

TEXAS DEPARTMENT OF MOTOR VEHICLES

VEHICLE TITLES AND REGISTRATION ADVISORY COMMITTEE  
MEETING

1:00 p.m.  
Thursday,  
February 22, 2024

Lone Star Room  
Building 1  
4000 Jackson Avenue  
Austin, Texas

OPEN MEETING  
VIA TELECONFERENCE CALL

COMMITTEE MEMBERS:

ROBERT "BOBBY" ROBERTI, Presiding Officer  
SHAY LUEDECKE, First Vice Chair  
TONY HALL, Second Vice Chair  
SOFIA DOVALINA  
PHIL ELAM  
DAVID PAUL FONTENOT  
MICHELLE FRENCH  
TAWNA M. KUNI  
NIKKI LAKE  
SYLVIA MENDOZA  
KEITH P. MILLARD  
DANA CLARK MOORE  
IVAN NINO  
BRUCE ORMAND  
JAMES ERNEST PASCHALL  
JACKIE LOU POLK (absent)  
FARON LEE SMITH (absent)  
KRISTI ANN TORRES  
CHRISTAL LEE VINCENT  
MELINDA WOLF (absent)

*ON THE RECORD REPORTING*  
*(512) 450-0342*

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P R O C E E D I N G S

1  
2 MR. ROBERTI: (Audio from Lone Star Room was  
3 not turned on immediately.)

4 -- Lone Star Room, Austin, Texas 78731. Also,  
5 members of the public may attend this meeting by clicking  
6 on the Webex link in the posted agenda for this meeting  
7 and following the instructions to attend the meeting via  
8 Webex.

9 In addition, members of the public may attend  
10 this meeting remotely by calling the toll-free telephone  
11 number, which is listed in the posted agenda for this  
12 meeting, along with the access code.

13 We have how many members in person, three?  
14 Three members in person, and eight or nine -- how many do  
15 we have on the phone?

16 MS. MORIATY: Just say the majority.

17 MR. ROBERTI: And the rest are on the phone.

18 At this time I am asking all attendees please  
19 mute your phone for the entire duration of this meeting  
20 unless I recognize you to speak. I'm asking our meeting  
21 host to make sure all participants' phones are muted  
22 except for the advisory committee members and those who  
23 are presenting. Callers will be removed for any  
24 disruption, including background noise. All members on  
25 the Zoom call, please unmute your phone or unmute your

1 computer.

2 I would like to remind all participants that  
3 this is a conference call meeting. Because this meeting  
4 is being held by conference call, there are a few things  
5 that will assist in making the meeting run smoother and  
6 assist the court reporter in getting an accurate record.

7 Please identify yourself before speaking; speak  
8 clearly and slowly. Remember there might be a slight  
9 delay to the conference call format, so please wait a  
10 little longer than usual before responding to  
11 participants; do not speak over others; please ask the  
12 presiding officer to proceed; and be sure to get  
13 recognized before speaking.

14 And for members participating in the room,  
15 please remember to press the button on your microphone to  
16 unmute before speaking, then press the same button to mute  
17 again after speaking.

18 I would like to also thank our court reporter  
19 who is transcribing this meeting.

20 If you're not a member of this advisory  
21 committee but wish to address the advisory committee or  
22 speak on an agenda item during today's meeting, please  
23 complete a speaker's sheet at the registration table prior  
24 to the agenda item being taken up by the advisory  
25 committee, or send an email to [GCO\\_General@TxDMV.gov](mailto:GCO_General@TxDMV.gov) to

1 register by providing the required information prior to  
2 the agenda item being taken up by the advisory committee.

3 Please identify the specific item you are  
4 interested in commenting on, your name and address,  
5 whether you are representing anyone or speaking for  
6 yourself.

7 If your comment does not pertain to a specific  
8 agenda item, we will take your comment during the general  
9 public comment portion of the meeting. When addressing  
10 the advisory committee, please state your name and  
11 affiliation for the record.

12 Before we begin today, I'd like to remind all  
13 presenters and those in attendance of the rules of conduct  
14 at our advisory committee meetings.

15 I have the authority to supervise the conduct  
16 of this advisory committee meeting. This includes the  
17 authority to determine when a speaker is being disruptive.

18 Disruptive speakers will be muted, given a warning about  
19 disruptive behavior, then removed from the meeting for any  
20 continued disruption.

21 Advisory committee members, if you become  
22 disconnected from the call, please rejoin as soon as  
23 possible. If you encounter technical difficulties, please  
24 reach out to our technical support team at  
25 Jeff.Templeton@TxDMV.gov, or Zack.Warden@TxDMV.gov.

1                   Agenda item 1. Roll call and establishment of  
2 quorum.

3                   And now I'd like to have a roll call of the  
4 advisory committee members. Please respond verbally when  
5 I call your name, please indicate you are present, so when  
6 I call your name, just say "Present" very loudly and  
7 clearly.

8                   Member Dovalina?

9                   MS. DOVALINA: Present.

10                  MR. ROBERTI: Member Elam?

11                  MR. ELAM: Present.

12                  MR. ROBERTI: Member Fontenot?

13                  MR. FONTENOT: Present.

14                  MR. ROBERTI: Member French?

15                  MS. FRENCH: Present.

16                  MR. ROBERTI: Second Vice Chair Hall?

17                  MR. HALL: Present.

18                  MR. ROBERTI: Member Kuni?

19                  MS. KUNI: Present.

20                  MR. ROBERTI: Member Lake?

21                  MS. LAKE: Present.

22                  MR. ROBERTI: First Vice Chair Luedecke?

23                  MR. LUEDECKE: Present.

24                  MR. ROBERTI: Member Mendoza?

25                  MS. MENDOZA: Present.

1 MR. ROBERTI: Member Millard?

2 MR. MILLARD: Present.

3 MR. ROBERTI: Member Moore?

4 MR. MOORE: Present.

5 MR. ROBERTI: Member Nino?

6 MR. NINO: Present.

7 MR. ROBERTI: Member Ormand?

8 MR. ORMAND: Present.

9 MR. ROBERTI: He's right in front of me.

10 Member Paschall?

11 MR. PASCHALL: Present.

12 MR. ROBERTI: Member Polk? Member Polk?

13 (No response.)

14 MR. ROBERTI: Member Smith? Member Smith?

15 (No response.)

16 MR. ROBERTI: Member Torres?

17 MS. TORRES: Present.

18 MR. ROBERTI: Member Vincent?

19 MS. VINCENT: Present.

20 MR. ROBERTI: Member Wolf? Member Wolf?

21 (No response.)

22 MR. ROBERTI: And I, Bobby Roberti, am present  
23 too, so we have a quorum.

24 The purpose of this committee is to assist the  
25 department in obtaining feedback regarding important

1 legislation, policy-making and rulemaking. Advisory  
2 committees such as VTRAC provide valuable input for the  
3 department in their advising capacity concerning issues  
4 related to regulation of the motor vehicle industry and  
5 vehicle titles and registration.

6 We will now begin the discussion, briefing and  
7 action items. Agenda item 2.A. Consider rule amendments  
8 to 43 Texas Administrative Code, Chapter 217, Vehicle  
9 Titles and Registration, Chapter 215, Motor Vehicle  
10 Distribution, and Chapter 221, Salvage Vehicle Dealers,  
11 necessary to implement House Bill 718 and 3297, during the  
12 88th Texas Legislature, Regular Session, and for a rule  
13 review of 43 TAC, Chapter 217, Vehicle Titles and  
14 Registration.

15 Members, I will now move on to agenda item 2.A  
16 and turn the meeting over to Annette Quintero, director of  
17 the Vehicle Titles and Registration Division, for an  
18 overview of the department's implementation plans for  
19 House Bill 718 and House Bill 3297.

20 Ms. Quintero, you have the floor.

21 MS. QUINTERO: Thank you very much.

22 Good afternoon, members. It is my pleasure to  
23 provide an overview of our implementation plans for HB 718  
24 and HB 3297.

25 The implementation of HB 718 includes the



1 elimination of the following paper tags and permits: the  
2 dealer vehicle specific, dealer agent one trip, and 30-day  
3 permits converter tags; and buyer tags, to include  
4 internet-down tags.

5 To replace these paper tags and permits, the  
6 department is creating three new metal license plates:  
7 the out-of-state buyer plate, which has a 60-day  
8 expiration; the temporary registration plate; and the  
9 dealer temporary license plate.

10 The plate design for these new plates is  
11 currently underway. These plates are being designed to be  
12 distinguishable and easily recognizable. We expect to  
13 have these designs finalized in the coming months.

14 HB 718 required that all dealers use webDEALER  
15 to submit transactions. The department has developed  
16 webDEALER 101 training. It is offered both in person and  
17 virtual on a biweekly basis; dealers can go to our  
18 website, under Upcoming Events, to sign up.

19 To facilitate the distribution and tracking of  
20 license plates, the department is currently seeking a  
21 technology solution and an inventory management system  
22 that will make it easier for dealers and county tax  
23 assessor-collectors to order inventory. This solution  
24 should track orders, shipments, facilitate forecasting  
25 inventory needs, and inventory ordering much more.

