

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

Texas Department of Motor Vehicles
4000 Jackson Avenue
Building 1
Lone Star Room
Austin, Texas 78731

Thursday,
February 8, 2024
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair
Christian Alvarado
Stacey Gillman
Brett Graham
Tammy McRae
Sharla Omumu
John Prewitt
Darren Schlosser
Paul R. Scott

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P R O C E E D I N G S

1
2 MR. BACARISSE: Good morning. It is 9:01 a.m.
3 My name is Charles Bacarisse and I am pleased to open
4 this Board meeting of the Texas Department of Motor
5 Vehicles.

6 It is 9:01 and I'm calling the meeting to
7 order. This Board meeting is the February 8, 2024,
8 meeting. And I want to note for the record that the
9 public notice of this meeting, containing all items on the
10 agenda, was filed with the Office of Secretary of State on
11 January 31, 2024.

12 Before we begin today's meeting, please place
13 all cell phones and other communication devices in the
14 silent mode. Also, as a courtesy to others, please do not
15 engage in side conversations in the meeting room.

16 I want to welcome those who are with us for
17 today's Board meeting. If you wish to address the Board
18 or speak on an agenda item during today's meeting, please
19 complete a speaker's sheet at the registration table or
20 send an email to GCO_General@TxDMV.gov. Please identify
21 in your email the specific item you're interested in
22 commenting on, your name and address, and whether you are
23 representing anyone or speaking for yourself. If your
24 comment does not pertain to a specific agenda item, we
25 will take your comment during the general public comment

1 portion of the meeting.

2 In accordance with the department's
3 administrative rule, comments to the Board will limited to
4 three minutes. To assist each speaker, a timer has been
5 provided at the podium. The timer light will be green for
6 the first two minutes, yellow when the speaker has one
7 minute left, and then red when the speaker's time is up.

8 Individuals cannot accumulate time from other
9 speakers and comments should be pertinent to the issues
10 stated on the comment sheet. When addressing the Board,
11 please state your name and affiliation for the record.

12 There are a few things that will help to make
13 the meeting run more smoothly and assist the court
14 reporter to get an accurate record: please identify
15 yourself before speaking; speak clearly and slowly; do not
16 speak over others; and ask the chair for permission to
17 speak and be sure to get recognized before speaking.

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

20 Before we begin today, I'd also like to remind
21 all presenters and those in attendance of the rules of
22 conduct at our board meetings. The department's
23 administrative rule, the chair has the authority to
24 supervise the conduct of meetings, and this includes the
25 authority to determine when a speaker is being disruptive

1 of the meeting or is otherwise violating the timing or
2 presentation rules that I just discussed.

3 So now I'd like to have a roll call of the
4 Board members, so please respond verbally when I call your
5 name.

6 Member Alvarado, are you present?

7 MR. ALVARADO: Here.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Here.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Here.

12 MR. BACARISSE: Vice Chair McRae?

13 MS. McRAE: Here.

14 MR. BACARISSE: Member Omumu?

15 MS. OMUMU: Present.

16 MR. BACARISSE: Member Prewitt?

17 MR. PREWITT: Here.

18 MR. BACARISSE: And Board Member Schlosser?

19 MR. SCHLOSSER: Here.

20 MR. BACARISSE: And let the record reflect that

21 I, Charles Bacarisse, am here too so we have a quorum.

22 And let the record reflect that Member Scott is absent
23 today.

24 Agenda item 2 is the pledges of allegiance to
25 the U.S. and Texas flags, so let me turn it over to Member

1 Alvarado to lead us in the U.S. Pledge, and Vice Chair
2 McRae will do the Texas Pledge.

3 (The Pledges of Allegiance - U.S. and Texas
4 were recited.)

5 MR. BACARISSE: Thank you.

6 Agenda item 3 is chair reports, and we are
7 going to move to that section. Section 1001.023 of the
8 Transportation Code sets out the duties of the Board chair
9 and vice chair. And one of the duties of the Board chair
10 is to report to the governor on the state of affairs in
11 this department.

12 The Board is reviewing the annual report
13 currently -- I hope you all received your copy that was
14 emailed to you. And that, of course, was prepared by
15 staff and we will soon submit that to the Governor's
16 Office. This report includes updates on the agency's key
17 accomplishments, revenues, expenditures, performance data,
18 technological improvements, and significant legislation
19 enacted by the 88th Legislature.

20 Once published, the report will be distributed
21 to legislators, stakeholders and the public
22 electronically. It will also be sent to GovDelivery
23 subscribers and posted on this agency's external website
24 at www.TxDMV.gov, at the bottom of the page located under
25 Reports and Data.

1 So we'll now move on to agenda item 3.B.
2 Another duty that I have as Board chair, under Section
3 1001.023 of the Transportation Code, is to designate at
4 least one employee of the department as a Civil Rights
5 officer of the department, and to receive regular reports
6 from the officer or officers on the department's efforts
7 to comply with Civil Rights legislation and administrative
8 rules. The Civil Rights officer oversees the Equal
9 Employment Opportunity process for the department and is
10 required by Transportation Code 1001 to help ensure
11 compliance with Civil Rights laws and policies.

12 In consultation with Executive Director Avitia
13 and General Counsel Moriaty, I am appointing Terry Vannoy
14 as our Civil Rights officer for the Texas Department of
15 Motor Vehicles. Terry has been with the department for
16 five years in the Motor Vehicle Division and the Office of
17 General Counsel. She currently serves as an associate
18 general counsel. Terry has more than 20 years of
19 experience as a licensed attorney and as a human resources
20 executive in the private sector.

21 I know that Terry will do a great job, and so
22 congratulations on your appointment. There you are.
23 Thank you, Terry.

24 (Applause.)

25 MR. BACARISSE: Agenda item 3.C addresses

1 excused absences for Vice Chair McRae under Transportation
2 Code 1001.027(a) (4). The Board, by a majority vote, is
3 able to excuse absences of Board members from regularly
4 scheduled board meetings. This agenda item is asking that
5 the Board vote on whether we excuse the absences of Vice
6 Chair McRae from the August 17, 2023, October 12, 2023,
7 and December 14, 2023 board meetings.

8 So I will now entertain a motion on agenda item
9 3.C.

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

12 MR. BACARISSE: Member Omumu.

13 MS. OMUMU: I move that the Board excuse the
14 absences of Vice Chair McRae from the board meetings on
15 the following dates in calendar year 2023: April 13,
16 August 17, October 12 and December 14. Thank you.

17 MR. BACARISSE: Is there a second to that
18 motion?

19 MS. GILLMAN: I'll second.

20 MR. BACARISSE: Okay. Seconded by Member
21 Gillman.

22 Is there any comment on this or question?

23 (No response.)

24 MR. BACARISSE: If not, I will call for the
25 vote, please.

1 Laura, no public comments on this item?

2 MS. MORIATY: Laura Moriaty, general counsel.

3 No public comments, sir.

4 MR. BACARISSE: Okay, great. Thanks. I'll now
5 call the vote.

6 Board Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Vice Chair McRae, can you vote?

13 MS. McRAE: I don't know.

14 MR. BACARISSE: Can she vote?

15 MS. MORIATY: Sure.

16 MR. BACARISSE: You can vote, go ahead.

17 MS. McRAE: Aye.

18 (General laughter.)

19 MR. BACARISSE: Okay, good.

20 Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: And Member Schlosser?

25 MR. SCHLOSSER: Aye.

1 MR. BACARISSE: And I, Bacarisse, vote aye as
2 well. It's unanimous. Let the record reflect that it is
3 unanimous.

4 And, Tammy, we love you and we're glad you're
5 here, and you look great, feeling good, everything is
6 good.

7 MS. McRAE: Yes, thank you.

8 MR. BACARISSE: Thank you. Absolutely.

9 Executive director's reports. I want to now
10 turn it over to Executive Director Daniel Avitia for
11 agenda items 4.A through 4.C.

12 MR. AVITIA: Chairman, members, good morning.
13 For the record, Daniel Avitia, executive director.

14 Chairman, members, agenda item 4.A can be found
15 on page 8 of your board materials.

16 The Vehicle Titles and Registration Committee
17 meeting that occurred on January 10, 2024, was held to
18 elect committee member leadership and implementation of
19 rule amendments necessary to implement House Bills 718 and
20 3297 and for the rule of 43 Texas Administrative Code 217
21 Vehicle Titles and Registration. This was the initial
22 step to prepare the committee for the upcoming review of
23 draft amendments planned to occur later this month and
24 possible recommendations to the Board at its June meeting.

25 Chairman, members, that concludes item 4.A, and

1 I'll continue to 4.B if there aren't any questions.

2 MR. BACARISSE: Any questions, members?

3 (No response.)

4 MR. BACARISSE: Please continue.

5 MR. AVITIA: Thank you, Chairman.

6 Members, agenda item 4.B can be found on page 9
7 of your board materials.

8 The Motor Vehicle Crime Prevention Authority,
9 or MVCPA, held a Senate Bill 224 Advisory Committee
10 meeting on January 8 this year in El Paso, Texas.

11 To provide background information, the 88th
12 Texas Legislature provided funding in support of Senate
13 Bill 224 to the tune of \$24.6 million for fiscal year 2024
14 and \$30.3 million for fiscal year 2025. Senate Bill 224
15 created enhanced penalties for criminal activity involving
16 catalytic converters and administrative penalties for
17 metal recycling entities. The MVCPA Senate Bill 224
18 Advisory Committee is comprised of law enforcement,
19 industry representatives and partner agencies.

20 During the advisory committee meeting, the
21 committee discussed Senate Bill 224 requirements, partner
22 agency roles, agency coordination, records review,
23 operations to respond to suspicious activities, and more.

