TEXAS DEPARTMENT OF MOTOR VEHICLES

CUSTOMER SERVICE AND PROTECTION ADVISORY COMMITTEE MEETING

Texas Department of Motor Vehicles
Lone Star Conference Room
4000 Jackson Ave., Building 1
Austin, Texas 78731

and

via teleconference

Tuesday, March 12, 2024 9:00 a.m.

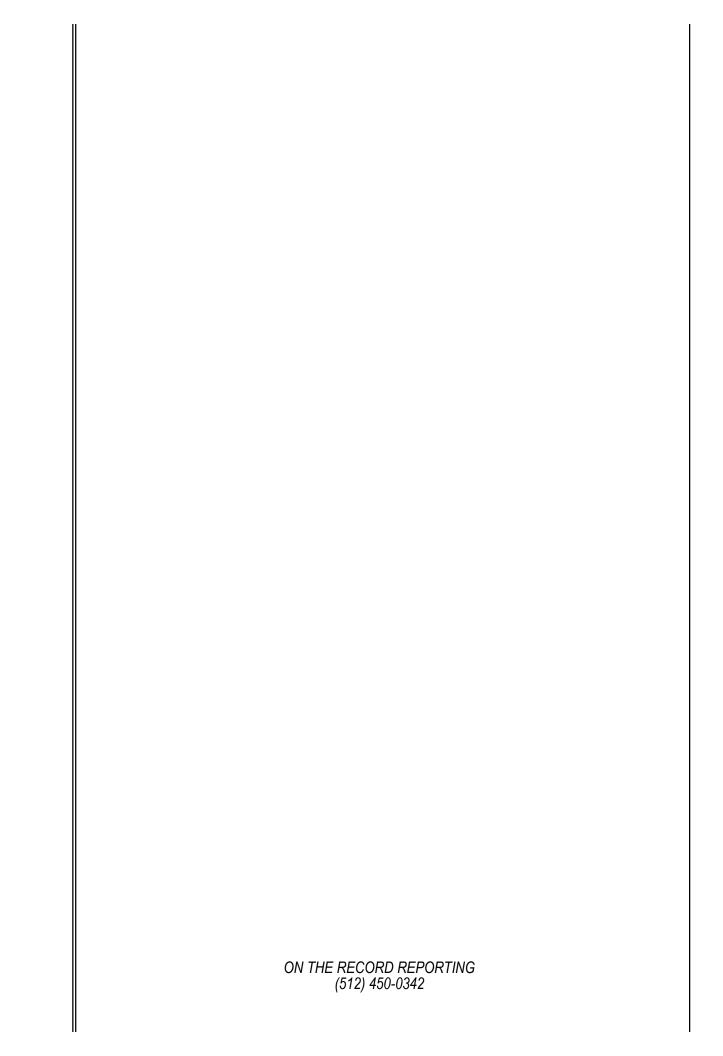
COMMITTEE MEMBERS:

KRISTEN HOYT, Presiding Officer CARROLL SMITH, 1st Vice Chair CHERYL JOHNSON, 2nd Vice Chair JOHN AMES DOROTHY BROOKS TINA CARTER LAIRD DORAN PHIL ELAM CHRISTOPHER GASTON RUBEN GONZALEZ MARK "JIM" HARDICK RUSSELL HAYTER CHARLES HICKS LORI KING TRACI McCULLAH MATTHEW NANCE RAYMOND "RAY" OLAH JACKIE POLK JEANETTE RASH BRUCE STIDHAM SUSAN SUTTON FORD WAGNER CHRISTOPHER WALL

Staff:

DAVID RICHARDS, Associate General Counsel

ON THE RECORD REPORTING (512) 450-0342



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1.	_	TO ORDER Roll Call and Establishment of Quorum	6
2.	DISCUA.	USSION, BRIEFING, AND ACTION ITEMS Consider Rule Amendments to 43 TAC Chapter 217, Vehicle Titles and Registration, Chapter 215, Motor Vehicle Distribution, and Chapter 221, Salvage Vehicle Dealers, Necessary to Implement House Bills 718 and 3297 (88th Texas Legislature, Regular Session), and for a Rule Review of 43 Texas Administrative Code (TAC), Chapte 217, Vehicle Titles and Registration (BRIEFING AND DISCUSSION ONLY) Recommendations of Advisory Committee on Amendments to 43 TAC Chapter 217, Vehicle Titles and Registration, Chapter 215, Moto Vehicle Distribution, and Chapter 221, Salvage Vehicle Dealers Necessary to Implement House Bills 718 and 3297 (88th Texas Legislature, Regular Session), and	r 25 r
		for a Rule Review of 43 Texas Administration Code (TAC), Chapter 217, Vehicle Titles and Registration; for Presentation to the Board (DISCUSSION AND ACTION ITEM)	d
3.	PUBL	IC COMMENT	none
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PROCEEDINGS

(9:17 a.m.)

MS. HOYT: Good morning. My name is Kristen

Hoyt, and I'm pleased to open this meeting of the Customer

Service Protection Advisory Committee. For ease of

reference, I will refer to this advisory committee as

CSPAC, which is the acronym for this committee.

It is 9:17 a.m., and I'm now calling the CSPAC meeting of March 12, 2024, to order. I want to note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of Secretary of State on March 4, 2024.

This meeting is being held by telephone conference in accordance with Texas Government Code

Chapter 551.125. Members of the public may attend this meeting in person at 4000 Jackson Avenue, Building 1, Lone

Star Conference Room, Austin, Texas, 78731. Also, members of the public may attend this meeting by clicking on the Webex link in the posted agenda for this meeting and following the instructions to attend the meeting via

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

How many members do we have in person, just

one?

MS. MORIATY: Laura Moriaty, general counsel.