1           The department is also seeking formal  
2 integration of the vehicle transfer notification process  
3 into our webDEALER platform to be initiated when a motor  
4 vehicle is sold or transferred to facilitate the notice of  
5 transfer required by the dealer.

6           The department is currently reviewing our  
7 license plate distribution model. We are reviewing three  
8 options: maintaining the distribution model we have  
9 today, shipping to the tax assessor-collectors and the tax  
10 assessor-collectors get plates to the dealers; or a hybrid  
11 where we store plates in a distribution warehouse, ship to  
12 the tax assessor-collectors, and then to the dealers; or  
13 ship directly from the warehouse to the dealers and the  
14 tax assessor-collectors. We're currently undergoing a  
15 cost-benefit analysis of all three of these models to  
16 determine which is the best fit for the department.

17           The department is also currently working  
18 through the implementation of HB 3297. This bill  
19 eliminates the Texas Department of Public Safety's safety  
20 inspection program for non-commercial vehicles and creates  
21 a replacement fee for those vehicles previously required  
22 to obtain safety-only inspections.

23           The department is required to collect the new  
24 \$7.50 replacement fee at the time of registration. We  
25 have bimonthly, soon to be monthly, tri-agency meetings

1 with the Texas Commission Environmental Quality and the  
2 Texas Department of Public Safety, where we are all  
3 working hard to ensure coordination and collaboration  
4 across agencies is at the forefront of this effort.

5 We are also in the beginning stages of framing  
6 our internal programming enhancements that will ensure  
7 that our system accurately reflects the requirements in HB  
8 3297.

9 Our team has been diligently working to align  
10 resources, engage with our stakeholders and explore  
11 solutions that can ensure a smooth and efficient  
12 implementation process on both of these highly impactful  
13 bills.

14 Thank you.

15 MR. ROBERTI: Members, just as a reminder, if  
16 you want to comment or ask questions, please unmute  
17 yourself and ask for the floor, but wait to be recognized  
18 by the speaker. So everybody on the Zoom call, if you  
19 want to say something, just say your name out loud, and  
20 then I'll recognize you as a speaker.

21 But I believe that Member Ormand has a question  
22 or two.

23 MR. ORMAND: I'll assess as we go. I'm good at  
24 this point.

25 MR. ROBERTI: Okay. Do any members have any

1 questions for Ms. Quintero?

2 (No response.)

3 MR. ROBERTI: Are we good?

4 Now we'll turn to the specific rule amendments  
5 that we will be discussing today. I'll turn it over to  
6 Deputy General Counsel Ashley Healy to lay out those rule  
7 amendments for us.

8 Ms. Healy, you have the floor.

9 MS. HEALY: Good afternoon, chairman, members.

10 For the record, my name is Ashley Healy, and I'm the  
11 deputy general counsel here at DMV.

12 Today I'm presenting the draft rules to  
13 implement House Bill 718, which includes edits to TAC  
14 Rules 215, 217 and 221 -- in addition, it was time for the  
15 regular rule review of Chapter 217, so there will be  
16 additional draft edits in 217 for this purpose -- and then  
17 finally, House Bill 3297 which, as Annette said, is the  
18 bill that eliminates safety inspections in non-emissions  
19 counties and must be implemented prior to its effective  
20 date, so we have included the items to implement that bill  
21 in this effort as well.

22 We intend to work with this committee, as well  
23 as MVIRAC and CSPAC, in the next couple of weeks to  
24 continue to improve upon these drafts, and then we're  
25 going to bring these rule packages to the Texas DMV Board

1 in June at the June meeting for consideration. So we've  
2 got a good bit of time to work these issues out and get a  
3 lot of feedback from you guys.

4 I want to thank you all for your review and  
5 attention to the draft changes that we've made. I know  
6 it's very voluminous, some of these documents are very  
7 long, and so in the interest of time, rather than going  
8 through each individual edit, I'm going to discuss what  
9 our department has identified as the major changes or  
10 those changes that would have some substantial impact on  
11 our external stakeholders.

12 Then additionally, during the next agenda item  
13 after I go over these big ticket items, we're happy to  
14 take recommendations for any small like clerical or  
15 conforming changes that you guys see, administrative  
16 changes.

17 Without requiring a full motion and vote,  
18 there's many things in here that we could definitely make  
19 those changes without having to make any big discussion if  
20 you guys notice something that was misspelled or just a  
21 conforming change that needs to be made. If a terminology  
22 has changed all in one place and there's missing one of  
23 them, we can make that without having you guys vote on  
24 that.

25 And again, your committee is seeing the very

1 first draft of these rules; y'all are our first advisory  
2 committee to see these and to go over these with us, so we  
3 know there's probably several small clerical changes that  
4 we need to take care of, and we want to thank you guys for  
5 bringing this all to our attention. And then, as always,  
6 we'll have full discussion and votes on those substantive  
7 items that you guys noticed.

8 So I'm going to jump right in. I've got about  
9 six things that we identified as those major changes that  
10 we want to talk about, starting off with allocation and  
11 storage.

12 So we know that allocation and storage are  
13 going to be things that everybody has strong opinions  
14 about, and so I want to direct your attention to Section  
15 215.152, which, Laura, if you want to go to the statute,  
16 it's 503.0633 of the Transportation Code, that sets out  
17 our authority to make these rules related to allocation  
18 and storage and gives us some guidelines on how we have to  
19 make those.

20 So then we took our authority in 503.0633, and  
21 we built that in here to make the changes to Section  
22 215.152 related to the allocation numbers. Let me pull  
23 that up on the actual document, so I can reference the in  
24 your materials here. You think it's better to show the  
25 statute or share the actual rule? Probably the actual

1 rule.

2 MS. MORIATY: Tell me what rule number it is.

3 MS. HEALY: It's hard to work from one screen  
4 when you're used to working from multiple screens. So for  
5 allocation we are at 215.152.

6 MR. RICHARDS: Page 58.

7 MS. HEALY: This one actually looks very  
8 complicated because there were a lot of changes that were  
9 made, in that we had stricken things and then renumbered  
10 them in different places.

11 So it looks like we've gotten rid of some of  
12 the things that we previously had, but essentially we left  
13 in all of those things that we're required to have by  
14 statute. We felt in looking at different historical data  
15 to make those allocations, and then we'll make the  
16 allocations based upon all those data points that we're  
17 required to make them on, and then decided that a  
18 quarterly allocation would be appropriate so that we  
19 aren't having people have to have massive amounts of  
20 inventory on hand.

21 We wanted to give you guys enough to work with  
22 but also not so much that you're having to store that much  
23 and that there's some kind of security risk, and so we  
24 felt like a quarterly allocation was kind of the sweet  
25 spot there.

1           And so that's something that obviously we want  
2 feedback on. We would love to year y'all's thoughts on  
3 that, and I can open these things up for discussion as I  
4 talk about them, or we can talk about them in the next  
5 one.

6           MS. MORIATY: Why don't you run through all of  
7 them, and then we'll ask for questions at the end.

8           MS. HEALY: All right. So then next thing in  
9 that bullet point -- which I kind of consider allocation  
10 and storage to be hand-in-hand, storage requirements.

11           And again, I know there will be a lot of things  
12 on here -- 215.140 is where we have our storage  
13 requirements, and that is on page 22, that's where it  
14 starts.

15           So that's where we talk about the established  
16 and permanent place of business. The actual requirements,  
17 if you'll scroll down on page 28, so this is where we  
18 added in, and the highlighted text is the new text that  
19 we've added.

20           So we highlighted some text that talks about  
21 new storage requirements for the dealers and that would be  
22 "(e) at least one securely locked, substantially  
23 constructed safe or steel cabinet, bolted or affixed to  
24 the floor or the wall in such a way that the safe or steel  
25 cabinet cannot be readily removed, and is of sufficient



1 size to store all of the dealer and buyer's license plates  
2 in a dealer's possession, including both assigned plates  
3 for vehicles and inventory and unissued buyer's license  
4 plates."

5 So one thing we talked about is assigned plates  
6 for dealers and inventory. I'm not sure if you guys are  
7 familiar with what we're having to do there. So with  
8 these metal license plates, they're going to stay with the  
9 vehicle.

10 So there will be cars on the lot that are used  
11 and have a license plate that is assigned to them that  
12 will then need to be stored until that car is resold, so  
13 that's what we're talking about when we're talking about  
14 assigned plates for vehicles in inventory, but also just  
15 your regular unissued buyer's license plates would need to  
16 be stored in these places as well.

17 So this is another spot where we welcome a lot  
18 of feedback. The folks who are actually having to store  
19 these things are the experts in what their spaces look  
20 like and how they're able to secure their spaces.

21 And so we've laid out a couple of thoughts here  
22 that we had on ways that we felt like these things could  
23 be adequately stored and would prevent theft or any  
24 internal fraudulent activity with these plates.