24 Collaborative efforts related to the implementation of SB
25 224 with partner state agencies, including the TxDMV, the

1 Texas Department of Public Safety, and the Texas
2 Department of Licensing and Regulation, are ongoing with
3 joint meetings occurring twice a month with the MVCPA
4 staff.

5 An interagency contract will be drafted with
6 DPS and TDLR to provide for their Senate Bill 224
7 operation resource needs. Law enforcement task force
8 grant applications are currently being developed for
9 Senate Bill 224 catalytic converter theft prevention,
10 education and prosecutorial support.

11 Chairman, members, that concludes my update on
12 item 4.B, and I'm happy to move on to the next item.

13 MR. BACARISSE: Members, any questions?

14 (No response.)

15 MR. BACARISSE: Please go ahead. Thank you.

16 MR. AVITIA: Thank you.

17 Chairman, members, agenda item 4.C can be found
18 on page 10 of your board materials.

19 At this time I'd like to recognize our
20 employees who have reached a state service milestone. We
21 celebrate these employees as a show of our appreciation
22 for their years of service and dedication to the TxDMV and
23 the citizens of this Great State.

24 We'll start with 20 years of state service.
25 With 20 years we have: Joi Dinolfo with the Enforcement

1 Division; Jaime Jaquez with VTR; Ed Weissbeck with Finance
2 and Operations Division.

3 Next with 25 years of service we have: David
4 Clem with IT; Donna Eckwall with the Motor Vehicle
5 Division; Robert Martinez with the Enforcement Division.

6 And then with 30 years of state service we
7 have: Kavin Edwards with the Vehicle Titles and
8 Registration Division; Martha Sandoval with VTR as well.

9 And finally, with 35 years of service we have
10 Homer Vasquez with the Information Technology Services
11 Division.

12 Chairman, I would like to share a few words
13 about the two recipients that are in the room with us
14 today. First we'll start with Mr. Ed Weissbeck with 20
15 years of service.

16 Ed began his career as an accountant for TxDOT
17 before moving to the TxDMV Finance and Operations Division
18 on April 1, 2011. He is responsible for many important
19 financial reporting tasks to oversight agencies and
20 reporting to the Texas Comptroller. He also assists in
21 the submission of the annual financial report. Ed always
22 maintains a professional and courteous manner, while
23 providing excellent customer service to internal and
24 external customers.

25 Ed, we appreciate your loyalty and commitment

1 to the TxDMV.

2 Next we have Mr. Kavin Edwards with 30 years of
3 service. Kavin came to the TxDMV on August 1 of '22 to
4 serve as a compliance analyst with the Vehicle Titles and
5 Registration Division, where he is responsible for
6 ensuring documents and contracts that conform with laws,
7 rules and regulations. He performs his duty exceptionally
8 well and it is safe to say that the entire unit benefits
9 from his extensive knowledge that he has acquired over his
10 career. He is both a valued and respected individual by
11 his team and his division.

12 Now, members, we also have the following
13 individual that has retired: Patricia Combs with the
14 Vehicle Titles and Registration Division, with an amazing
15 42 years of state service.

16 Chairman, members, would you please join me in
17 congratulating these team members for their years of
18 service and dedication to our department, and again, the
19 State of Texas.

20 (Applause.)

21 MR. AVITIA: Members, would you please join me
22 at the front of the dais for a photo opportunity with Ed
23 and Kavin.

24 (Pause for presentation and photos.)

25 MR. AVITIA: Chairman, members, that concludes

1 the executive director's report. Thank you for the time
2 this morning.

3 MR. BACARISSE: Thank you, Mr. Avitia.

4 We are now moving to agenda item 5, and before
5 we move to the oral presentation from one of the parties
6 to this contested case, General Counsel Laura Moriatty will
7 present the procedural history and summary of the case.

8 So, Laura, the floor is yours.

9 MS. MORIATY: Thank you, sir.

10 Good morning, Board. I'm Laura Moriatty,
11 general counsel for the DMV.

12 Today the contested case is a licensure case
13 brought by the department against Marquez Auto Sales, Inc.

14 Marquez Auto Sales holds a general distinguishing number
15 issued by the department. The questions for the Board to
16 decide today are whether Marquez Auto Sales violated the
17 Board's statutes and rules, and if so, whether to revoke
18 Marquez Auto Sales's GDN and whether to assess a civil
19 monetary penalty.

20 This case began when the department issued a
21 notice of department decision on December 30, 2021. The
22 department set the case for hearing at the State Office of
23 Administrative Hearings -- which we all refer to as
24 SOAH -- and the hearing took place on December 14 through
25 16, 2022.

1 The SOAH administrative law judge issued a
2 proposal for decision on April 21, 2023. In that PFD the
3 ALJ found that Marquez Auto Sales had misused buyer's
4 temporary tags by issuing multiple buyer's tags on
5 vehicles it had sold. 142 vehicles had multiple buyer's
6 tags. Those were between January 1 and August 31 of 2021.

7 The ALJ also found that Marquez had sold three
8 vehicles and issued buyer's tags on them without having an
9 inspection timely prior to the sale. And Marquez also had
10 failed to file the required vehicle income tax
11 statement -- which we also call a VIT -- for one vehicle,
12 a 2015 Ford.

13 Though the ALJ noted that respondent had
14 previously received a warning letter from the department
15 in October of 2020 related to the sale of one single
16 vehicle, the ALJ found several mitigating factors applied
17 to respondent's conduct and should influence the penalty
18 in this case. First, there's no evidence that those
19 additional buyer's tags that respondent issued were sold,
20 were used for any sort of criminal purpose. The evidence,
21 instead, shows that he was using them to keep his
22 customers happy when they encountered delays in
23 registration and titling.

24 All three of the vehicles that were sold
25 without timely inspections later got inspected and passed

1 inspection on the first try. The failure to report the
2 single vehicle on the VIT resulted in the county not
3 collecting only \$40 in taxes.

4 Respondent acknowledged his wrongdoing
5 immediately. When he received the notice of his
6 violations, he stopped his behavior and corrected it
7 immediately. He acknowledged his wrongdoing.

8 Again, there was no evidence of fraud and no
9 consumer was harmed by his violations. Those are the
10 mitigating factors the ALJ found. So the ALJ recommended
11 that the Board not revoke Marquez Auto Sales's GDN and
12 that the Board issue a penalty of \$11,100 against Marquez.

13 So that's \$50 for each of the 142 buyer's tags for a
14 total of \$7,100, \$3,000 for selling those three vehicles
15 without the timely inspections, and \$1,000 for failing to
16 file the VIT statement for that single 2015 Ford.

17 On May 5, 2023, the department's attorneys
18 filed exceptions to the decision. The ALJ issued a
19 response to those exceptions on August 4, 2023, and did
20 not make any changes to the PFD, said that it was ready
21 for the Board to consider.

22 Both parties have received notice of the
23 meeting today but only the department announced that they
24 wanted to make an oral presentation. So we will only be
25 hearing the 10 minutes from the department's attorney

1 today. However, Marquez Auto Sales's attorney is here and
2 I believe they will be making a public comment at the end
3 of this item for three minutes.

4 Now I want to review your options today as you
5 look at this proposal for decision. At the outset, it's
6 important to understand the difference between the role of
7 SOAH and the role of the Board. So it's the role of SOAH
8 to hear the evidence, to decide what's believable, to
9 decide what evidence comes in and what stays out, and then
10 to make findings of fact and conclusions of law and give
11 you a recommended penalty.

12 The Board can't try to interfere with SOAH's
13 work. We cannot rehear evidence, we can't find new facts,
14 we can't hear from new witnesses. We have to base our
15 decision only on what evidence is in the record that SOAH
16 let into the record.

17 Your role, instead, is to see if the findings
18 of fact that SOAH made were interpreted correctly under
19 your statutes and rules. If SOAH's conclusions about your
20 statutes and rules were accurate, that's the question
21 you're trying to decide today.

22 The other thing that's within your jurisdiction
23 is to determine the sanction, the penalty in the case
24 different from what the ALJ recommended. But if we do so,
25 any change we make to the PFD has to comply with Texas

1 Government Code Section 2001.058(e). And that means that
2 you can only make changes to a finding of fact or
3 conclusion of law if there is a typo in a finding of fact
4 or if the ALJ has misapplied or misinterpreted the
5 statutes, the rules, the written policies, or prior
6 administrative decisions, or if there's a prior
7 administrative decision that the ALJ relied on that the
8 Board now wants to change. Those are the only reasons
9 that we can make a change to a finding of fact or
10 conclusion of law in the PFD.

11 So if you're making a motion to change a
12 conclusion of law or a finding of fact, we need you to
13 identify the specific change you're requesting, identify
14 the law that was misapplied or misinterpreted, explain why
15 it was incorrect, and explain how the findings of fact
16 still support your new interpretation. We can't make a
17 conclusion that's not supported by the findings of fact.
18 And aside from correcting typos, we can't really change
19 the findings of fact.

20 Your third option is to remand back to SOAH but
21 keep in mind that that's a very limited ability. SOAH
22 will not accept a remand to make findings that conflict
23 with findings it's already made or to reverse its
24 decision. We can only remand to have it take a look at
25 new areas that it didn't examine before or to make a

1 clarification to one of its findings.

2 Finally, you as the Board have the authority
3 and discretion to determine the penalty in the case, but
4 in deciding the amount of the penalty, Texas Occupations
5 Code 2301.801(b) requires the Board to consider specific
6 factors. Those are the seriousness of a violation, the
7 economic damage to the public caused by the violation, the
8 history of any previous violations, the amount necessary
9 to deter a future violation, efforts to correct the
10 violation, and of course, any other matter that justice
11 may require.

