath.

11 Sergio Rey is on there too, anybody else.

12 Any comments, any questions from the board?

13 (No response.)

14 MR. TREVIÑO: Okay. Well, great. Thank you,
15 Member Graham. And thank you for the heads-up on the
16 bingo. I heard that was very popular and went very well.

17 And another happy note that I just got a note
18 on, I think I'm going to take a moment to congratulate
19 Member McRae. She was recently elected as the Tax
20 Assessor-Collector president.

21 Is that the Texas association of tax
22 collectors, Member McRae?

23 MS. McRAE: Yes, it is.

24 MR. TREVIÑO: Wow. What a huge honor. And let
25 me be the first board member to congratulate you on that,

1 and again, Texas DMV taking leadership in state
2 associations and national associations. I know the Texas
3 association of tax collectors is going to be in great
4 hands with you at the helm.

5 MS. McRAE: Thank you, thank you.

6 MS. GILLMAN: Congratulations, Tammy.

7 (Applause.)

8 MS. McRAE: Thank you, Stacey. Thank you all.

9 MR. TREVIÑO: Thank you for your service.

10 Okay. Think we can move on to agenda item
11 number 15. Is that correct? The approval of negotiated
12 rulemaking and alternative dispute resolution policy. Is
13 that the next item on the agenda, Tracey?

14 MS. BEAVER: Tracey Beaver, general counsel,
15 for the record.

16 Yes, that's the next agenda item.

17 MR. TREVIÑO: Okay. Great and so I'll turn it
18 over to you to discuss the negotiated rulemaking and
19 alternative dispute resolution policy.

20 MS. BEAVER: Thank you.

21 The policies can be found in the board books on
22 page 46, and there's two new policies implementing Senate
23 Bill 604, 86th Legislature, and new Transportation Code
24 Section 1003.008, which require the board to develop and
25 implement policies to encourage the department's use of

1 both negotiated rulemaking and alternative dispute
2 resolution procedures.

3 The Sunset Commission routinely applies
4 standard provisions such as these for state agencies under
5 review to utilize negotiated rulemaking and alternative
6 dispute resolution, and implementing the statute and the
7 Sunset Commission's recommendation for the board's
8 consideration is the negotiated rulemaking and alternative
9 dispute resolution policies. The policies encourage the
10 use of these tools but do not require their use for any
11 particular situation.

12 Negotiated rulemaking is a consensus-based
13 approach to drafting rules that allows the agency and
14 affected stakeholders of various groups to negotiate a
15 consensus on a rule.

16 Negotiated rulemaking is a tool that utilizes a
17 neutral facilitator and a balanced committee of
18 stakeholders of various interests for rulemaking.
19 Negotiated rulemaking may also use alternative dispute
20 resolution processes to enable the committee to arrive at
21 a consensus on a rule and rules where various stakeholder
22 can add expertise and input while also compromising on
23 positions are especially well suited for negotiated
24 rulemaking. This is a tool that is not often used but
25 there are situations where it might be appropriate so the

1 policy would encourage the department to use it whenever
2 appropriate.

3 The department already utilizes alternative
4 dispute resolution processes, namely mediation, as a tool
5 in enforcement cases. Appropriate use of alternative
6 dispute resolution processes, like mediation, can result
7 in the efficient and peaceful resolution of disputes.

8 And members, this concludes my remarks. Thank
9 you.

10 MR. TREVIÑO: Okay. Thank you very much,
11 Tracey.

12 Does anyone have any comments or questions for
13 Tracey?

14 (No response.)

15 MR. TREVIÑO: Okay. I think the important
16 things here are the words "encourage when appropriate" and
17 "do not require." Is that correct?

18 MS. BEAVER: Tracey Beaver, general counsel,
19 for the record.

20 Absolutely. Thank you, Chairman.

21 MR. TREVIÑO: Great. Thank you very much, Ms.
22 Beaver.

23 Once again, do we have any comments? Do we
24 have any public comments?

25 MS. BEAVER: No public comments on this agenda

1 item.

2 MR. TREVIÑO: Great. So hearing none, hearing
3 no questions or comments, the chair would entertain a
4 motion. If someone is making a motion, you've got to
5 unmute yourself. Just give it a moment to think about
6 whether you'd like to make a motion.

7 MR. PREWITT: Chairman, in view of the lack of
8 participation at the very moment, I would propose the
9 following motion, subject to Ms. Beaver's approval of the
10 language I state it in.

11 Related to 604, new Transportation Code Section
12 1003.008, I recommend adoption of this negotiated
13 rulemaking and alternative dispute resolution policy.