25 But we really are going to welcome some

1 comments on this and want to hear all the stakeholder  
2 feedback on how we can make this something that works for  
3 those of you storing plates and is going to be secure  
4 enough that the public and law enforcement and the agency  
5 feel like we've done our due diligence.

6 Okay. The next item is related to fees, so if  
7 you'll take a look at Section 503.063 -- again I'm telling  
8 you the statute here.

9 MS. MORIATY: Do you want to start with the  
10 statute?

11 MS. HEALY: We can start with the statute, yes.  
12 So Section 506.063(g) of the Transportation Code relates  
13 to dealer issued license plates for buyers. So this is  
14 part of House Bill 718, and Section 503.063(g) currently  
15 requires the department to set a fee of not more than \$5  
16 for buyer's temporary tags, which were the temporary paper  
17 tags that buyers are issued when they purchase a vehicle  
18 from a dealership.

19 So this section was amended by House Bill 718  
20 beginning on July 1 of 2025, amended 503.063(g) requires  
21 the department to prescribe a fee to be charged by the  
22 dealer to the buyer for metal license plates that will be  
23 issued to the buyer upon purchase and will stay with the  
24 vehicle, because as you all know, buyer's temporary tags  
25 are no longer going to be issued; that's the main point of

1 this bill here.

2 So the fee is going to be credited to the Texas  
3 DMV fund, which is what's used to fund legislatively  
4 appropriated programs, initiatives and operations. And  
5 the department right now is determining what dollar amount  
6 is necessary to ensure the solvency of the Texas DMV Fund,  
7 given the changes in the operational requirements.

8 The new fee is expected to be at least \$10 and  
9 no more \$15. Right now in your rules packet it is  
10 indicated with an X, because we don't quite know that  
11 number yet. So again, this is something we're bringing to  
12 the committee to receive feedback and any comments or  
13 thoughts you guys have on that in our next agenda item.

14 Okay. Number three --

15 MR. MILLARD: Millard.

16 MS. HEALY: Yes.

17 MR. MILLARD: So what you're saying is -- and I  
18 read through this, and it's somewhat confusing; I'm sure  
19 that's why nobody commented -- we will be putting the tags  
20 that we have taken off of the vehicle back on it and  
21 charging them a fee for that. Is that correct?

22 MR. ROBERTI: Member Millard, can you repeat  
23 that question, please.

24 MR. MILLARD: Is it my understanding that we're  
25 going to be taking the plates off of the vehicle; there

1 will be no plates when it's on the lot for sale. When we  
2 sell the car, we will put the plate back on the vehicle  
3 and charge the customer a fee for that? Is that correct?

4 MR. THOMPSON: Officer Roberti?

5 MR. ROBERTI: Yes, go ahead, Mr. Thompson.

6 MR. THOMPSON: Clint Thompson, deputy director  
7 of the Vehicle Titles and Registration Division.

8 Member Millard, thank you for the question.

9 MR. ROBERTI: Get into your microphone a little  
10 bit.

11 MR. THOMPSON: Is it not working?

12 MR. ROBERTI: Just move it forward.

13 MR. THOMPSON: Is that better?

14 MR. ROBERTI: Can you turn him up a little bit,  
15 please.

16 Everybody on the phone, one or two people, can  
17 you hear Mr. Thompson okay?

18 MR. MILLARD: Yes.

19 MR. THOMPSON: Thank you. The question is on  
20 vehicles that have license plates when they're traded in  
21 to a dealer and they're supposed to be removed and then  
22 subsequently reissued to the same vehicle at the time of  
23 retail sale.

24 Yes, those plates will be issued under 503.063  
25 just like a new vehicle that's being assigned plates for

1 the first time, and that fee does apply to both  
2 situations: when a vehicle has a plate assigned to it, as  
3 well as initial issuance.

4 MR. ROBERTI: Does that answer your question,  
5 Mr. Millard?

6 MR. MILLARD: Yes, sort of. So the plate-to-  
7 owner thing is just going away altogether?

8 MR. THOMPSON: That's correct. The changes  
9 with House Bill 718 specify that the license plates stay  
10 with the vehicle. Obviously we have some distinctions in  
11 the rule regarding specialty plates, things of that  
12 nature, but if they are general issue plates, they stay  
13 with the vehicle.

14 MR. MILLARD: Yes, sir.

15 And one more thing while we're on this, how are  
16 the dealers going to get the registration stickers to  
17 place on the windshields?

18 MR. THOMPSON: So the transactions obviously  
19 are supposed to be submitted through webDEALER. And we do  
20 have dealer deputies in the state of Texas who actually  
21 have registration stickers that are issued by county tax  
22 assessor-collectors, that does not change with this bill.

23 For folks that are not dealer deputies, they  
24 will continue to submit those transactions to the county  
25 tax office through webDEALER. And once the county tax

1 office approves the transaction in webDEALER, the  
2 registration sticker will be generated at that time.

3 MR. MILLARD: Okay, thank you. And in the  
4 meantime, the buyer is driving around with no registration  
5 sticker of any kind. Is that correct?

6 MR. THOMPSON: That's correct. They will only  
7 have license plates at this time, and the plate is  
8 valid -- as distinguished in the statute, the plate itself  
9 is valid while the application for registration is being  
10 processed by the county tax office, and at that time it  
11 becomes the permanent plate, which will then have the  
12 sticker associated with it.

13 MR. MILLARD: Okay. Thank you.

14 MR. ROBERTI: Thank you, Mr. Millard.

15 Ms. Healy, you can continue.

16 MS. HEALY: Okay. So the next thing I want to  
17 discuss is some new data entry requirements. So one thing  
18 that we wanted to address as part of this was to start  
19 requiring the dealers to enter standard and temporary  
20 license plate data into a license plate database so that  
21 the law enforcement officers do have immediate access to  
22 specific vehicles that license plates are being used for.

23 This will be a new requirement, so we thought  
24 it was something that we wanted to bring to you guys. We  
25 don't intend for this new requirement to be duplicative of

1 the local records that are being kept, and so there is  
2 some things still in this rule about those local records  
3 are being kept, but we intend for it to be one or the  
4 other.

5 We would prefer for it to be these electronic  
6 records, because they're going to be much more useful for  
7 the department and to law enforcement and now would then  
8 replace those local paper records, and that is 215.138,  
9 Use of Metal Dealer's Licence Plates is that section that  
10 that is in, so that brings me to the end of these strictly  
11 718 changes that we wanted to highlight for you guys.

12 The next is a House Bill 3297 update that we  
13 wanted to talk about, and this is a definite update but  
14 more of a how do we create something that's going to work  
15 for everybody.

16 So one of the things, as you know, that House  
17 Bill 3297 does is it gets rid of those safety inspections  
18 in non-emissions counties. But one thing that may have  
19 been unanticipated is that for these vehicles that are  
20 coming in from out of state, we need to be able to  
21 actually have some kind of way to authenticate what the  
22 VIN of that vehicle is.

23 And so normally that would have been caught  
24 during that safety inspection, but we don't have that  
25 safety inspection in those non-emissions counties anymore,

1 and so then we need to get that vehicle registered without  
2 being able to authenticate that the VIN is actually the  
3 correct VIN for that vehicle.

4 And so this can be found in Section  
5 217.4(d)(4), and what we tried to do here is put some  
6 draft language in that allows us to be flexible with  
7 certain self-certification techniques -- and, Clint, if  
8 you want to jump in and talk a little bit more about the  
9 self-certification techniques again -- but we want to be  
10 able to offer people the opportunity to self-certify by  
11 using forms that are prescribed by the department or by  
12 using -- remind me of the thing that they can also use.

13 MR. THOMPSON: Clint Thompson, deputy director  
14 of Vehicle Titles and Registration Division.

15 So I assume you're referring to the VTR-68-A?

16 MS. HEALY: Yes, that's the name of the form.

17 MR. THOMPSON: Basically what we're doing with  
18 the self-certification here is trying to open up options  
19 for consumers and allow a picture -- I always joke -- with  
20 everybody's selfie by VIN, if we get a picture of it, we  
21 should do pencil tracings, somewhat antiquated now, but  
22 those options are still available and would be facilitated  
23 with this but not mandate the use of the 68-A.

24 MS. HEALY: So we want to open it up to  
25 potential methods of self-certification and so that would



1 be something that would be right for discussion for the  
2 committee of ways that we can help prevent fraudulent  
3 activity and fraudulent VINs, you know, criminal activity,  
4 saying that a vehicle has a VIN number that it does not,  
5 but then also not make it so onerous for people that are  
6 coming in from out of state who really just need to get  
7 their registration.

8 The next issue that I wanted to bring up is  
9 related to the 217 rule review, and so we have to do a  
10 review of all of our administrative rules every four  
11 years, and this chapter was actually up for review at the  
12 same time as we need to make these 718 changes, so we are  
13 knocking it all out here at once.