12 And similarly, in deciding whether to revoke,
13 the Board has to decide based on the factors in Texas
14 Occupations Code 2301.651, but those factors include that
15 the Board may revoke a license based on a violation of
16 rules and statutes which are the findings that the ALJ has
17 given you today. So if you want to make a change to the
18 proposed sanction, I still need the motion to explain how
19 the new sanction is appropriate, how it's supported by the
20 findings of fact, how it's supported by these factors that
21 I just discussed.

22 So if there are no questions for me, I will
23 turn it back over to Chairman Bacarisse to talk through
24 the procedure for the oral arguments.

25 MR. BACARISSE: Great. Thank you.

1 Members, any questions on what our general
2 counsel just laid out for us?

3 (No response.)

4 MR. BACARISSE: Let me just continue with a few
5 other reminders here.

6 Under the Board's rules, a party that timely
7 submitted a request to make an oral presentation will be
8 allowed up to 15 minutes to make that presentation. And
9 so in this case, as Laura said, only the department
10 submitted a timely request to make an oral presentation.

11 Respondent Marquez Auto Sales, Inc. did not
12 submit that request timely, so they will not be presenting
13 in the 15-minute time slot but during oral presentation.
14 After that we're going to give them time during a public
15 comment. We'll just move the public comment up and
16 they'll have three minutes.

17 During oral presentation, time spent by a party
18 responding to any Board questions is not counted against
19 that party's time. The timer light will be green for the
20 first 14 minutes, yellow when there's one minute left, and
21 then red when the party's time is up.

22 I'd also like to remind you, Board members and
23 the parties, that the Board's decision must, as Laura
24 said, be based on evidence contained within the
25 administrative record from the State Office of

1 Administrative Hearings. If a Board member asks a
2 question about evidence that's out of SOAH's
3 administrative record for this case, the party should
4 respond by saying that the question is about evidence that
5 is not in SOAH's administrative record.

6 Petitioner for the Department of Motor Vehicles
7 is represented by Damien Shores, who will now make the
8 department's oral presentation on this contested case.

9 So, Mr. Shores.

10 MR. SHORES: Hello, Board members and Executive
11 Director Avitia.

12 Today I'm asking the Board to issue a final
13 order in this matter that accepts all findings of fact and
14 conclusions of law in the administrative law judge's, or
15 ALJ's, proposal for decision without any changes. The
16 proposal for decision, or PFD, recommends the department
17 impose a civil penalty of \$11,100 against respondent and
18 does not recommend revocation. I also recommend the
19 Board's final order in this matter only impose a civil
20 penalty of \$11,100 and I do not recommend revocation of
21 respondent's license.

22 Now, the reasons to support adopting these
23 recommendations include the ALJ's application of law and
24 agency rules, the ALJ's consideration of written agency
25 policies, such as the disciplinary matrix, and the ALJ's

1 weighing of aggravating and mitigating factors. In
2 applying the law and agency rules to the facts of the
3 case, the ALJ found three main violations were committed
4 by respondent: that respondent filed a false vehicle
5 inventory tax statement, or VIT, by selling a vehicle and
6 failing to report the sale on a VIT that is required to be
7 filed with the Harris County Tax Office; second, that
8 respondent issued buyer's temporary tags for three
9 vehicles without getting them inspected within the
10 previous 180 days; and third, that respondent issued more
11 than one buyer's temporary tag for 142 vehicles between
12 January 1 and August 31 of 2021, for a total of 353 extra
13 tags.

14 Based on these violations and after considering
15 applicable statutes, rules, written agency policies, and
16 aggravating and mitigating factors, the ALJ only
17 recommended a civil penalty of \$11,100, and that's \$900
18 less than the \$12,000 originally asked for in the notice
19 of department decision.

20 In support of this sanction, I would first like
21 to point out that this contested case was not respondent's
22 first violation of the department's statutes and rules.
23 On October 15 of 2020, respondent received a warning
24 letter for three violations concerning the sale of a 2003
25 Hummer H2. These three violations were: one, failure to

1 timely transfer title; two, issuing six buyer's tags for
2 the vehicle between July of 2018 and May of 2019; and
3 three, for issuing these six tags without getting the
4 vehicle inspected. The warning letter was appropriate at
5 the time because respondent had no violation history
6 within the past five years.

7 Now, respondent did receive an agreed order
8 with a \$200 civil penalty back in 2008 for not displaying
9 buyer's guides on vehicles, but that violation was not
10 considered given that it happened so long ago.

11 So two of these three violations in this
12 warning letter I just mentioned, issuing more than one
13 buyer's tag and issuing buyer's tags without getting the
14 vehicle inspected, were also found to have been committed
15 in the matter presently before you. Since respondent
16 failed to learn from the warning letter, sanctions are
17 warranted for continued violations.

18 I also want to share with the Board how
19 respondent's violations came to the attention of
20 Enforcement staff. Regarding the warning letter case I
21 just discussed, that matter came from a complaint filed
22 with the department by a deputy with the Refugio County
23 Sheriff's Department. The deputy conducted a traffic stop
24 on a vehicle displaying a buyer's tag from respondent's
25 dealership and then discovered that respondent issued

1 multiple buyer's tags for this same vehicle.

2 The contested case before the Board today arose
3 from two complaints to the department. The first of these
4 two complaints also came from law enforcement. In this
5 case, an officer with the Houston Police Department
6 conducted a traffic stop on a vehicle with a buyer's tag
7 from respondent and observed that the tag was one of four
8 buyer's tags recently issued for the vehicle by
9 respondent.

10 The other complaint at issue today arose from
11 an employee with the Harris County Tax Office who
12 complained that respondent sold a vehicle for a price that
13 was lower than the standard presumptive value and also
14 submitted rebuilt vehicle statements for three vehicles
15 which documented repairs that were inconsistent with
16 actual damages. Both of these complaints, of course,
17 prompted an investigation by Enforcement staff.

18 Although these complaints came from law
19 enforcement and a county tax office, I'd like to point out
20 that the vast majority of complaints the department
21 receives come from members of the public and most
22 frequently concern tags, plates and titles. In fact, 90
23 percent of complaints in fiscal year 2022 were from
24 individual consumers, not public servants such as law
25 enforcement or tax office staff.

1 Ultimately, the result of complaints,
2 investigations and administrative hearing in the present
3 matter is the PFD currently before you to consider. I
4 believe that the PFD and recommended civil penalty is
5 fair, especially in light of the factors in the Texas
6 Occupations Code that the Board shall consider in
7 determining the amount of a civil penalty. These factors
8 include the seriousness of the violation and the harm or
9 potential harm to the safety of the public, the economic
10 damage to the public caused by the violation, the history
11 of previous violations, the amount necessary to deter a
12 future violation, efforts to correct the violation, and
13 any other matter that justice may require.

14 Now, since I've already addressed respondent's
15 history of previous violations, I'd like to talk about the
16 amount necessary to deter future violations. The
17 recommended penalty is an appropriate sanction that I
18 believe will deter future violations but is not so high as
19 to put respondent out of business. Regarding the
20 seriousness of the violations and consumer harm, the PFD
21 acknowledges that the extra tags for 142 vehicles is
22 serious but also states that there is no evidence that
23 consumers were harmed by the violations.

24 The PFD also states that respondent's failure
25 to include a single vehicle on a VIT resulted in a failure

1 to collect approximately \$40 in taxes. Otherwise, no
2 other economic damages to the public were shown.

3 Now, while I generally agree with the ALJ's
4 assessment, I just want to point out that a possible
5 source of harm for consumers who receive multiple buyer's
6 tags from a dealership is that they run a much higher risk
7 of getting pulled over by law enforcement. This is
8 because law enforcement scrutinizes vehicles with paper
9 tags in part due to all the tag abuse that's been
10 occurring.

11 Thankfully, the Enforcement Division has
12 identified and shut down the bulk of bad actors abusing
13 the tag system. Our rates of denials to the tag system
14 reflect this in that they have slowed down drastically
15 since we started denying access to the tag database.

16 In the present case, a denial of tag system
17 access was not pursued, and this is in part because the
18 Enforcement Division focuses heavily on education and
19 getting dealers into compliance and also because
20 respondent acknowledged his wrongdoing and ceased issuing
21 extra tags to his customers. I do believe that respondent
22 has learned a great deal from this contested case by
23 correcting course and working to stay in compliance.

24 As to any other matter that justice may
25 require, many of the extra tags issued by respondent in

1 this matter occurred during the COVID pandemic. While the
2 pandemic resulted in significant delays in title and
3 registration processing at county tax offices, the
4 governor waived registration requirements from March 16 of
5 2020 to April 14 of 2021, so many of the extra tags that
6 respondent issued during this time due to processing
7 delays and expired tags were unnecessary. As to
8 processing delays occurring after the COVID waiver period,
9 dealers, including respondent, have been instructed to
10 obtain 30-day temporary permits for their customers.

11 Respondent now understands that he cannot issue
12 more than one buyer's tag for his customers, that he must
13 get vehicles inspected in a timely manner, and cannot omit
14 any vehicle sales from his VITs.

15 To conclude, I recommend that Board issue a
16 final order that adopts the findings of fact and
17 conclusions of law in the proposal for decision as they
18 are written, assess an \$11,100 monetary penalty against
19 respondent, and not revoke respondent's license.

20 I'd like to thank you all for your time and
21 consideration, and I'm now available for any questions
22 that you may have.