14 MR. BACARISSE: I'll Second.

15 MR. TREVIÑO: Thank you, Member Prewitt.

16 Who seconded, Member Bacarisse?

17 MR. BACARISSE: Yes. I'll Second the motion.

18 MR. TREVIÑO: Thank you, Member Prewitt for
19 quickly stepping into the breach there.

20 We have a motion from Member Prewitt, a Second
21 from Member Bacarisse. We will now call for the vote.

22 Member Bacarisse?

23 MR. BACARISSE: Aye.

24 MR. TREVIÑO: Member Gillman?

25 MS. GILLMAN: Aye.

1 MR. TREVIÑO: Member Graham?

2 MR. GRAHAM: Aye.

3 MR. TREVIÑO: Member McRae?

4 MS. McRAE: Aye.

5 MR. TREVIÑO: Member Prewitt?

6 MR. PREWITT: Aye.

7 MR. TREVIÑO: Member Scott?

8 MR. SCOTT: Aye.

9 MR. TREVIÑO: And Member Washburn is not
10 present, and I, Chairman Treviño, also vote aye, so the
11 motion carries unanimously. There you go, Ms. Beaver.

12 Okay. So are we done with the general session
13 and now moving to executive session?

14 MS. BEAVER: Tracey Beaver, general counsel,
15 for the record.

16 Yes, Chairman, that concludes the action items
17 before executive session. There's still an action item
18 after executive session, as well as a public comment
19 period. It's up to your discretion if you wanted to have
20 the public comment period earlier or wanted to wait till
21 after executive session.

22 MR. TREVIÑO: Do we have any public comments?

23 MS. BEAVER: We have received one person who
24 would like to provide public comment on agenda item 17.

25 MR. TREVIÑO: What is your recommendation?

1 Should we take it?

2 MS. BEAVER: I would recommend that if that
3 person is available right now that it might be good to go
4 ahead and do public comment period so folks aren't waiting
5 until after executive session, and of course, if they're
6 not present now, we could wait.

7 MR. TREVIÑO: Great. Well, let's see if the
8 commented is available. Do you have the name of the
9 commenter?

10 MS. BEAVER: Sorry. Yes. It's Mr. Cernosek.
11 If Mr. Cernosek would please use the function either on
12 his telephone or using the WebEx system to raise his hand
13 for public comment.

14 MR. TREVIÑO: Okay. We will now hear from Mr.
15 Cernosek. You need to unmute your line to comment, and
16 please be mindful about eliminating any background noise.
17 Are you there?

18 MR. CERNOSEK: Yes, I'm here.

19 MR. TREVIÑO: Great. Please state your name
20 for the record and if you're representing anyone. You
21 will have three minutes.

22 MR. CERNOSEK: Okay. My name is Larry
23 Cernosek. I'm representing myself, even though I've been
24 in the towing business 45 years so I guess I represent a
25 lot of people. I've served as chairman of our state and

1 national associations.

2 But anyway, the problem that we're having is
3 these temporary tags that are issued online or from a used
4 car dealership or a new car dealership also, they need to
5 be changed so that the people that are buying them are
6 meeting the financial responsibility of the State of Texas
7 to either have insurance or be financially responsible.

8 Probably 80 percent of the vehicles we tow
9 in -- I tow for two police departments -- that's why
10 they're picked up, because the tags are either fictitious
11 because you can buy them online for like \$65 and there's
12 nothing to back it up. I don't even know why the state
13 would let that be done, for these things to be bought
14 online, you know.

15 And then the other problem is we're licensed by
16 TDLR, and we're required to release these vehicles even
17 though the police department tells us don't release them
18 until they prove that they have financial responsibility.

19 We have to release them, otherwise they can fine us or
20 take our license away.

21 So something needs to be done about these tags,
22 they are a major problem. I know y'all have complaints,
23 I've filed numerous ones myself. And the public needs to
24 be protected. That's the only job that y'all have is to
25 protect the public, and so something needs to be done

1 about it.

2 And with that, I'll close.

3 MR. TREVIÑO: Great. Thank you very much for
4 your comments, Ms. Cernosek.

5 Ms. Beaver?

6 MS. BEAVER: Thank you, Chairman. Tracey
7 Beaver, general counsel, for the record.

8 I'd also to remind the board that under the
9 Open Meetings Act the board can't comment or deliberate on
10 a public comment that doesn't relate to a posted agenda
11 item. This is because the public would not have been on
12 notice that the board might discuss that subject.

13 If the board desires, we can schedule any
14 aspect of the commenter's remarks for a future agenda,
15 with approval of the chairman. And also, Chairman, you
16 may also ask that the CPAC advisory committee take up this
17 issue, which is already one of those items that is on
18 their agenda for an upcoming advisory committee meeting.

19 Thank you.

20 MR. TREVIÑO: Great. Well, since we can't
21 comment on it, Mr. Cernosek, again, thank you very much
22 for your comments and your interest in keeping Texans
23 safe.

24 We will direct staff to come back with some
25 kind of overview on this, and see if it's appropriate to

1 put in to CPAC for their review and consideration.