14 And so this next section that I wanted to  
15 highlight is Section 217.84(d)(4), and what this is is a  
16 new provision that is going to require insurance  
17 companies, in addition to the information and  
18 documentation required to apply for non-repairable or  
19 salvage vehicle titles, to disclose which major component  
20 parts must be repaired or replaced as a result of the  
21 damaged part.

22 And this is part of the application for non-  
23 repairable or salvage vehicle title. And again, these are  
24 more things that we're putting in here to address fraud  
25 and to make sure that we can prevent fraudulent activity

1 as much as possible. So that would be a new requirement  
2 so we wanted to highlight it for you guys.

3 And then finally, going to Section 217.9(a)(1)  
4 and (e)(7), and this is related to bonded titles. So for  
5 bonded titles, the statute that controls this is Texas  
6 Transportation Code 501.053(a), and what it requires is a  
7 release of all liens with bond, meaning a release of the  
8 liens to ensure that secured creditors are not harmed by  
9 bonded titles, and a bond to ensure that the current owner  
10 is not harmed.

11 So the rule currently allows the bonded title  
12 applicants to get a bond large enough to cover the lien,  
13 but that doesn't meet the requirements of the statute.  
14 And so that could harm secured creditors who have  
15 perfected secured liens so that have to sue then to get  
16 payment of the bond.

17 The law doesn't really allow us to infringe on  
18 the rights of those secured creditors with the perfected  
19 liens, so we had a little issue. It requires the  
20 interests in the property are satisfied before any other  
21 interests, so consumers might face costs or inconvenience  
22 associated with the release of that lien from the creditor  
23 or through the courts, but the statute doesn't really  
24 offer us much of an alternative to that in order to  
25 determine the interest of the secured creditor company and

1 the individual's inconveniences when they're trying to get  
2 that.

3 So this is likely going to impact a lot of  
4 applicants for bonded titles. The vast majority of bonded  
5 titles is a significant portion of the bonded title  
6 litigation that we have. So the harm they're encountering  
7 is real; this rule change would significantly decrease the  
8 bonded title litigation of the agency.

9 Additionally, law enforcement has expressed an  
10 interest in slowing and decreasing bonded titles in Texas  
11 because they're used for stolen cars frequently, so again,  
12 another thing that we're looking at to address some  
13 concerns of law enforcement and criminal activity, so it  
14 seems they will likely be supportive of this rule change  
15 because of that.

16 Really, if we want to be able to make this  
17 something that's going to work for everybody, there could  
18 be statutory fixes that would be appropriate, but  
19 obviously we can't make statutory changes as an agency; we  
20 can only effect what the rules say.

21 So that would be the final thing in 217 that we  
22 wanted to highlight for you guys as a change that we're  
23 making.

24 MR. ROBERTI: Is that it?

25 MS. HEALY: Those are the ones we wanted to

1 highlight and definitely not "it"; there's a very big  
2 substantial bill here.

3 MR. ROBERTI: Is that it from you?

4 MS. MORIATY: It's over to you, Bobby.

5 MS. HEALY: There's a very substantial packet  
6 of changes, but those are the ones that we felt like were  
7 really things we wanted to actually highlight and get a  
8 lot of feedback on because it's areas where we know  
9 stakeholders are going to have a lot of opinions and be  
10 able to give us some really valuable feedback.

11 MR. ROBERTI: Okay. So members, we're going to  
12 go into detail and ask questions on everything highlighted  
13 by Ms. Healy, but are there any general questions right  
14 now we have for staff or Ms. Healy?

15 MS. TORRES: Member Torres here.

16 MR. ROBERTI: Yes, Member Torres, go ahead.

17 MS. TORRES: Yes, sir. Just had a question in  
18 regard to the self-certification. How is that going to  
19 apply to foreign vehicles?

20 MR. ROBERTI: Member Torres, can you repeat  
21 that again? You were cutting out a little bit.

22 MS. TORRES: The self-certification, how is  
23 that going to apply to foreign vehicles?

24 MS. HEALY: I assume you mean vehicles from  
25 another state or another country?

1 MS. TORRES: From another country.

2 MS. HEALY: It only applies to those vehicles  
3 from other states because -- right, Clint?

4 MR. THOMPSON: So there's no change to imported  
5 vehicles from a foreign country. 501.030 still requires  
6 that those vehicles have VIN verification.

7 There's a separate statute that requires a law  
8 enforcement identification number inspection, i.e., the  
9 VTR-68-A; they will continue to get the 68-A for an  
10 imported vehicle, and that will suffice for the self-  
11 certification.

12 MS. TORRES: Thank you.

13 MR. THOMPSON: Yes, ma'am.

14 MR. ROBERTI: Do we have any other questions  
15 for staff before we move on to the next agenda item?

16 (No response.)

17 MR. ROBERTI: Do we have any public comments on  
18 item 2.A?

19 (No response.)

20 MR. ROBERTI: Hearing none, I will move to the  
21 next agenda item, item 2.B. Recommendations of the  
22 advisory committee for presentation to the Board. This is  
23 a discussion and action item.

24 Now that the committee has been briefed by  
25 Texas DMV staff on proposed amendments to Chapters 215,

1 217 and 221, it is time to discuss and vote on any  
2 recommendations that we as an advisory committee want to  
3 present to the Texas DMV Board.

4 To assist the court reporter in getting an  
5 accurate transcript, please cite the blue page numbers at  
6 the top right-hand side of your written materials and the  
7 line numbers located on the left-hand side of the draft  
8 amendments to Chapters 215, 217 and 221 when discussing  
9 any portions of the provision in the written materials  
10 that Texas DMV staff provided to you.

11 Any recommendations from this advisory  
12 committee should be made in the form of a motion that this  
13 advisory committee votes on, unless Texas DMV staff are  
14 willing to accept any informal comment. An example of a  
15 motion will be: I move that this advisory committee  
16 recommend to the Texas DMV Board that the proposed  
17 amendments to Section 215.120 should be modified to add a  
18 clause that says X.

19 Members, do you have any recommendations to  
20 present to the Texas DMV Board regarding draft amendments  
21 to Chapter 215, Motor Vehicle Distribution? Just  
22 basically, this is the discussion and considering action  
23 portion, so does anybody have any specific questions they  
24 want to direct towards the members or staff?

25 I know, Mr. Ormand, you had something earlier?

1 MR. ORMAND: I'm good at this point.

2 MR. ROBERTI: At this point, okay.

3 Mr. Luedecke, do you have anything?

4 MR. LUEDECKE: Why, yes, I do.

5 (General laughter.)

6 MR. ROBERTI: Please expand.

7 MR. LUEDECKE: All right. Thank you very much.

8 Member Luedecke.

9 I'm just opening it up for discussion. The tax  
10 assessor-collectors reviewed these rules when they were  
11 first sent out last week. We identified several areas,  
12 but for the most part we agree with the rule changes, and  
13 this morning some rules were sent out by Member Hall, and  
14 we reviewed those as well and agree with those.

15 I want to start with a couple things that were  
16 on our list. The first thing that I want to discuss that  
17 came up in our meetings was the storage for the license  
18 plates at the dealers.

19 As the Tax Assessor-Collector Association, we  
20 think that's kind of excessive requirements for storage.  
21 For example, most tax offices don't have that extreme  
22 storage capability in their offices. I can give an  
23 example.

24 In my county I get five pallets at a time that  
25 last six to eight weeks, and I don't have a locked safe

1 for that. I have a locked storage room for five pallets  
2 at a time. I know there are some larger dealers out there  
3 that are probably going to get a pallet at a time that  
4 will last them a quarter of the year.

5 So we think, number one, that's kind of  
6 excessive, and I think it's listed in several places in  
7 the rules, but I'm sure the dealers would probably want to  
8 comment on that one as well.

9 The next one I have -- and it's listed in  
10 several places -- it talks about -- hold on -- there are  
11 several sections that talk about the documented  
12 information at least one manager or another bona fide  
13 employee of a dealer will be present that's transferring,  
14 I guess, paperwork and information like that.

15 What is the definition of a bona fide employee?

16 I know some dealers have contractors, some dealers have  
17 title runners that will bring the title transactions to  
18 the tax offices. Is that included in bona fide? I know  
19 "bona fide" is listed several times throughout these  
20 rules, and we just want to get a better definition of what  
21 that is.

22 MR. ROBERTI: Say that whole thing again so the  
23 members on the phone understand what you're saying.

24 MR. LUEDECKE: There are several sections of  
25 the rules that mention a manager at a dealer or a bona



1 fide employee of a dealer being present -- and this is  
2 just one section; I'm on page 14 right now, but there are  
3 several sections throughout the rules -- a bona fide  
4 employee, what is the definition of a bona fide employee?

5 Dealers will have contractors, they will have  
6 title runners that send their transactions over to the tax  
7 offices, so what is the definition of a bona fide  
8 employee? Will they be legal to still have title runners?  
9 I guess that's one example.

10 MS. HEALY: So I think one thing that Ms.  
11 Moriarty just pointed out is that is actually a section --  
12 or a part that was already in rule, so that's nothing new.