23 MR. BACARISSE: Members, any questions?

24 MS. GILLMAN: Yes, sir, I have a question.

25 MR. BACARISSE: Member Gillman.

1 MS. GILLMAN: I think it was the last
2 legislature that the temp tags are going away and we're
3 going to metal tags. Is that right?

4 MR. SHORES: Yes, I believe that will be
5 happening in 2025.

6 MS. GILLMAN: In July of '25, I think,
7 something like that. So temp tags, thankfully, are not
8 even going to be an issue -- I mean, the paper tags very
9 soon.

10 And also, with respect to the inspections, did
11 the Texas Legislature also eliminate the need for
12 inspections?

13 MR. SHORES: They have.

14 MS. GILLMAN: And that also is happening
15 sometime in the future, I can't remember exactly what
16 date.

17 MR. SHORES: I apologize, I'm not certain on
18 the date when that goes into effect.

19 MS. GILLMAN: January of '25. Thank you.

20 Thank you. Those are my questions.

21 MR. BACARISSE: Members, any other questions on
22 this presentation?

23 (No response.)

24 MR. BACARISSE: Member Gillman, did you have a
25 request?

1 MS. GILLMAN: I would request a short break,
2 very short, before I can present a motion.

3 MS. MORIATY: Laura Moriaty, general counsel.
4 Would you like to get through public comment
5 first?

6 MR. BACARISSE: Right. That might be a good
7 idea. Absolutely. We certainly want to hear from the
8 other party here, and so in that case, please come and
9 speak with us.

10 I'm sure we'll have some questions after your
11 presentation as well, so we appreciate your time here this
12 morning.

13 MR. KROHN: Good morning. Kenneth Krohn, on
14 behalf of Marquez Auto Sales.

15 We also urge the Board to accept the PDF that
16 was proposed by the SOAH judge. After a three-day
17 hearing, the administrative law judge did hear evidence
18 regarding the character of the witnesses, the character of
19 the offenses, and the efforts that Marquez Auto Sales has
20 undertaken to remedy the internal processes that permitted
21 the issuance of multiple tags. We believe that the
22 findings and conclusions that were prepared by the State
23 Office of Administrative Hearings are thorough and address
24 all matters in conformity with the disciplinary matrix
25 adopted by the Department of Motor Vehicles. It was the

1 current disciplinary matrix for the department, and the
2 department's recommendations in this case would not
3 support revocation of the license.

4 This is obviously not in the record but
5 something that I want to inform the Board. Upon finding
6 out what the Office of Administrative Hearings had
7 recommended, my client was pleased with the findings and
8 does urge the Board to accept these conclusions, and
9 they're willing to pay the fine and continue operating as
10 a motor vehicle dealer here in Texas.

11 Something to take into account, Marquez Auto
12 Sales is not a large dealership. It is a small dealership
13 that sells resale vehicles bought at auction; they're
14 fixed up and sold. They hold a unique place in our chain
15 of commerce in that they provide low cost automobiles to
16 individuals who may not be able to purchase vehicles, new
17 vehicles or more expensive vehicles from other
18 dealerships.

19 So one of the things the State Office of
20 Administrative Hearings did consider was that there would
21 be an adverse impact in revocation of a license in this
22 case, and we urge the Board to take that into account.
23 They are a niche dealer to a niche market that does
24 require assistance in Texas. And for those of us who have
25 lived here for a long time, you know you need a car to get

1 around Houston or any other city, and they are helping
2 people get to work and get to jobs and they are employing
3 people.

4 So we would urge the Board not to revoke the
5 license and to adopt the SOAH administrative PDF findings,
6 recommendations and fines, and we stand prepared to pay
7 those fines.

8 Any questions?

9 MR. BACARISSE: Thank you.

10 Members, any questions?

11 MS. GILLMAN: I have one question.

12 MR. BACARISSE: Member Gillman.

13 MS. GILLMAN: How many vehicles does the
14 Marquez dealership sell in a year?

15 MR. KROHN: That depends, and I can ask, but on
16 average it's about 200 to 300 a year, I think. And during
17 the period of the investigation, which was January 1 to
18 August 1 of 2021, I believe, or it might have been '22,
19 there had only been 80 vehicles sold that year but it was
20 during the middle of COVID. That was a derivation from
21 prior years when they had sold more, and I believe last
22 year they were on track to sell over 200.

23 MS. GILLMAN: Thank you, sir.

24 MR. BACARISSE: Members, any other questions on
25 what we have heard here?

1 (No response.)

2 MR. BACARISSE: We appreciate your time and
3 thank you for making an effort to come and speak with us.

4 Thank you.

5 MR. KROHN: Thank you so much.

6 MR. BACARISSE: Absolutely.

7 Laura, are there any other speakers on this
8 item?

9 MS. MORIATY: Yes, sir. Earl Cook from TIADA
10 would like to make a comment.

11 MR. BACARISSE: Great. Okay, Earl, come on.
12 Good morning.

13 MR. COOK: Thank you, Mr. Chairman, members of
14 the Board. My name is Earl Cook. I'm the compliance
15 director for the Texas Independent Auto Dealers
16 Association.

17 I wanted to talk about issuing second sets of
18 temp tags, how this is the second case we've seen out of
19 Harris County. You know, Harris County has had major
20 issues and it seems like the dealers are the ones up here
21 having to defend themselves and their actions but Harris
22 County is not here.

23 Harris County has caused a lot of these issues
24 and the poor dealer is looking at his customer, the
25 customer comes in, has no way to work because they have

1 dead tags. And they're like, how do I help this person?
2 And we're talking about penalizing somebody for taking
3 care of their customer, at the end of the day.

4 I'll tell you, before I went to law school I
5 did F&I and I've issued a second set of temp tags for this
6 situation because that customer has done nothing wrong.
7 You've done nothing wrong, and you're looking at him and
8 you go: How do I tell this guy no, how do I tell him he
9 can't go to work, how do I tell him he can't get his kids
10 to school, how do I take away his car that he's paying for
11 because somebody else has failed him?

12 That's it. Thank you, guys.

13 MR. BACARISSE: Thank you, Earl. And I
14 certainly sympathize, as a citizen of Harris County, with
15 your point. Thank you.

16 Any other speakers on this agenda item?

17 MS. MORIATY: No, sir.

18 MR. BACARISSE: Okay.

19 Member Gillman, do you wish to request a short
20 break?

21 MS. GILLMAN: Short break.

22 MR. BACARISSE: Okay. So at this point we will
23 take about -- what do we need 10 minutes, 15 -- 10 to 15
24 minute break. It is now 9:43 a.m., and the public meeting
25 of the Texas DMV is in a recess for about 15 minutes.

1 (Whereupon, at 9:43 a.m., the meeting was
2 recessed, to reconvene this same day, Thursday, February
3 8, 2024, following a brief recess.)

4 MR. BACARISSE: Okay. It is now 10:21 a.m.,
5 and I am calling the Texas DMV Board open meeting back
6 into session.

7 Member Prewitt.

8 MR. PREWITT: Mr. Chairman, I'd like to make a
9 motion in the case we've been discussing on the Texas DMV
10 v. Marquez Auto, and my motion is that I move the Board
11 accept the administrative law judge's proposal for
12 decision and adopt findings of fact numbers 1 through 16
13 and conclusions of law numbers 1 through 18, as set forth
14 therein. And in keeping with the ALJ's recommendation, I
15 move that the Board issue a total civil penalty of
16 \$11,100.

17 MR. BACARISSE: Is there a second to that
18 motion?

19 MS. OMUMU: I second, Mr. Chairman.

20 MR. BACARISSE: A second by Member Omumu.

21 MR. BACARISSE: Any discussion or a friendly
22 amendment?

23 MS. GILLMAN: I have a friendly amendment.

24 MR. BACARISSE: Sorry. Member Gillman.

25 MS. GILLMAN: My friendly amendment, what I'm

1 trying to do -- and thankfully counsel has written it for
2 me -- what I'd like to do is, in fact, lower the penalty
3 to the minimum the matrix will allow, and so that is what
4 I'm proposing to do and the minimum the law will allow is
5 for a total of \$8,250.

6 Shall I read the friendly amendment?

7 MR. PREWITT: Uh-huh.

8 MS. GILLMAN: Okay. My amendment would be to
9 move that the Board adopt findings of fact 1 through 16
10 and conclusions of law 1 through 15 and 17 and 18. I move
11 that the Board modify conclusion of law 16 to read:
12 Respondent should be assessed a penalty of \$150 for
13 issuing buyer's tags for three vehicles that had not
14 passed inspection within 180 days prior to the date of
15 sale of these vehicles, Texas Transportation Code 548.101-
16 2.

17 This modification is necessary and permissible
18 under Texas Government Code 2001.058 because the
19 administrative law judge did not properly apply or
20 interpret Texas Transportation Code 503.095 or the factors
21 listed in the department's disciplinary matrix which the
22 Board considers in determining the amount of the civil
23 penalty. The legislature in the last session passed bills
24 that will eliminate both paper tags and safety inspections
25 for motor vehicles; we, therefore, do not need to make a

1 strong deterrent penalty for respondent's behavior with
2 temporary tags and safety inspections.

3 A low penalty in this case for improperly
4 issued temporary tags is also supported by findings of
5 fact 7, 8, 10 through 13 where the ALJ stated that the
6 respondent has acknowledged his wrongdoing. He corrected
7 his behavior after he was notified of the alleged
8 violations. The three vehicles that were issued buyer's
9 tags without inspections all passed their inspections on
10 the first attempt.

11 No consumer was harmed by the violations.
12 Respondent did not attempt to conceal the violations and
13 respondent did not defraud a purchaser or fail to fulfill
14 a written agreement. The minimum penalty under the Texas
15 Transportation Code 503.095 of \$50 per violation is
16 therefore appropriate for all of the improperly issued
17 buyer's tags in this case, including those issued without
18 an inspection.