2 Great. Thanks again.

3 Any other comments, public comments, or are we
4 done with this section of this meeting?

5 MS. BEAVER: Tracey Beaver, general counsel,
6 for the record.

7 We have no more public comments for today's
8 meeting.

9 MR. TREVIÑO: Great. We will now move to the
10 executive session portion of this meeting. Before we do,
11 I also suggest we take a five-minute break before we take
12 up executive session so once we're in executive session
13 we'll take a five-minute break if that's possible, or
14 should we do that before we move into executive session?

15 What's beset from an IT perspective?

16 MS. BEAVER: I think from an IT perspective, it
17 would be great to go ahead and go on break for five
18 minutes so IT can set up the executive session and then
19 come back into open meeting and then go into closed
20 session, Chairman.

21 Thank you.

22 MR. TREVIÑO: Great. Thank you very much,
23 Tracey.

24 For the sake of IT and for various committee
25 members, we will take a five-minute break and then we will

1 move into executive session. Please mute your line and
2 stop your video.

3 (Whereupon, at 11:50 a.m., a brief recess was
4 taken.)

5 MR. TREVIÑO: So we will now take up agenda
6 item number 15. We're going to go into closed session.
7 It is now 11:55 a.m., approximately, on June 11, 2020.
8 We'll go into closed session under Texas Government Code
9 Section 551.071, 551,074, 551.076, and 551.089.

10 For those in the audience, I anticipate being
11 in executive session for approximately 45 minutes, and we
12 will reconvene in open session after that.

13 Will the meeting host please move all
14 panelists, except for board members and Matthew Levitt, to
15 attendees.

16 With that, we are recessed from the public
17 meeting and we're going into executive session.

18 (Whereupon, at 11:55 a.m., the meeting was
19 recessed, to reconvene this same day, Thursday, June 11,
20 2020, following conclusion of the executive session.)

21 MR. BACARISSE: Good afternoon. I'm Charles
22 Bacarisse, vice chair of the board. I am resuming this
23 meeting in the substitute of our chairman, Memo Treviño,
24 who had to depart.

25 It is now 1:25 in the afternoon, and Board of

1 the Texas Department of Motor Vehicles is now back in open
2 session. Please note for the record that Chairman Treviño
3 has left the meeting and we still have a quorum.

4 Will the meeting host please turn on the video
5 for the board members and unmute their lines? And I ask
6 that the meeting host also move Whitney Brewster, Sandra
7 Menjivar-Suddeath and Tracey Beaver as panelists.

8 And I will entertain a motion regarding agenda
9 item number 16.

10 MR. GRAHAM: Mr. Chairman, this is Brett
11 Graham, and let me first say that while it might be
12 concerning that the board comes back out of closed session
13 without their chairman, don't be concerned, he had another
14 appointment. Right?

15 MR. BACARISSE: Yes.

16 MR. GRAHAM: And I'm going to take a shot in
17 the dark here and I'm going to make a motion. I would
18 like to tell my fellow board members clearly this is
19 something that we will discuss here if this is not in line
20 with your thoughts or your wishes, feel free to give me a
21 second and then we'll back up and start over. This was
22 not something we could discuss in closed session, so let
23 me take a shot at it.

24 Let's see here. I move that -- let me read my
25 notes here, one moment. I make a motion that -- well,

1 time out.

2 Tracey, are you available?

3 MS. BEAVER: Yes, I am. We can go ahead and
4 take a quick break and I'm happy to visit with you, Mr.
5 Graham.

6 MR. GRAHAM: I'm confused about my wording
7 here. I want to make sure I get this right. So I just
8 need like two minutes.

9 MR. BACARISSE: Two-minute break?

10 MR. GRAHAM: Two-minute break.

11 MR. BACARISSE: Two-minute break, please, Mr. H
12 Host. Thank you, members.

13 (Whereupon, at 1:28 p.m., a brief recess was
14 taken.)

15 MR. BACARISSE: Vice Chair Bacarisse, for the
16 record. It's 1:32 in the afternoon, and I'm returning the
17 Texas DMV Board to open meeting after a short recess.

18 Member Graham, I know you were in the midst of
19 thinking through how you may want to propose a motion for
20 us to consider, and certainly we'd appreciate that as
21 you're ready.

22 MR. GRAHAM: Okay. I'm actually going to have
23 two motions, Mr. Chairman. My first motion, and I would
24 ask for a second and a vote on this motion before moving
25 on.