13 The things that are underlined or highlighted  
14 are the new sections, but if that's something that we  
15 think could be a defined term that would be helpful to do  
16 that as part of our rule review, then we'd be definitely  
17 open to defining that term as part of the rule review  
18 process.

19 MR. LUEDECKE: Okay. And I knew that, that it  
20 wasn't part of the change.

21 MR. ROBERTI: Quick question to the staff and  
22 members. Instead of bona fide would it be maybe a direct  
23 employee?

24 MR. LUEDECKE: Or a contracted employee?

25 MR. ROBERTI: Not contracted employee; I don't

1 know. So a direct employee of the dealer, not a third  
2 party? This is a rhetorical question I'm just asking for  
3 the sake so everybody understands what we're talking  
4 about.

5 MR. LUEDECKE: But like she just said, I don't  
6 know if this is the proper meeting for this discussion  
7 because this wasn't part of the changes.

8 MR. ROBERTI: Well, we are here.

9 MR. LUEDECKE: I know.

10 MS. MORIATY: This is Laura Moriaty, general  
11 counsel.

12 So this is an amendment where staff is saying  
13 yes, we'll accept it; we'll go look at it and try to make  
14 it, if it's possible to make the definition.

15 MS. HEALY: We can define terms.

16 MR. ROBERTI: That's okay. We'll go to the  
17 next one.

18 MR. LUEDECKE: Another one that popped up in  
19 our meetings with the tax offices: We understand that now  
20 going forward -- I believe it was House Bill 3860 by  
21 Goldman that took out the liability for tax assessor-  
22 collectors if the dealers have metal plates.

23 We have some counties that have dealer deputies  
24 that have both plates and stickers, and they are bonded to  
25 the tax assessor-collector. I have eight of them in my

1 county; I give them plates and stickers.

2 So going forward, after July 1 of '25, when  
3 this goes into effect, am I only liable for the stickers  
4 and the dealer is liable for the plates that they get?

5 The distribution of metal plates is concerning.

6 If y'all are sending them out to the dealers, then am I  
7 going to be liable for those or am I just going to be  
8 liable for the stickers?

9 MR. ROBERTI: This is Ms. Quintero.

10 MS. QUINTERO: Thank you.

11 So for your full-service deputies who do have  
12 stickers, that responsibility and that agreement remains  
13 the same. For those dealers that will be receiving metal  
14 plates, that responsibility is no longer on the tax  
15 assessor-collector to ensure that there is adequate use of  
16 those metal plates; that responsibility lies with us.

17 So that's from my understanding -- Clint, step  
18 in if I'm misstating -- we will not be distributing  
19 registration stickers to dealers.

20 MR. THOMPSON: Clint Thompson, deputy director,  
21 Vehicle Titles and Registration Division.

22 I think the distinction is today obviously  
23 y'all provide the plates and the stickers. This bill,  
24 House Bill 718 that we're talking about, charges the  
25 department with establishing an allocation for dealers.

1 I don't know why you would, but anything  
2 allocated by the department, to Annette's point, is the  
3 responsibility of the department, and then y'all continue  
4 to provide the stickers for those dealer deputies.

5 In the event that for some reason y'all saw the  
6 need to give plates beyond that allocation, then I would  
7 make the argument -- and obviously there's still  
8 discussion to be had on this -- but I would make the  
9 argument that you're liable for those because you're  
10 actually making that issuance to them.

11 MR. LUEDECKE: Okay.

12 MR. ORMAND: Bruce Ormand, Centex Auto Title.

13 MR. ROBERTI: Go ahead.

14 MR. ORMAND: Thank you.

15 Some of my concerns with this and the change,  
16 and especially with the plates out there: We've only been  
17 in business three years, but we've grown very rapidly. We  
18 have over a hundred dealers that we currently serve, and  
19 they've shared with us their concerns of having the actual  
20 plates in stock and the liability of that.

21 If an employee steals them, plates get broke  
22 into, not all of them have great security as well. You  
23 know, you can have lockers but they can be broken into,  
24 and I see that being an issue.

25 There's a high attrition with dealers as well.

1 I've been in the business 40 years, and I go by lots and  
2 they're open, full of cars, go by next week and they're  
3 empty. Come back the following week, they're full of cars  
4 again with a different name.

5 And so it seems to me that the accountability  
6 for those plates and once that dealer goes out of  
7 business, what happens to them, who collects them -- how  
8 do we know they get collected?

9 I think there's a real possibility here of  
10 trying to track thousands of plates everywhere, whereas,  
11 if they had the opportunity of a centralized area, like  
12 the county or like us as a full-service deputy, we're  
13 bonded, we're covered, we're inspected, House Bill 604  
14 from 2019 put a lot of oversight in for that as well, and  
15 so even our inventory is audited as well.

16 As best I can tell, there's not going to be any  
17 auditing. There's, I think, over 15,000 dealers in the  
18 state of Texas, so there's some real heartburn there as  
19 to, one, just the overall program's ability to be  
20 accountable for the plates.

21 And this is no reflection on the department.  
22 This is a massive task, and you guys are trying to figure  
23 that out. I'm just saying what we have discussed among  
24 ourselves as potential problems.

25 The other thing is, also just our customer

1 base. They're glad that they can come to us; they don't  
2 have to worry about all that. And we also have a lot of  
3 people who are smaller shops. We have some of the largest  
4 in the state that we service, we have some of the small  
5 guys as well, and so the service that we provide for those  
6 fees that's regulated by the state gives them -- make sure  
7 it gets done correctly.

8 And our team literally handles emails and phone  
9 calls in the hundreds every day, communicating with them,  
10 and where are those people going to go if we're not in  
11 that process anymore? We're no longer a buffer for the  
12 county, no longer a buffer for that process happening.  
13 How are they going to be able to make that happen?

14 So these are some concerns that we have about  
15 it with the county or the full-service deputy not being  
16 able to do both plates and stickers that there's going to  
17 be even greater difficulty of accountability of all those  
18 being spread out.

19 MR. ROBERTI: So I heard two questions there.  
20 Did you get that?

21 MS. QUINTERO: I think I did anyway.

22 Annette Quintero, Vehicle Titles and  
23 Registration director.

24 So I heard the concern of managing the  
25 inventory and tracking the inventory and ensuring that

1 when dealers come in and out of business there is some  
2 mechanism for accounting for the plates that are supposed  
3 to be in their possession.

4 And then the other side of that I heard was  
5 receiving those plates back, if that dealer was --

6 MR. ORMAND: Right. And also the dealer not  
7 having the ability for the county or a full-service deputy  
8 to actually handle the plates for them.

9 MS. QUINTERO: Right. So to answer your first  
10 question about the tracking of the license plates and the  
11 inventory and ensuring that there is some accountability  
12 and tracking of those license plates, that is a lot of  
13 what we're leveraging the inventory management system to  
14 do, is tell us in real time where the license plates are,  
15 how many are with specific dealers, how many are being  
16 issued, how many are sitting. There's still a lot that we  
17 are working through and identifying and finding solutions  
18 for.

19 But I think to your point, there is also a  
20 component of that that we are leveraging our enforcement  
21 team and our compliance arm to ensure that we are circling  
22 back with those dealers to make sure that they are either  
23 returning plates when they go out of business or that they  
24 are appropriately keeping that inventory stored in a  
25 manner that complies with the rules.

1           So there's still things that we're working on,  
2 but we are aware and have similar thoughts and concerns.  
3 So we're still working on the how we're going to mitigate  
4 those risks.

5           MR. ORMAND: I appreciate that. I think  
6 probably the overall point is by not eliminating the  
7 county or full-service duty. We have 100 dealers; you've  
8 got one place to follow that track instead of 100  
9 different locations.

10           I'm just using that as an example. There are  
11 full-service deputies throughout the whole state versus,  
12 let's say, I have 130 dealers I'm servicing. You can  
13 trace them all back to just one location that already has  
14 good oversight versus trying to find more FTEs or  
15 accountability for the 130 dealers having them in stock.

16           That's kind of, I think, my main thought  
17 process at that point.

18           MS. QUINTERO: And we understand, and the  
19 realities of centralizing license plate distribution, it  
20 sounds appealing, but one of the main components of the  
21 bill that we talked extensively about while drafting that  
22 language was to make sure that we were not hindering  
23 business, that we were providing dealers with the plates  
24 they needed to make sure that they were able to make the  
25 sales when they needed to make them, that they were not



1 hindered by license plates availability.

2 MR. ORMAND: Okay. Thank you for your time.

3 MR. ROBERTI: So I believe Mr. Luedecke has  
4 some more.

5 MR. LUEDECKE: Yes. This is Member Luedecke  
6 again.

7 Along those same lines that you're talking  
8 about, on page 56 in the document, lines 13 and 14, it  
9 says, The dealer's and buyer's license plates in dealer's  
10 possession and by promptly destroying voided license  
11 plates.

12 We feel like there needs to be some more  
13 language in there that describes how these license plates  
14 are going to be voided and what the dealers are going to  
15 do with those voided plates.