19 I therefore move that the Board issue a total
20 civil penalty of \$8,250 against the respondent. This
21 total civil penalty consists of: \$1,000 for failing to
22 include a vehicle on VIT statement -- that's the \$40 in
23 taxes -- \$150 for issuing buyer's tags for three vehicles
24 without passing inspections, and \$50 per tag for 142
25 improperly issued additional buyer's tags for a total of

1 \$8,250.

2 Thank you.

3 MR. BACARISSE: Member Prewitt, do you accept
4 that friendly amendment?

5 MR. PREWITT: Well, I'd like to respond and ask
6 a question.

7 In your statement you said the administrative
8 law judge erred in their interpretation of the Code and
9 the administration of fees due, which implies to me that
10 the ALJ was incorrect. Is that what you're saying?

11 MS. GILLMAN: I am saying that the ALJ's
12 interpretation of the amount of fine is larger than what I
13 feel should have been assessed for the violations that
14 have happened here.

15 MR. PREWITT: So they did not err, but your
16 opinion is they charged too much?

17 MS. MORIATY: If I may clarify, Chairman?

18 MR. BACARISSE: Laura Moriaty.

19 MS. MORIATY: So under 2001.058(e) we have to
20 explain a deviation in the penalty as an error of the
21 administrative law judge. So while Member Gillman agrees
22 with all the findings of fact and all but one of the
23 conclusions of law, she believes that the ALJ made a bad
24 interpretation of the amount of deterrence we want under
25 our disciplinary factors, so that is the error that we're

1 looking at here.

2 Again, your only power is to show where the
3 administrative law judge misinterpreted our policies and
4 rules. So yes, she's describing a misinterpretation by
5 the ALJ.

6 MR. PREWITT: So my contention is that it's
7 sort of like a cascade effect. When you find an error,
8 you're opening up the door to say, well, they made a
9 mistake here, then there, there, there, there. And I
10 really don't want to do that in this instance because this
11 is really -- I perceive it as more of a cut-and-dry.

12 And now you're proposing a penalty reduction of
13 34.5 percent, which is significant. But given that the
14 defendant has already said that they're willing to pay the
15 full amount -- and they, I thought, did a very gracious
16 and wise interpretation when they came forward, so thank
17 you -- so I just say we stay with what we have.

18 So, Mr. Chairman, I would not accept the
19 friendly amendment.

20 MR. BACARISSE: Okay. Thank you.

21 In that case, we have a motion and a second on
22 the floor, and are there any other questions about the
23 motion and second?

24 (No response.)

25 MR. BACARISSE: Hearing none, I would call for

1 the vote, please. Members, when I call your name, please
2 state your vote.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Gillman?

6 MS. GILLMAN: Nay.

7 MR. BACARISSE: Member Graham?

8 MR. GRAHAM: Aye.

9 MR. BACARISSE: Member McRae?

10 MS. McRAE: Aye.

11 MR. BACARISSE: Member Omumu?

12 MS. OMUMU: Aye.

13 MR. BACARISSE: Member Prewitt?

14 MR. PREWITT: Aye.

15 MR. BACARISSE: Member Schlosser?

16 MR. SCHLOSSER: Aye.

17 MR. BACARISSE: And I, Bacarisse, vote aye as
18 well. Thank you. There are seven ayes and one nay.

19 Yes, Member Graham?

20 MR. GRAHAM: Just moving on but in reference
21 to. So we continue to hear of these issues that dealers
22 are experiencing, particularly in Harris County. And
23 we've been talking about it for two or three years that
24 they continue to struggle to get their vehicle title and
25 registration work done.

1 It's costing dealers, all dealers. It doesn't
2 matter if you're \$200 cars or \$200,000 cars or \$2 million
3 motor coaches, it's costing them a lot of money.

4 So my question, I guess I would direct this to
5 Director Avitia. Does this Board, does this agency have
6 any ability to try to hold that county accountable in some
7 way to be responsive? I mean, do we expand our regional
8 service centers there to make sure that those folks get
9 service?

10 What can we do? Or maybe I should have started
11 with, has it gotten better?

12 MR. AVITIA: Member Graham, for the record,
13 Daniel Avitia, executive director.

14 We are aware of the issues or the previous
15 issues with Harris County. At this point, I am not aware
16 of the backlog that they have right now, but we were aware
17 of the previous backlog that they had, and certainly
18 Member McRae can weigh in on this.

19 But from an Enforcement perspective, please
20 understand that we try to settle every single matter
21 before it comes to the Board. In this instance,
22 settlement was not reached. The primary goal of the
23 agency from the Enforcement perspective is education
24 before sanction. And so considering what Damien, the
25 attorney, laid out for us, there was education provided,

1 these issues continued, and that's why we see this case in
2 front of us.

3 Going forward, my hope is that we will continue
4 to successfully negotiate these cases so that the Board
5 doesn't have to -- not doesn't have to, but so that the
6 Board can work on more important things and we can settle
7 these matters with most of these dealers, as we do today.
8 The Enforcement does a great job settling most of these
9 matters.

10 MR. GRAHAM: Okay.

11 MR. BACARISSE: And I do note that as a former
12 county elected official, the challenge is that you have a
13 constitutionally created officer there who is, in my view,
14 not executing their duties properly and hasn't been for
15 some time, so that's a real challenge. There aren't a lot
16 of good answers for that, unfortunately. The best answer
17 is there's an election coming soon and the incumbent is
18 not seeking reelection, so we have a chance to fix that
19 office.

20 I think Vice Chair McRae can speak further into
21 some of these issues, please.

22 MS. McRAE: Yes. First of all -- and I'm
23 directing my comments directly to you because I do
24 empathize with you, I do.

25 MR. BACARISSE: We do.

1 MS. McRAE: And I do want to point out that
2 there are some remedies. Our legislature has done a great
3 job. Of course, it was post-COVID, but the waiver ended
4 in April of 2021 and at that time you could have -- as far
5 as the buyer's tags, there was the 30-day permits that
6 could be purchased at any tax assessor-collector's office
7 and the regional service centers for the Texas Department
8 of Motor Vehicles.

9 One of the things that our legislature fixed is
10 that now instead of having to transfer vehicles in the
11 county of residence, you can go to any willing county. I
12 am a willing county. I am your neighbor. I would be
13 happy to help you in any way that I can should you
14 encounter this issue in the future.

15 You also have a neighbor on the south side
16 which is Fort Bend County, which is also -- and I think
17 Galveston County, which is also a willing county. So
18 there are those remedies out there and I would be happy,
19 if you reached out to me, to help you with these issues if
20 it still continues.

21 I do want to say that that is not the standard
22 for a county tax assessor-collector in the State of Texas
23 and I sincerely apologize on behalf of all county tax
24 assessors that that was how your encounter with that
25 county tax assessor occurred.

1 I do want to clarify one thing to Member
2 Gillman when we were talking about the recent legislative
3 changes about inspections going away. We have 17 counties
4 that remain emissions counties that fall under that that
5 emissions testing will not go away, which, of course,
6 Harris is one of those.

7 Thank you.

8 MR. BACARISSE: Member Gillman.

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

10 I have so much to say but I'm going to try and
11 keep it short, and that is that I appreciate the comments
12 from Member McRae and Chairman Bacarisse. But the county
13 and the work and the processing of the paperwork is one
14 element of it. And every single one of Mr. Marquez's
15 additional tags was printed for some reason, I don't know
16 why.

17 But in my own dealership experience, I can tell
18 you that our own finance managers often, in trying really,
19 really, really hard to do the right thing, don't do it
20 right and that's because there's so much confusion
21 regarding when to print another tag and when not to. I'm
22 going to give one very short example.

23 Cars sold on Saturday, the customer contracts
24 with Ford Motor Credit. The temp tag is printed,
25 delivered Saturday. You get the deal approved during the

1 week, Monday-Tuesday, they want a co-buyer.

2 The customer says I don't want a co-buyer, so
3 we have to go and get another lending source. Now we're
4 going to finance him with Bank of America. It's the same
5 customer, the same car, but we have a new lender, Bank of
6 America.

7 The car was delivered last Saturday. Should we
8 print a new temporary tag? Answer: yes, because there's
9 a new contract and with a new contract, in order to
10 process the paperwork, the temp tag has to match that
11 contract date.

12 But I have to tell you that finance managers,
13 some experienced, some brand new, it's the same customer,
14 same car, it was only delivered one time at the very
15 beginning, and they were told never print another tag,
16 don't do it. But it was actually my title department that
17 printed a second tag so that she could process the
18 paperwork. So now we've cut off the title department from
19 being able to print a second tag.

20 Anyway, it's the confusion. I hope I'm just
21 highlighting one example because it's not always the
22 county. I wish we could blame it on y'all all the time
23 but we can't.

24 And so I'm turning the mirror on ourselves and
25 saying there just desperately confusion -- I mean for the

1 confusion needs more education. And so I'm sympathetic to
2 the Marquez Auto store because there's so many factors
3 that take place.

4 So then I pulled -- I said, well, if I want to
5 go to the county and print a second tag because I want to
6 do it right -- and of course, customers call Friday
7 afternoon to get a second tag -- I said what do I have to
8 do to get a second tag? I have to get them to sign the
9 temporary tag form. I have to have them provide me with a
10 copy of their insurance with the new VIN number on it --
11 which that doesn't happen on a Friday afternoon,
12 certainly.