1 MR. BACARISSE: Member Graham, may I interrupt
2 you just a moment? Should we take these motions
3 separately?

4 MR. GRAHAM: Separately.

5 MR. BACARISSE: Okay. Sorry. Go ahead.

6 MR. GRAHAM: I make a motion that the board
7 approve the evaluation of the internal auditor, Ms.
8 Menjivar-Suddeath.

9 MS. McRAE: Second.

10 MR. BACARISSE: Who seconded for us on the
11 record, please?

12 MS. McRAE: Tammy.

13 MR. BACARISSE: Member McRae was the second.

14 Is there any discussion of that motion right
15 now?

16 MS. BEAVER: Tracey Beaver, general counsel,
17 for the record.

18 Just to clarify, that's the evaluation that was
19 compiled by the board in executive session. Is that
20 correct?

21 MR. BACARISSE: Yes, I believe that's correct.

22 Right, Member Graham?

23 MR. GRAHAM: Right, yes.

24 MR. BACARISSE: The evaluation formed that we
25 just finished, and so the motion is to submit that or

1 accept that officially since we took no action in
2 executive session, for the record.

3 So there is a motion and a second. Is there any
4 discussion on that motion?

5 (No response.)

6 MR. BACARISSE: Hearing none, I'll just call
7 for approvals -- for a vote, rather.

8 Member Gillman?

9 MS. GILLMAN: Approve.

10 MR. BACARISSE: So you're an aye. Okay.

11 Member McRae?

12 MS. McRAE: Aye.

13 MR. BACARISSE: Member Prewitt?

14 MR. PREWITT: Aye.

15 MR. BACARISSE: Member Scott?

16 MR. SCOTT: Aye.

17 MR. BACARISSE: Member Graham, of course.

18 MR. GRAHAM: Aye.

19 MR. BACARISSE: And I, Member BAcarisse, vote
20 aye as well, so it is unanimous. We have accepted the
21 evaluation of Sandra.

22 Do you have another motion, Mr. Graham?

23 MR. GRAHAM: Yes, sir.

24 I make a motion that we approve a merit
25 increase of the salary of the internal auditor, Ms.

1 Menjivar-Suddeath by 3 percent, and to authorize the staff
2 to take the necessary actions required under the Act to
3 implement the change.

4 MR. BACARISSE: Is there a second for this
5 motion?

6 MR. PREWITT: I second it.

7 MR. BACARISSE: That was Member Prewitt, for
8 the record, seconding the motion.

9 So now we have a motion and a second to give
10 the internal auditor, Sandra Menjivar-Suddeath, a 3
11 percent salary increase, and now we can have discussion.

12 Members, any discussion?

13 (No response.)

14 MR. BACARISSE: Okay. I hear none, so I'll call
15 the question and we'll vote. I'll just call the roll and
16 please answer.

17 Member Gillman?

18 MS. GILLMAN: I approve, aye.

19 MR. BACARISSE: Okay. Member McRae?

20 MS. McRAE: Aye.

21 MR. BACARISSE: Member Prewitt?

22 MR. PREWITT: Aye.

23 MR. BACARISSE: Member Scott?

24 MR. SCOTT: Aye.

25 MR. BACARISSE: Member Graham?

1 MR. GRAHAM: Aye.

2 MR. BACARISSE: And I, Member BAcarisse, vote
3 aye as well. Let the record reflect that our chairman,
4 Memo Treviño was absent, as well as Member Washburn.

5 Thank you, members. This motion passes.

6 General Counsel, do we have any further
7 instructions from you on these two issues?

8 MS. BEAVER: Tracey Beaver, general counsel,
9 for the record.

10 No further instruction on those two issues. I
11 would just like to clarify that there were no public
12 comments on agenda item 16.

13 MR. BACARISSE: Thank you. I forgot to ask if
14 there were. Thank you.

15 Okay. That brings us to, I think, the
16 opportunity that we've all been waiting for which is there
17 is no further public comment. Right, Ms. Beaver?

18 MS. BEAVER: Tracey Beaver, general counsel,
19 for the record.

20 That's correct, there's no more public comment.

21 MR. BACARISSE: Okay. Unless there is any
22 further business, I would like to entertain a motion to
23 adjourn.

24 MR. GRAHAM: So moved.

25 MR. GRAHAM: Second.

1 MR. BACARISSE: So it was moved by Member
2 Graham, seconded by?

3 MS. McRAE: Tammy.

4 MR. BACARISSE: Member McRae to adjourn.
5 All in favor?

6 (A chorus of ayes.)

7 MR. BACARISSE: Opposed nay.

8 (No response.)

9 MR. BACARISSE: Okay. Let the record reflect
10 that the vote is unanimous, and it is now 1:37 p.m. and we
11 are adjourned. Thank you, members and staff.

12 (Whereupon, at 1:37 p.m., the meeting was
13 adjourned.)

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MEETING OF: TxDMV Board

LOCATION: via Webex

DATE: June 11, 2020

I do hereby certify that the foregoing pages, numbers 1 through 167, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

DATE: June 18, 2020

/s/ Nancy H. King
(Transcriber)

On the Record Reporting
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