16 Do they keep them? Do they throw them away in  
17 the trash in the dumpster so somebody else can pick them  
18 up, or do they send them to the tax office or back to DMV?

19 MS. QUINTERO: Annette. I'm sorry.

20 MR. ROBERTI: Go ahead.

21 MS. QUINTERO: I don't disagree, Shay. We know  
22 that the destruction of license plates is a very specific  
23 mechanism and that any that were turned in to the  
24 department, we take them to a metal recycler, and we watch  
25 as they recycle those plates and destroy them.

1           Throwing them in the trash is not an option.  
2           So let's work on that and see if we can't refine that  
3           language a little bit to help.

4           MR. LUEDECKE: Thank you. That's all I have.

5           MR. ROBERTI: That was a great question. I  
6           wouldn't have thought of that.

7           MS. MORIATY: Chairman, if I may?

8           MR. ROBERTI: Yes, go ahead.

9           MS. MORIATY: Laura Moriaty, general counsel.

10          To Mr. Luedecke's first point about storage  
11          requirements, do we want to turn that into a motion and  
12          get more detail around it? It might be an area where that  
13          would be appropriate.

14          If you can give us more detail on what you  
15          think is the right answer on how we should be storing  
16          these, that would be great.

17          MR. LUEDECKE: Member Luedecke again.

18          We don't have any specific language that I'd  
19          like to make that amendment, but --

20          MS. MORIATY: Locked room you'd like to have  
21          included, for example.

22          MR. LUEDECKE: Locked room at least.

23          MR. ROBERTI: Does anybody have any input they  
24          want to provide to staff and the other members on what  
25          storage requirements they'd like? Is that the question?

1 MR. LUEDECKE: I'm sure the dealerships would  
2 probably have some ideas.

3 MS. MORIATY: And certainly we can take this  
4 back up with MVIRAC, and I'm sure they'll have input.

5 MR. MILLARD: Member Millard.

6 MR. ROBERTI: Go ahead, Member Millard.

7 MR. MILLARD: This is Member Millard.

8 As a new car franchise, we're required to have  
9 locked areas for all of our documents, license plates, and  
10 everything such as that, as a franchised dealer.

11 I don't know about just a regular used car  
12 dealer or a wholesale dealer, but as a franchised dealer,  
13 I mean, we have to comply to all the HIPAA regulations, so  
14 our office is locked and no access to outside folks.

15 You know, so we've already got the security  
16 there, in my opinion. That's all I had on that.

17 MR. ROBERTI: Thank you, Member Millard.

18 Does anyone else have any questions? Any of  
19 the tax assessor-collectors want to chime in as well?

20 MR. HALL: This is Member Hall.

21 MR. ROBERTI: Say that again.

22 MR. HALL: This is Member Hall.

23 MR. ROBERTI: Member Hall, go ahead.

24 MR. HALL: So the vice chair [garbled  
25 transmission] made a comment that I just want to make sure

1 that those were offered into the record, number one. And  
2 then there is a couple of things in those comments that we  
3 offered, and I know the Office of General Counsel made  
4 sure those got out to all the members.

5 One of the things that we did point out --

6 MR. ROBERTI: Member Hall. Can you repeat  
7 that? You were very garbled.

8 MR. HALL: So we -- I wanted to make sure that  
9 the comments that I submitted yesterday that the Office  
10 of General Counsel shared out this morning are -- and are  
11 into the record for the department's consideration -- I'm  
12 sure they're already doing that, but I just wanted to make  
13 sure that that was on the record that those were  
14 submitted.

15 MR. ROBERTI: I got an affirmative from Deputy  
16 Director Thompson.

17 MR. HALL: Awesome.

18 One of the comments that is in there is also  
19 around the security. We also feel like the requirement is  
20 overly restrictive to say this has to be a safe or a  
21 filing cabinet. You know, at our scale, we're moving 40-  
22 to 50,000 vehicles into the state every year.

23 We're probably acquiring 50- to 60,000 units,  
24 and if you do the math on a quarterly basis for us to try  
25 to store in the neighborhood of 10- to 20,000 plates in

1 filing cabinets or safes, that is probably not very  
2 feasible. I think having, you know, some flexibility that  
3 in a secure room behind lock and key, control-badge  
4 access, those sorts of things, would be much more  
5 conducive, especially for an entity of our size.

6 I'm sure that same flexibility would be  
7 conducive to even other larger franchise networks that  
8 also stock a quite a volume of vehicles and the plates  
9 they're going to have to store, as well.

10 One of the other things that I think should be  
11 a consideration is if the department is going to be  
12 exploring possibly having county tax assessor-collectors  
13 be responsible for dealing with the inventory allocation  
14 of these plates.

15 I would offer up that the department probably  
16 should review the processing and handling fee to ensure  
17 that counties are really properly compensated for that  
18 work.

19 I can tell you we've had some conversations  
20 around the amount of effort it's going to take for us to  
21 manage upwards of 50- to 80,000 plates annually that is  
22 not easy for one dealership. Right?

23 The other thing that I would offer -- I think  
24 one of the members was leading into this: The notion that  
25 a dealer would take a plate off of a vehicle, reassign

1 that plate to the same vehicle, and therefore charge the  
2 purchaser between \$10 and \$15 for a registration fee on  
3 top of their regular registration fee -- for an expense  
4 the State is not incurring, it seems like an extra tax, so  
5 I think the department should consider how those fees are  
6 assessed to purchasers of vehicles.

7 At the end of the day that will tend to drive  
8 up costs for purchasers that vehicle affordability is  
9 already an issue. I respect the fact that it's \$10 to  
10 \$15, but if you're paying a couple thousand dollars for a  
11 vehicle and you're getting charged an extra \$10 or \$15,  
12 that starts to add up quite quickly, especially if there's  
13 no real cost to the state for the reassignment of that  
14 plate.

15 And then kind of the final point that I would  
16 make: Again, this is primarily volume based with just the  
17 scale at which we're doing things, but as the department  
18 goes through its procurement process and development  
19 process with the plate management program, that they  
20 consider including things like [transmission garbled]  
21 service integration between dealer GMS systems and that  
22 plate issuance system.

23 Again, if we're having to go in and make 50-,  
24 60,000 vehicles with vehicle transfer notifications  
25 through the state system, that is extremely labor

1 intensive. At least have the possibility to integrate  
2 that when those vehicles are entered.

3 In Carvana, for example, Carvana's inventory  
4 system could automatically report that vehicle transfer  
5 notification through API, makes that much more palatable,  
6 so I just want to make sure the department considers that.

7 And just as a general statement, as y'all are  
8 working through this, we're happy to have those  
9 conversations with y'all. I recognize we're a little bit  
10 unique. Our volume certainly is not --

11 MR. ROBERTI: Mr. Hall, I have some questions  
12 for you so we can track everything you just said.

13 MR. HALL: Yes, sir.

14 MR. ROBERTI: I believe there was five points,  
15 correct, that you just brought up?

16 MR. HALL: Four or five, yes, sir.

17 MR. ROBERTI: I counted five but there may be  
18 four. I believe the first two are related to 215.140. Am  
19 I right?

20 MR. HALL: Yes.

21 MS. HEALY: Yes, I believe, so that's the  
22 storage requirements.

23 MR. ROBERTI: So Mr. Richards and Ms. Healy  
24 agree, 215.140. And you're going to have to help me on  
25 three through five. Can you go back on what proposed rule

1 you're talking about on your point three, point four and  
2 point five or four.

3 MR. HALL: The one comment I made about the  
4 processing and handling fee was a general response to the  
5 presentation about how they're going to handle the plate  
6 distribution to dealers.

7 And one of the comments that I thought maybe  
8 was being explored is whether the plate distribution would  
9 go through the county tax assessor-collectors' offices or  
10 if those plate distribution would come directly from the  
11 department.

12 I was merely offering up a response to that  
13 suggestion that if the department is going to go the way  
14 of having the county tax assessor-collectors responsible  
15 for handling the allocation to dealers, then there should  
16 be an analysis of the processing and handling fee, which  
17 is also set in Texas administrative rule, to ensure that  
18 the county tax assessor-collectors are fairly compensated  
19 for having to handle that plate distribution as well.

20 So that was the first point.

21 MR. ROBERTI: And then what was the last point  
22 or last two points?

23 MR. HALL: I made the point about the plate fee  
24 being set at \$10 or \$15. Is that the other one you're  
25 talking about?



1 MR. ROBERTI: Yeah. Deputy Director Thompson  
2 said we followed the last two as well, so we got all that.

3 All right. Do any members have anything else  
4 they want to discuss or any other points they have?

5 MR. MILLARD: Member Millard.

6 I'm not sure if you had trouble understanding  
7 him, but it appears that he's logged in twice, is the  
8 reason I've got such an echo.