13 And I have to cut a check. I'm going to cut a
14 check for \$15 to pay for that extension and it's Friday
15 afternoon. So those three things have to happen: sign
16 the form, provide insurance and pay the money and go to
17 the tax office before five o'clock.

18 And just very honestly, sometimes for customer
19 satisfaction -- just like Mr. Marquez said -- you print
20 another tag. And he wasn't trying to commit any criminal
21 act. It's kind of like I drove here on the highway today
22 to get to the meeting, tried to stay on the speed limit
23 but sometimes you go a few miles over. And I just feel
24 like \$11,000 or even \$8,000 for the confusion and trying
25 to have good customer satisfaction and do the right thing

1 is just a lot.

2 I'm happy that the temp tags are going away.
3 I'm happy that we can maybe have a blank slate and start
4 afresh with new rules. It's going to be another
5 education.

6 But for those reasons, I thank you for
7 listening to me, and thank you.

8 MR. BACARISSE: Thank you, Member Gillman.

9 Members, if we're ready, we can move to item 6
10 under Rule Proposals, Rule Review. This is agenda item 6,
11 and we're going to turn it over to Laura.

12 So, Ms. Moriaty, do you want to walk us through
13 that?

14 MS. MORIATY: Good morning, Board. Laura
15 Moriaty, general counsel.

16 I'm here now to discuss the rule review of
17 Chapter 219. Again, for every state agency that adopts
18 rules, we have to take a look back at them every four
19 years to see if the reasons for initially adopting the
20 rule continue to exist. As we discussed last time, the
21 DMV is currently on a big push to try to get all of our
22 rules reviewed because they're all currently out of date.

23

24 This one, Chapter 219 was actually last
25 reviewed in 2019 so it's not even that far out of date.

1 We're only slightly overdue.

2 The reasons for initially adopting a rule will
3 not continue to exist if it no longer has statutory
4 authority or if it no longer matches the practices of the
5 department or the practices of the industry. So those are
6 reasons why we would need to make an amendment or repeal a
7 rule as part of a rule review. If there's nothing wrong
8 with the rule, if it still has statutory authority, if it
9 still matches our practices and the industry's practices,
10 then we just readopt it and close the rule review and go
11 on our merry way for another four years.

12 So today we will be asking you to vote to open
13 a rule review. That means that you would be directing
14 staff to publish a notice in the *Texas Register* saying
15 that you are taking a look at those Chapter 219 rules and
16 that you want to get public comment on whether there is
17 any good reasons for these initially getting adopted and
18 continuing to exist.

19 There's one thing I need to point out which is
20 that we are not requesting the review of Section 219.16.
21 That's a rule that was first created in its original
22 incarnation way back in 1917, so we're trying to ascertain
23 the original reason for adopting that rule and so then we
24 can figure out whether it continues to exist. But since
25 it's so long ago, we're just not going to wait on that.

1 We're going to move forward with everything else and come
2 back to that one later.

3 So if you vote to propose today, we will come
4 back to you in June with an adoption item and any comments
5 that we got as part of public comment. And we will also
6 be bringing, at the same time, the amendments that are the
7 next item on the agenda, item 7, amendments to 219 to
8 bring it into alignment with the statute, into alignment
9 with the current practices so that we can finish out the
10 rule review on it.

11 With that, I'm open to questions.

12 MR. BACARISSE: Members, any questions for Ms.
13 Moriarty on this agenda item?

14 (No response.)

15 MR. BACARISSE: Okay. Seeing none, I would
16 entertain a motion on agenda item 6.

17 MS. McRAE: Chairman, I'd like to make a
18 motion.

19 MR. BACARISSE: Vice Chair McRae.

20 MS. McRAE: I move that the Board approve the
21 proposed notice of intention to review 43 Texas
22 Administrative Code Chapter 219, with the exception of
23 Section 219.16, as recommended by staff, for publication
24 in the *Texas Register*. I also move that the Board grant
25 the department the authority to make changes to the

1 proposed notice based on non-substantive corrections made
2 by the *Texas Register*.

3 MR. BACARISSE: Is there a second on that
4 motion?

5 MS. GILLMAN: Can I ask a question?

6 MR. BACARISSE: I need a motion and a second
7 before we can have questions.

8 MS. OMUMU: I second, Mr. Chairman.

9 MR. BACARISSE: Thank you, Member Omumu.
10 Now, Member Gillman.

11 MS. GILLMAN: What is 219.16?

12 MS. MORIATY: If I may, Chairman?

13 MR. BACARISSE: Yes, Laura Moriaty.

14 MS. MORIATY: 219.16 is a rule that allows
15 exemptions from oversize/overweight permits -- I should
16 have stated at the outset that's what Chapter 219 does,
17 it's oversize-overweight permits. It allows an exemption
18 for government entities and the military. It has been
19 around since 1917, and again, we're just trying to
20 ascertain a reason it was initially adopted to make sure
21 it still exists.

22 MS. GILLMAN: Thank you.

23 MR. BACARISSE: Any other questions, members,
24 on this item, any further discussion?

25 (No response.)

1 MR. BACARISSE: Laura, any public comments on
2 this item?

3 MS. MORIATY: No, sir.

4 MR. BACARISSE: Nobody from 1917 is here to
5 talk about it? That's good.

6 (General laughter.)

7 MR. BACARISSE: In that case, I would call for
8 the vote.

9 Member Alvarado?

10 MR. ALVARADO: Aye.

11 MR. BACARISSE: Member Gillman?

12 MS. GILLMAN: Aye.

13 MR. BACARISSE: Member Graham?

14 MR. GRAHAM: Aye.

15 MR. BACARISSE: Member McRae?

16 MS. McRAE: Aye.

17 MR. BACARISSE: Member Omumu?

18 MS. OMUMU: Aye.

19 MR. BACARISSE: Member Prewitt?

20 MR. PREWITT: Aye.

21 MR. BACARISSE: Member Schlosser?

22 MR. SCHLOSSER: Aye.

23 MR. BACARISSE: And I, Chair Bacarisse, vote
24 aye as well. Okay, unanimous. Thank you.

25 MS. MORIATY: Thank you.

1 MR. BACARISSE: We'll now move to agenda item 7
2 which is Oversize/Overweight Vehicles and Loads, so Mr.
3 Archer is here to provide us information there.

4 So, Jimmy, the floor is yours.

5 MR. ARCHER: Good morning, Chairman Bacarisse,
6 Executive Director Avitia, members of the Board. For the
7 record, my name is Jimmy Archer, and I'm the director of
8 the Motor Carrier Division.

9 This is item number 7 in your board book and
10 the materials are found beginning on page 49. For your
11 consideration, I'm presenting these proposed rule
12 amendments to 43 Texas Administrative Code, Chapter 219,
13 relating to oversize and overweight vehicles and loads,
14 for approval for publication in the *Texas Register*.

15 As part of our rule review, as mentioned by
16 General Counsel Moriaty, the department proposes
17 amendments to document the department's processes and
18 requirements in rule, to update the language or remove
19 unnecessary or obsolete requirements, delete language that
20 is contained in statute and delete repetitive language, to
21 clarify the language and to update the language to be
22 consistent with statutory changes and guidance from the
23 Federal Highway Administration, or FHWA, and to begin to
24 organize the general provisions in Subchapter A of Chapter
25 219.

1 The department also proposes to delete language
2 for which the department does not have rulemaking
3 authority. In addition, the department proposes
4 amendments which would renumber, re-letter or remove
5 subdivisions within the rules due to the deletion of one
6 or more subdivisions within the rules.

7 I ask that the Board approve these proposed
8 rule amendments for publication and comment, and I'm happy
9 to answer any questions you might have.

10 MR. BACARISSE: Members, any questions for Mr.
11 Archer on this item?

12 (No response.)

13 MR. BACARISSE: Hearing none, I would entertain
14 a motion on agenda item 7.

15 MR. PREWITT: Mr. Chairman.

16 MR. BACARISSE: Member Prewitt.

17 MR. PREWITT: I would move that the Board
18 approve the proposed amendments, new rule sections and
19 repeals for 43 Texas Administrative, Code Chapter 219
20 concerning cleanup, as recommended by staff, for
21 publication in the *Texas Register*. I also move that the
22 Board grant the department the authority to make changes
23 to the proposed sections based on non-substantive
24 corrections made by the *Texas Register*.

25 MR. BACARISSE: Thank you.

1 Is there a second for that motion?

2 MR. ALVARADO: Second.

3 MR. BACARISSE: Member Alvarado.

4 So we have a motion and a second, with a motion
5 by Member Prewitt and a second by Member Alvarado. Is
6 there any further discussion on this item or any public
7 comments?

8 MS. MORIATY: No public comments, sir.

9 MR. BACARISSE: All right, great. We would
10 then entertain a vote, please, on this item. I'll call
11 the roll.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Gillman?

15 MS. GILLMAN: Aye.

16 MR. BACARISSE: Member Graham?

17 MR. GRAHAM: Aye.

18 MR. BACARISSE: Member McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: Member Schlosser?

25 MR. SCHLOSSER: Aye.

1 MR. BACARISSE: And I, Chair Bacarisse, vote
2 aye as well, it's unanimous. Thank you.

3 And thank you, Jimmy, appreciate that very
4 much.

5 MR. ARCHER: Thank you.

6 MR. BACARISSE: Now moving to agenda item
7 number 8, which we're in briefing and action items, this
8 is appointment of members to the Household Goods Rules
9 Advisory Committee, and David Richards is here to walk us
10 through that.

11 Mr. Richards.

12 MR. RICHARDS: Thank you, Mr. Chairman,
13 members, Executive Director Avitia. For the record, my
14 name is David Richards, associate general counsel in the
15 Office of General Counsel.