9 MR. ROBERTI: Duly noted. We'll go back over  
10 it before we suggest any -- make any motions. How about  
11 that?

12 General Counsel Moriaty.

13 MS. MORIATY: Yes, Mr. Chairman, Laura Moriaty.

14 My question was just whether there was any of  
15 what Mr. Hall offered that you wanted to turn into a  
16 motion or whether he just was offering feedback for staff  
17 to consider.

18 MR. ROBERTI: Well, why don't we take that up  
19 with Member Hall.

20 Member Hall, do you have an answer to that?  
21 Are these motions, or do you want to have these staff  
22 considerations?

23 MR. HALL: I'm just going to offer this all up  
24 as staff considerations. Again, I don't necessarily have  
25 any specificity behind any those recommendations outside

1 of what my written comments covered.

2 MR. ROBERTI: Okay. Do any of the members have  
3 any comment on what Mr. Hall offered?

4 Let's go with Member Dovalina. Thank you for  
5 the hands up emoji.

6 Member Dovalina, go ahead.

7 MS. DOVALINA: Only one question that I have  
8 just for consideration; I don't know if it's been  
9 considered or if it's going to be taken into  
10 consideration.

11 Since the dealers are now being required to  
12 sign in for or register for webDEALER, are these dealers  
13 that are seller financed, is that going to be an option  
14 that's going to be considered into webDEALER, or are they  
15 going to have to be working those transactions in through  
16 the county?

17 MR. THOMPSON: Clint Thompson, deputy director  
18 of the Vehicle Titles and Registration Division. Thank  
19 you.

20 I guess I would need some specifics on the type  
21 of seller finance transaction that you're looking for.  
22 We've got the ability for a lienholder, obviously, to be  
23 recorded within webDEALER; we've also got exemptions for  
24 the various sales tax scenarios as well.

25 Is there a specific transaction within the

1 seller finance?

2 MS. DOVALINA: That would be for the sales tax  
3 related ones.

4 MR. THOMPSON: Okay. Glad to go back and look  
5 at it, but my recollection is we have the exemptions in  
6 webDEALER that exist within the Registration and Title  
7 System and ability to capture a tax ID, but we're glad to  
8 take a look at it.

9 I'll just say in general, one of the things  
10 that we're looking at with webDEALER, obviously with the  
11 mandatory use of the application for dealers, we're going  
12 to have to make sure that transactions that need to be  
13 submitted through webDEALER can be submitted through  
14 webDEALER.

15 But we all know that we're not going to  
16 recreate the Registration and Title System, so in the  
17 event that there are transactions that cannot be processed  
18 through webDEALER, your option is to go to a county tax  
19 office or a full-service deputy for those specifically.

20 MS. DOVALINA: Okay, sounds great. Thank you.

21 MR. THOMPSON: Yes, ma'am.

22 MR. ROBERTI: Thank you, Member Dovalina.  
23 Member French, you have the floor.

24 MS. FRENCH: Yes. Good afternoon, everyone.

25 Just to follow up on Member Hall and also

1 Member Luedecke's comments regarding storage, I'm not  
2 necessarily making this a motion but for comment: If we  
3 just take the existing language that has been proposed and  
4 then just add to that "or a storage room or facility," I  
5 wonder if that would not possibly take care of the  
6 concerns of everyone regarding this particular part of the  
7 rule.

8 MS. HEALY: If you'd like to make a motion for  
9 that, we can entertain a motion.

10 MS. FRENCH: I'll make a motion to add the term  
11 "storage room or facility" to the sections regarding the  
12 storage of license plates.

13 MR. ROBERTI: Let's get a little more specifics  
14 on that with the numbers. So just hang on to your motion,  
15 and we'll get that real quick.

16 MS. MORIATY: It's going to be several.

17 MR. ROBERTI: Member French, just give us a  
18 minute. They're just going to look at the exact number so  
19 when we make a motion, it can be specific to the exact.

20 MS. MORIATY: You can go with that generic  
21 motion and we'll fill it in.

22 MR. ROBERTI: Do you want to do that?

23 MS. MORIATY: Yeah, that's do that. Everywhere  
24 in the rules that it says -- describes the locked safe, we  
25 can substitute. Yeah.

1 MR. ROBERTI: Member French, what's your  
2 motion?

3 MS. FRENCH: My motion is to add the terms "a  
4 room or storage facility" to all of these sections that  
5 speak to the security of the locked license plates.

6 MR. ROBERTI: I've got a motion by Member  
7 French. Do I have a second?

8 MR. LUEDECKE: Second. Member Luedecke.

9 MR. ROBERTI: Member Luedecke seconds.

10 When we do a vote, we're going to do it one  
11 member at a time since most of us are not in the room.  
12 We're not moving agenda items yet; we're just making a  
13 motion on this particular one.

14 MS. MORIATY: You have a second, so you can ask  
15 does anybody have any comments?

16 MR. ROBERTI: You want me to do more discussion  
17 now and then vote later?

18 MS. MORIATY: Right. If they have any comments  
19 before you vote, usually let them discuss before you vote.

20 MR. ROBERTI: Do we have any more discussion on  
21 this particular issue that Ms. French brought up?

22 MR. HALL: This is Member Hall.

23 MR. ROBERTI: Member Hall, go ahead.

24 MR. HALL: I would offer at least including the  
25 word "secure," that it's a secure storage room or secure

1 facility, you know, or add some context around behind lock  
2 and key or, you know, badge controlled, something along  
3 those lines.

4 I don't know if somebody wants to offer some  
5 specific language, but I just think a facility could be  
6 somebody's shed in their backyard, right, and that's  
7 probably not the intent there.

8 MR. ROBERTI: Member French, would you like to  
9 add that to your motion, "secured"?

10 MS. MORIATY: Mr. Chairman, could I offer  
11 some -- this is Laura Moriatty, general counsel.

12 MR. ROBERTI: Yes, go ahead.

13 MS. MORIATY: Could I offer some potential  
14 language for the motion?

15 MR. ROBERTI: Yes, go ahead.

16 MS. MORIATY: If we made it "securely locked  
17 substantially constructed storage room, facility, safe or  
18 steel cabinet," would that address the concern?

19 MR. ROBERTI: Member French, would that be  
20 acceptable in the motion?

21 MS. FRENCH: I believe so.

22 MS. MORIATY: Repeat that so everybody  
23 understands what they're voting on.

24 MS. MORIATY: The language is: "Securely  
25 locked substantially constructed storage room, facility,

1 safe or steel cabinet," and we would substitute that -- we  
2 would add that language in wherever we have the  
3 description of how we're keeping plates with this language  
4 in it.

5 MR. ROBERTI: Okay. So I have a motion by  
6 Member French, with the staff-recommended language. Do I  
7 have a second?

8 MR. MILLARD: Millard seconds.

9 MR. ROBERTI: Member Millard seconds, and we're  
10 about to take a roll call vote on this.

11 Do I have any other discussion items on this?  
12 We can take up the motion about this, but do I have anyone  
13 who wanted to comment on this before we take a vote?

14 (No response.)

15 MR. ROBERTI: Stand by; we'll have the vote  
16 coming up. When I say your name, just say yes or no on  
17 the following motion.

18 Member Dovalina?

19 MS. DOVALINA: Yes.

20 MR. ROBERTI: Member Elam?

21 MR. ELAM: Yes.

22 MR. ROBERTI: Member Fontenot?

23 MR. FONTENOT: Yes.

24 MR. ROBERTI: Member French?

25 MS. FRENCH: Yes.

1 MR. ROBERTI: Second Vice Chair Hall?  
2 MR. HALL: Yes.  
3 MR. ROBERTI: Member Kuni?  
4 MS. KUNI: Yes.  
5 MR. ROBERTI: Member Lake?  
6 MS. LAKE: Yes.  
7 MR. ROBERTI: First Vice Chair Luedecke?  
8 MR. LUEDECKE: Yes.  
9 MR. ROBERTI: Member Mendoza?  
10 MS. MENDOZA: Yes.  
11 MR. ROBERTI: Member Millard? Member Millard?  
12 MR. MILLARD: (No audible response.)  
13 MR. ROBERTI: Member Moore? Member Moore?  
14 MR. MOORE: (No audible response.)  
15 MR. ROBERTI: Member Nino?  
16 MR. NINO: Yes.  
17 MR. ROBERTI: Member Ormand?  
18 MR. ORMAND: Yes.  
19 MR. ROBERTI: Member Paschall?  
20 MR. PASCHALL: Yes.  
21 MR. ROBERTI: Member Torres?  
22 MS. TORRES: Yes.  
23 MR. ROBERTI: Member Vincent?  
24 MS. VINCENT: Yes.  
25 MR. ROBERTI: And I, Bobby Roberti, vote yes as



1 well. Motion passes.

2 Do we have anything else that any of the  
3 members want to discuss or any questions for staff while  
4 we're here?

5 MS. TORRES: Member Torres.

6 MR. ROBERTI: Member Torres, go ahead.

7 MS. TORRES: Yes, sir. I just wanted to make a  
8 comment. I've been speaking with some of the dealers --  
9 some of the smaller dealers, and they're not aware of them  
10 getting any emails or getting anything from TxDOT  
11 regarding them having to be on webDEALER.