16 I have the pleasure of presenting agenda item
17 number 8 today, it's an action item. You can find the
18 materials in your board book on page 188. The request
19 under this particular agenda item is that the Board
20 appoint the individuals that are contained on a list in
21 your board materials to serve as members of the Household
22 Goods Rules Advisory Committee.

23 You'll recall that Transportation Code 641.155
24 required this Board to create an advisory committee. To
25 that end, this Board in October of 2023, an advisory

1 committee through rule proceeding was created. Now,
2 Executive Director Avitia's analysis is governed by
3 statute and rule and Government Code 2110.002(b), and his
4 analysis hopes to achieve a balanced representation of
5 both motor carriers, the public, motor carriers of
6 household goods that have big equipment, small equipment
7 and medium equipment.

8 And secondly, under your rules 43 TAC
9 206.93(d), his second analysis involves a geographical
10 analysis so we have individuals that will be serving, not
11 only on this committee but other advisory committees, from
12 a balanced representation across the State of Texas. He
13 did that.

14 This particular group that you're being
15 presented with today were vetted by, I believe, Mr. Archer
16 and maybe Corrie Thompson in Enforcement. We have two new
17 motor carrier representatives of household goods movers,
18 one Federal Motor Carrier Safety Administration
19 individual, and then one law enforcement individual for
20 you to consider in the appointment. That would bring the
21 total number of members on this advisory committee to
22 twelve, and we think we have a good balanced
23 representation of everything in accordance with statute
24 and rule.

25 Their first meeting happens to be on February

1 27. That will be an introductory meeting where they'll
2 select officers, a presiding officer, a first vice chair,
3 and a second vice chair.

4 And that concludes my remarks. Any questions?

5 MR. BACARISSE: Thank you, Mr. Richards.

6 Any questions for Mr. Richards, members?

7 (No response.)

8 MR. BACARISSE: Hearing none, I would entertain
9 a motion on agenda item 8.

10 MR. SCHLOSSER: Member Schlosser.

11 MR. BACARISSE: Yes, sir, Member Schlosser.

12 MR. SCHLOSSER: I move that the Board appoint
13 all individuals from the list of potential members to
14 serve on the Households Goods Rules Advisory Committee.
15 The department's executive director provided a list of
16 potential in the board book materials dated February 8,
17 2024.

18 MR. BACARISSE: Thank you.

19 And is there a second on that motion?

20 MS. OMUMU: I second.

21 MR. BACARISSE: Member Omumu, thank you.

22 Any further discussion on that motion?

23 (No response.)

24 MR. BACARISSE: Laura, any public comments?

25 MS. MORIATY: No, sir, no public comments.

1 MR. BACARISSE: Okay. So I will call the roll
2 for the vote, please.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Gillman?

6 MS. GILLMAN: Aye.

7 MR. BACARISSE: Member Graham?

8 MR. GRAHAM: Aye.

9 MR. BACARISSE: Member McRae?

10 MS. McRAE: Aye.

11 MR. BACARISSE: Member Omumu?

12 MS. OMUMU: Aye.

13 MR. BACARISSE: Member Prewitt?

14 MR. PREWITT: Aye.

15 MR. BACARISSE: Member Schlosser?

16 MR. SCHLOSSER: Aye.

17 MR. BACARISSE: And I, Member Bacarisse, vote
18 aye as well, it's unanimous. Thank you.

19 We can now move to agenda item 9 which is a
20 briefing from Finance and Audit, and Brad Payne is going
21 to brief us.

22 And so let me turn it over to you, Mr. Payne.
23 Go ahead.

24 MR. PAYNE: Thank you, Chairman. Good morning,
25 Chairman, Board members, Executive Director Avitia. For

1 the record, Brad Payne, director of purchasing.

2 I will be talking about agenda item number 9.A
3 which can be found on page 191 of your board book, which
4 is related to notification of pending vehicle title forms
5 procurement with an estimated value exceeding \$5 million.

6 Government Code 2261.255 requires that the
7 procurement director of the department submit information
8 to the Board on the solicitation process for any contract
9 that has a value estimated to exceed \$5 million. Based on
10 historical costs for vehicle title forms indicate the
11 estimated value of this contract could exceed \$700,000 per
12 year, with a total contract term of eight years. So I'm
13 before the Board today to verify that I've reviewed the
14 pending solicitation documents and verify that the
15 solicitation and purchasing methods and contractor
16 selection process comply with state law and agency policy.

17 At this time we do not anticipate any potential
18 issues arising during the procurement process or any
19 contract that may result from this. And with that, I'm
20 available for any questions.

21 MR. BACARISSE: Members, any questions for Mr.
22 Payne on this item?

23 (No response.)

24 MR. BACARISSE: No? I think you're good to go.

25 Thank you.

1 MR. PAYNE: Thank you.

2 MR. BACARISSE: Appreciate your time.

3 We'll move to agenda item 9.B which is Internal
4 Audit Division status update, and we'll hear from Salem
5 Chuah and maybe Jason Gonzalez as well.

6 MR. CHUAH: Good morning, Chairman Bacarisse,
7 Board members, Executive Director Avitia. For the record,
8 my name is Salem Chuah. I am the director for the
9 Internal Audit Division for the department.

10 Item 9.B is a briefing item to provide you with
11 a status update on the Internal Audit Division's current
12 engagements, including the completed audit on the regional
13 service centers.

14 The Internal Audit Division started two new
15 audits and both were included in our fiscal year 2024
16 Internal Audit Plan and are in the planning phase.

17 The first is the investigation processes audit.

18 The preliminary objective is to evaluate the intake
19 process for complaints, the method for how complaints are
20 prioritized, and the actions taken on the investigation
21 results. Our scope is fiscal year 2023 through January
22 2024.

23 The second is the inventory and asset
24 management audit. The preliminary objective is to
25 evaluate the department's processes on accounting for,

1 safeguarding and reporting inventory and assets throughout
2 the state. We understand that the department has many
3 types of inventory. Examples include license plates,
4 handicap placards, and computer equipment.

5 And these inventory items are held with various
6 parties, from our tax assessor-collector partners, to one
7 of our 16 regional service centers, to our employees who
8 are either teleworking or here in the office. So having
9 said this, we will need to narrow our scope on this audit
10 so that we can spend our resources auditing the highest
11 risk area.

12 As I mentioned, both of these audits are in the
13 planning phase. We've conducted numerous interviews with
14 division directors, managers and subject matter experts to
15 understand current processes. We've also began
16 flowcharting steps and also reviewing internal policies
17 and procedures and applicable rules and statute. We will
18 solidify the objective and the scope prior to beginning
19 our field work testing phase. We anticipate completing
20 the two engagements by the end of summer.

21 I'll come back to the results on the audit of
22 our regional service centers in a minute here. But moving
23 on to the external engagements side, the State Auditor's
24 Office requested an update on outstanding recommendations
25 from its audit of grant processes at the Motor Vehicle

1 Crime Prevention Authority, MVCPA, and on the department's
2 temporary tags. This audit was released in March of last
3 year and included six recommendations.

4 The Internal Audit Division worked to obtain
5 progress updates from the divisions and reported the
6 results back to the State Auditor's Office. So far, the
7 MVCPA and the department have implemented two of the six
8 recommendations and we're making progress on the
9 outstanding four which will be planned to be completed
10 from June of this year to August of 2025, and that's for
11 the procurement and implementation of the new grant
12 management software.

13 Are there any questions from Board members
14 before I turn it over to Jason to talk about the results
15 from our audit of the regional service centers?

16 MR. BACARISSE: Members, any questions for Mr.
17 Chuah?

18 MS. GILLMAN: Salem.

19 MR. BACARISSE: Member Gillman.

20 MS. GILLMAN: I probably just misheard you.
21 These were recommendations with regard to assets and their
22 inventory?

23 MR. CHUAH: Member Gillman, this is the State
24 Auditor's Office on the Motor Vehicle Crime Prevention
25 Authority and on the department's temporary tags. So they

1 requested a progress update on the six recommendations
2 that they made in their audit which was released in March
3 of last year.

4 MS. GILLMAN: And what are the four remaining?
5 Is it in here and I just didn't read it?

6 MR. CHUAH: The four remaining, there's one
7 related to the department on the granting users the access
8 required for their job responsibilities as it pertains to
9 webDEALER, and then the remaining three are related to
10 grant processes on the Motor Vehicle Crime Prevention
11 Authority.

12 MS. GILLMAN: Okay. Thank you.

13 MR. CHUAH: You're welcome.

14 MR. BACARISSE: Any other questions, members,
15 for Mr. Chuah?

16 (No response.)

17 MR. BACARISSE: Okay. Salem, thank you.

18 MR. CHUAH: Thank you.

19 MR. BACARISSE: Absolutely.

20 MR. CHUAH: So I'll turn it over to Jason to
21 talk about the results.

22 MR. BACARISSE: Great. Good morning, Mr.
23 Gonzalez.

24 MR. GONZALEZ: Good morning, Chairman
25 Bacarisse, Board members, Executive Director Avitia. For

1 the record, my name is Jason Gonzalez, principal internal
2 auditor for the Internal Audit Division.

3 As mentioned by Salem, the Internal Audit
4 Division recently completed an audit on the department's
5 regional service centers, or RSCs. You'll find the report
6 starting on page 194 of your board materials. The
7 objectives of the audit were to determine whether RSCs
8 processed transactions uniformly, to determine whether
9 RSCs adequately serve its customers, and to assess the
10 culture at the RSCs.

11 As you can see in figure 2 on page 198, the
12 department's 168 RSC employees provide customer services
13 at regional service centers throughout the state. In
14 fiscal year 2023, the RSCs served over one million
15 customers, either by phone or through in-person
16 transactions at one of the 16 RSCs. Also, the Vehicle
17 Titles and Registration Division is the department's
18 largest and most public-facing division.

19 The RSCs completed over 800,000 transactions.
20 The most common transactions were certified copy original
21 titles, followed by bonded titles. In addition to
22 completing transactions, customer service representatives
23 respond to customer emails, correspond through mail and
24 perform title and registration research.

25 Our review focused on the four regional service

1 centers we visited. Our team traveled to the Houston,
2 Dallas, Abilene and El Paso RSCs. During our review we
3 observed bonded title processes and conducted customer
4 surveys.

5 We identified several strengths throughout the
6 RSCs. First, the Houston RSC identified a need for
7 increased customer parking and is in the process of
8 obtaining additional employee parking to ease customer
9 parking limitations. Both the Houston and Dallas RSCs
10 have information desks where they assist customers prior
11 to meeting with a customer service representative,
12 increasing efficiency.

13 The Abilene RSC employees made it a point to
14 encourage customers to provide customer feedback. The El
15 Paso RSC employees took extra time to explain the bonded
16 title process. And finally, all RSCs provided extra
17 assistance to customers with language barriers.

18 Now, going into the audit results, we reviewed
19 completed bonded title applications, bonded title
20 verifications, and the bonded title process. We found the
21 processes are established and followed, but there are
22 opportunities to increase uniformity and consistency.

23 On result one, in the paper bonded title
24 applications reviewed, there are opportunities to ensure
25 that all vehicle information is completed and all

1 application questions are answered.

2 Next, the department verifies bonded title
3 applications against multiple systems, such as the Motor
4 Vehicle Database and the Driver License Image Retrieval
5 System. A list of verifications systems is documented on
6 page 200. Auditors performed observations of bonded title
7 application transactions at the four regional service
8 centers. We observed that not all bonded title
9 applications were verified against applicable systems.

10 We also evaluated the bonded title process.
11 The bonded title process is a three-party process.
12 Applicants must first go to an RSC to have their
13 application verified.

14 Upon approval, the applicant then goes to a
15 surety bond company to obtain a bond. Finally, the
16 applicant takes their approved application and surety bond
17 to a tax assessor-collector's officer, or TAC, and obtains
18 their bonded title. The bonded title process is outlined
19 in figure 4 on page 201.

20 The current process could be improved to ensure
21 that applications have been vetted by the RSCs. We made
22 four recommendations to enhance the bonded title process.

23 The first is on training. While training is being
24 conducted, we recommended that the department conduct
25 refresher and targeted trainings to ensure uniformity in

1 practices across all RSCs.

2 We also recommended that the department enhance
3 its Registration and Title System, or RTS, to include
4 automatic validation mechanisms for different verification
5 systems. Also, we recommend that the RTS include a
6 verification function for TACs to ensure that applications
7 have gone through the RSC verification process. Finally,
8 we recommended the consideration of creating an electronic
9 bonded title application with the intent to increase
10 customer accessibility.

11 On to result two. Auditors reviewed employee
12 RTS permission levels, RTS access for employees, and
13 employee completion of required training. Overall,
14 regional service center employees' RTS permission levels
15 were granted correctly based on job classification or
16 management approval.

17 We did recommend that employees' RTS access
18 permission levels be periodically reviewed. We also
19 recommended that employees complete required trainings
20 prior to accessing RTS.

21 Result three relates to RSC customer feedback.
22 Customers are either served through telephone calls or in
23 person at one of the department's 16 regional service
24 centers. In fiscal year 2023, RSCs served over 350,000
25 customers by phone and over 750,000 customers in person.

1 Overall, we found that customers are able to
2 provide customer service feedback either through a phone
3 survey or through electronic devices. While post-call
4 phone surveys allow customer feedback for services
5 received, the phone calls are not recorded. Other
6 divisions within the department, such as Motor Carrier
7 Division and Consumer Relations Division, record customer
8 service phone calls to improve quality assurance and
9 identify areas of improvement. Recording phone calls
10 could ensure accurate information is provided and could
11 help identify training opportunities.

12 Concerning in-person customer surveys, the
13 department has made improvements through implementation of
14 QR codes at each work station to drive higher survey
15 participation. However, the code allows customers to
16 complete the survey multiple times and cannot be traced to
17 customer feedback for a customer service representative.

18 Internal Audit made two recommendation related
19 to customer surveys. We recommended recording RSC
20 customer phone calls and ensuring the QR codes can be only
21 taken once.

22 While onsite at the RSCs, Internal Audit
23 conducted our own customer and employee surveys that
24 resulted in two observations. First, customers reported
25 being highly satisfied with the services that RSCs

1 provided. Customers provided feedback concerning
2 timeliness of service, experience with customer service
3 representatives, and satisfaction with facilities.

4 As you can see in figures 10 through 13 on page
5 208, customer ratings ranged from just below satisfied,
6 which are likely caused by wait times as the Houston and
7 Dallas RSCs had the highest wait times and lowest
8 satisfaction scores. Abilene had the lowest wait times
9 and the highest survey scores.

10 Auditors also reviewed average mileage traveled
11 by Houston, Dallas, Abilene and El Paso customers and
12 found that on average customers traveled 35 miles to RSCs.

13 Abilene customers traveled the furthest, averaging 77
14 miles, while Dallas and Houston customers averaged around
15 25 miles.

16 Observation two deals with the RSC cultural
17 assessment. Internal auditors surveyed RSC employees
18 using the Organizational Cultural Assessment Instrument,
19 or OCAI, which is a tool designed to help organizations
20 identify and understand their culture. According to the
21 OCAI, there is no right or wrong culture, the purpose is
22 to determine what the current culture is and what the
23 preferred culture could be. By aligning these two
24 cultures, the department has an opportunity to enhance
25 organizational performance.

1 The tool identifies groups or responses into
2 four culture types: Clan, which is defined as a
3 collaborative workplace; Adhocracy, which is defined as
4 creative, dynamic and nimble, allowing for quick
5 adaptation; Hierarchy is a controlled, formalized and
6 structured workplace; and Market is a competitive and
7 results-oriented workplace.

8 Overall results indicated that employees' needs
9 are being met in the current culture and RSCs are close to
10 creating environments that cultivate trust, provide
11 support and acknowledge hard work, all while providing
12 great customer services. Survey responses indicated that
13 employees would like increased collaboration and promotion
14 of innovation and less Market and Hierarchy cultures.

15 We understand the department has recently
16 conducted a survey of employee engagements and will be
17 using those results to engage employees on hearing
18 opportunities for continuous improvement.

19 The audit recommendations and management
20 responses are in Appendix 2 on page 215. We wanted to
21 note that management has agreed with all recommendations.

22 We'd also like to thank the VTR Division senior
23 management and all RSC employees for their collaboration
24 and creating a welcoming environment. It was a pleasure
25 working with their entire team.

1 This concludes my presentation. Thank you, and
2 I'm happy to answer any questions.

3 MR. BACARISSE: Great report, Jason. Thank
4 you.

5 MR. GONZALEZ: Thank you.

6 MR. BACARISSE: Members, any questions for Mr.
7 Gonzalez on this report?

8 (No response.)

9 MR. BACARISSE: I will note, with a spirit of
10 thankfulness, the actual were pretty close to the numbers
11 of ideal in the culture.

12 MR. GONZALEZ: They were, they were very close.
13 Kudos to that team. They're doing a great job.

14 MR. BACARISSE: Yeah. It's great leadership.
15 Culture is everything.

16 MR. GONZALEZ: It is.

17 MR. BACARISSE: Thank you. Thank you, both.

18 MR. GONZALEZ: Thank you.

19 MR. BACARISSE: It's great. Now at this point
20 we are at item number 10, and I want to make sure -- are
21 there any people here to comment on any other item or any
22 other subject, Laura?

23 MS. MORIATY: No, sir, there are no public
24 comments.

25 MR. BACARISSE: No other public comments.

1 Okay, great.

2 In that case, we will move into executive
3 session, and we're going to take up agenda item 10. We're
4 going to go into closed session.

5 It is now 11:10 a.m., on February 8, 2024.
6 We'll go into closed session under Texas Government Code
7 Sections 551.071, 551.076, and 551.089. For those of you
8 in the audience, I anticipate being in closed session for
9 approximately an hour, and we'll reconvene in open session
10 after that.

11 And with that, we are now recessed from the
12 public meeting and we're going to closed session.

13 (Whereupon, at 11:10 a.m., the meeting was
14 recessed, to reconvene this same day, Thursday, February
15 8, 2024, following conclusion of the executive session.)

16 MR. BACARISSE: It is now 12:27 p.m., and the
17 Board of the Texas DMV is now back in open session.

18 No action items will be taken up from the
19 closed session. And we will now move to agenda item
20 number 13, adjournment.

21 I would welcome a motion for adjournment.

22 MS. McRAE: I so move.

23 MR. BACARISSE: Vice Chair McRae.

24 MS. OMUMU: I second.

25 MR. BACARISSE: And Member Omumu.

1 I'm just going to call this all in favor.

2 (A chorus of ayes.)

3 MR. BACARISSE: Opposed nay.

4 (No response.)

5 MR. BACARISSE: Thank you. It is now 12:28,
6 and we are adjourned.

7 (Whereupon, at 12:28 p.m., the meeting was
8 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Board
LOCATION: Austin, Texas
DATE: February 8, 2024

I do hereby certify that the foregoing pages, numbers 1 through 75, 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 16, 2024

/s/ Nancy H. King
(Transcriber)

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