12 MR. ROBERTI: Duly noted by staff.

13 I have a question. It's kind of what you were  
14 talking about with "bona fide." So this is not a motion;  
15 I'm just asking this for staff consideration.

16 Regarding the storage facilities, these secure  
17 storage facilities that they possibly have to have, what  
18 kind of access is it going to be? Are we going to have  
19 any kind of limited kind of access to these "secure"  
20 locations?

21 Are we going to use the word "bona fide" or are  
22 we going to be a little more definitive? Is that in the  
23 language already? I didn't memorize it. So do we want to  
24 qualify that with direct employees and maybe say can't  
25 have access by contractors?

1 MR. LUEDECKE: Member Luedecke.

2 I understand what you're saying.

3 MR. ROBERTI: I don't know if that's possible  
4 or it's something that we want to do or don't want to do.

5 MR. LUEDECKE: To limit the people that would  
6 have access to those plates in some sort of way.

7 MS. QUINTERO: Annette, Vehicle Titles and  
8 Registration director.

9 MR. ROBERTI: Sure.

10 MS. QUINTERO: So I'm looking at the rule and  
11 it does say "limiting authorized users to owners and bona  
12 fide employees with a business need to access the license  
13 plates and the license plate system."

14 MR. ROBERTI: Okay. I think that's adequate  
15 then.

16 Does anybody else have any questions before we  
17 move on?

18 MR. LUEDECKE: This is Member Luedecke again.  
19 I do have another comment to Member Hall's recommendations  
20 and comments earlier.

21 He mentioned that the tax offices be able to  
22 distribute the plates to the dealers. On my way down here  
23 today, I had a telephone call from the second largest  
24 county tax assessor in the state, John Ames. He has 2,600  
25 dealers in his county, and he said it would cost the

1 county lot of money.

2 And I understand that Member Hall says that we  
3 could possibly get a fee for the distribution of those,  
4 but I don't know if it would cover the cost to the  
5 counties to distribute all those plates. So there's  
6 probably a large portion of counties that would be against  
7 the tax offices distributing those metal plates to the  
8 dealers.

9 MS. QUINTERO: Annette, Vehicle Titles and  
10 Registration director.

11 It is part of the cost-benefit analysis that  
12 we're doing as we're trying to determine the distribution  
13 levels. We have to consider all the pieces and parts.

14 MR. ROBERTI: Were there any other questions,  
15 comments?

16 Member Fontenot, I see your hand. Go ahead.

17 Member Fontenot, you have the floor.

18 MR. FONTENOT: Hello. Can you hear me? Hello?

19 MR. ROBERTI: Yes.

20 MR. FONTENOT: Okay, good. I'm having trouble  
21 over here with the audio, so I'm on my phone now.

22 But I haven't heard anyone address or say  
23 anything about what is going to happen to all of these  
24 independent title companies in the state? It seems to me  
25 they'll be out of business overnight.

1 I didn't know if anyone -- if they addressed  
2 that at the legislature or if they did any kind of  
3 clarification on the floor when they were passing this.  
4 Does te staff have any -- have y'all thought about that or  
5 anyone mention it?

6 MR. THOMPSON: Member Fontenot, Clint Thompson,  
7 deputy director of the Vehicle Titles and Registration  
8 Division.

9 I want to clarify one point. Are we talking  
10 about full-service deputies? Are those the entities  
11 you're referring to?

12 MR. FONTENOT: Yes. That's right.

13 MR. THOMPSON: I'll tell you that this deal  
14 intentionally or unintentionally does not exclude counties  
15 from the equation nor full-service deputies from the  
16 equation.

17 The requirement in House Bill 718 is for a  
18 licensed Texas dealer to submit transactions, title  
19 applications through webDEALER. Those transactions today  
20 go directly through a county tax office to be reviewed and  
21 approved.

22 Today a county tax office that has full-service  
23 deputies in their county have the ability to give that  
24 full-service deputy access to webDEALER to approve those  
25 transactions, so this is not going to restrict their

1 abilities.

2 And like I touched on earlier, in the event  
3 that we have a subset of transactions that cannot be  
4 processed through webDEALER, they will continue to go  
5 directly through the county to be processed or, if the  
6 dealer chooses, through a full-service deputy in that  
7 particular county.

8 MR. FONTENOT: Okay, good. I think you may  
9 have mentioned that earlier and I missed it; I'm sorry  
10 about that.

11 MR. THOMPSON: No problem.

12 MR. FONTENOT: Appreciate it, thank you.

13 MR. THOMPSON: Yes, sir.

14 MR. ROBERTI: Thank you, Member Fontenot.

15 Do we have any other questions, comments,  
16 motions before we move on?

17 (No response.)

18 MR. ROBERTI: Seeing none, I'd like to go to  
19 the next agenda item: Item 2.C. Future meetings and  
20 agenda items.

21 I will now move to agenda item 2.C. Future  
22 meetings and agenda items and turn the meeting over to  
23 Associate General Counsel David Richards.

24 Mr. Richards.

25 MR. RICHARDS: David Richards, associate

1 general counsel, for the record.

2 Mr. Chairman, we need to ask the members if  
3 they had any comments or motions with regard to Chapter  
4 217 or Chapter 221, because all we've covered is 215, thus  
5 far. Thank you.

6 MR. ROBERTI: All right. So we're going back  
7 to item 2.B.

8 Do we have any comments about 217 or 221 before  
9 we move on? Any members?

10 MR. HALL: Member Hall. I have one question.

11 MR. ROBERTI: Member Hall.

12 MR. HALL: And I feel like I probably should  
13 know the answer to this and I don't. The comment has been  
14 made that the safety inspection is being repealed for non-  
15 emissions testing counties.

16 I was under the impression safety inspection  
17 was being repealed statewide, so I just wanted to make  
18 sure that that's clear: That safety inspection is going  
19 away, period. Emissions testing will only remain for  
20 emissions counties. Okay.

21 MR. ROBERTI: Do you want to state the rule  
22 number that he's referring to, or the statute?

23 MR. THOMPSON: Clint Thompson, deputy director  
24 of Vehicle Titles and Registration Division.

25 Member Hall, I think what you heard earlier was

1 the reference to the safety inspection going away  
2 statewide for non-commercial vehicles, as opposed to  
3 non-emissions only counties, so yes, that is the statewide  
4 safety inspection that is going away, and that is  
5 statutory as opposed to a rule.

6 MR. HALL: Appreciate that, thank you.

7 MR. ROBERTI: Thank you, Member Hall.

8 Do have any more questions, comments on 217 or  
9 221?

10 (No response.)

11 MR. ROBERTI: Okay. Now we can go to 2.C then.

12 Are we good over here?

13 MR. RICHARDS: I think I'm good, yes.

14 MR. ROBERTI: Item 2.C, Mr. Richards.

15 MR. RICHARDS: Mr. Chair and members, David  
16 Richards, associate general counsel, for the record.

17 The department appreciates all the hard work in  
18 review of these rules or proposed rules and your comments  
19 and a few of the motions that were made today. We will  
20 take these back and meet internally.

21 At this point in time, we don't know of any  
22 projected meetings over the next month or two, but again,  
23 we may have the need for this committee to meet again  
24 soon, but over the next month or two, we probably will not  
25 have a need for the committee to meet.

1 Thank you.

2 MR. ROBERTI: [inaudible] this past summer that  
3 there quite possibly could be a joint meeting with another  
4 advisory committee. He was saying that something came up  
5 and he didn't know whether it was something in our purview  
6 or the customer service purview.

7 Anyway, just keep an eye out of that being a  
8 possibility, because there's probably going to be  
9 something coming up at some point that one, two or three  
10 committees might want to advise the Board on.

11 Do we have anything else, Mr. Richards?

12 MR. RICHARDS: No, sir, I do not.

13 MR. ROBERTI: Okay. Item 3. Public comment.

14 Do we have any comments from the public?

15 MR. RICHARDS: No, sir, we do not.

16 MR. ROBERTI: Seeing none, then we've got one  
17 final agenda item. Do I have a motion to adjourn?

18 MR. LUEDECKE: So moved.

19 MR. MILLARD: Member Millard makes a motion to  
20 adjourn.

21 MR. ROBERTI: Member Luedecke beat you to the  
22 punch.

23 Do I have a second?

24 MR. NINO: Member Nino, second.

25 MR. ROBERTI: Second by Member Nino.



1 All in favor? You can say aye this time.

2 (A chorus of ayes.)

3 MR. ROBERTI: Any opposed?

4 (No response.)

5 MR. ROBERTI: We are adjourned.

6 (Whereupon, at 2:20 p.m., the meeting was

7 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Vehicle Titles and Registration  
Advisory Committee

LOCATION: Via Webex

DATE: February 22, 2024

I do hereby certify that the foregoing pages,  
numbers 1 through 66, 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: February 29, 2024

/s/ Nancy H. King  
(Transcriber)

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