Yes, ma'am, just Member Stidham.

MS. HOYT: Thank you.

We have one member in person, with the vast majority of advisory committee members participating remotely.

At this time I'm asking all attendees to please mute your phone for the entire duration of this meeting unless I recognize you to speak. I'm asking for our meeting host to make sure all participants' phones are muted, except for the advisory committee members and those who are presenting. Callers will be removed for any disruption, including background noise.

I would like to remind all participants that this is a conference call meeting. Because this meeting is being held by conference call, there are a few things that will assist in making the meeting run smoother and assist the court reporter in getting an accurate record. Please identify yourselves before speaking. Speak clearly and slowly; remember that there may be a slight delay due to the conference call format so please wait a little longer than usual before responding to participants.

Do not speak over others. Please ask the presiding officer to proceed and be sure to get recognized

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

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

If you are not a member of this advisory committee but wish to address the advisory committee or speak on an agenda item during today's meeting, please complete a speaker's sheet at the registration table prior to the agenda item being taken up by the advisory committee, or send an email to GCO_General@TxDMV.gov to register by providing the required information prior to the agenda item being taken up by the advisory committee. Please identify the specific item you are interested in commenting on, your name and address and whether you are representing anyone or speaking for yourself.

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

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

1	to supervise the conduct of this advisory committee
2	meeting. This includes the authority to determine when a
3	speaker is being disruptive. Disruptive speakers will be
4	muted, given a warning about disruptive behavior, then
5	removed from the meeting for any continued disruption.
6	Advisory committee members, if you become
7	disconnected from the call, please rejoin as soon as
8	possible. If you encounter technical difficulties, please
9	reach out to our technical support team at
10	Jeff.Templeton@TxDMV.gov, or Zach.Warden@TxDMV.gov.
11	Agenda item number 1, now I'd like to have a
12	roll call of the advisory committee members. Please
13	respond verbally when I call your name; please indicate if
14	you are present.
15	Member Ames, are you present?
16	(No response.)
17	MS. HOYT: Member Brooks?
18	MS. BROOKS: Member Brooks, present.
19	MS. HOYT: Thank you.
20	Member Carter?
21	(No response.)
22	MS. HOYT: Member Doran?
23	MR. DORAN: Member Doran, present.
24	MS. HOYT: Member Elam?
25	(No response.)

1	MS. HOYT: Member Gaston?
2	MR. GASTON: Member Gaston, present.
3	MS. HOYT: Thank you.
4	Member Gonzalez?
5	MR. GONZALEZ: Member Gonzalez, present.
6	MS. HOYT: Thank you.
7	Member Hardick?
8	(No response.)
9	MS. HOYT: Member Hayter?
10	(No response.)
11	MS. HOYT: Member Hicks?
12	(No response.)
13	MS. HOYT: Member Hoyt, I'm here present.
14	Member Johnson?
15	MS. JOHNSON: Member Johnson, present.
16	MS. HOYT: Thank you.
17	Member King?
18	MS. KING: Member King, present.
19	MS. HOYT: Thank you.
20	Member McCullah?
21	MS. McCULLAH: Member McCullah, present.
22	MS. HOYT: Member Nance?
23	MR. NANCE: Member Nance, present.
24	MS. HOYT: Thank you.
25	Member Olah?

1	MR. OLAH: Member Olah, present.
2	MS. HOYT: Thank you.
3	Member Polk?
4	(No response.)
5	MS. HOYT: Member Rash?
6	(No response.)
7	MS. HOYT: Member Smith?
8	(No response.)
9	MS. HOYT: Member Stidham?
10	MR. STIDHAM: Member Stidham, present.
11	MS. HOYT: Thank you.
12	Member Sutton?
13	(No response.)
14	MS. HOYT: Member Wagner?
15	(No response.)
16	MS. HOYT: Member Wall?
17	MR. WALL: Member Wall, present.
18	MS. HOYT: Okay. So including myself, we do
19	have 13 members, so it does look like we have a quorum.
20	The purpose of this committee is to assist the
21	department in obtaining feedback regarding important
22	legislation, policymaking and rulemaking. The CSPAC
23	advises the department concerning issues related to
24	improving and enhancing customer service and consumer
25	protection by the department.

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

MS. QUINTERO: Good morning, members. I am Annette Quintero, the Vehicle Titles and Registration Division director. It is my pleasure to provide an overview of the implementation plans for HB 718 and HB 3297.

The implementation of HB 718 includes the elimination of the following paper tags and permits: dealer vehicle-specific, the dealer agent, one-trip and 30-day permits, converter tags and buyer's tags, to include internet down tags. To replace these paper tags and permits, the department is creating three new metal license plates: the out-of-state buyer plate, the temporary registration plate, and the dealer temporary license plate.

The department is currently working on developing the plate designs. One of the things that are at the forefront of plate design is to ensure that we are designing those new plates in a way that is easily distinguishable.

HB 718 also requires that all dealers use

webDEALER to submit transactions to the department. We have developed and deployed webDEALER 101 training; it is offered both in person and virtual on a biweekly basis. Dealers can go to our website under Upcoming Events to sign up.

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

The department is also seeking formal integration of the vehicle transfer notification process into our webDEALER platform to be initiated when a motor vehicle is sold or transferred to facilitate the notice of transfer required by the dealer by 501.147.

The department is also currently reviewing three options to support license plate distribution. One model we are reviewing is maintaining the distribution model we have today, shipping to the tax assessor-collectors and the tax assessor-collectors get plates to the dealers. Or a hybrid where we store plates in a distribution warehouse, ship to the tax assessor-collectors and then to the dealers. And then the third is

we ship directly from our distribution warehouse to dealers and tax assessor-collectors.

The department is also currently working through the implementation of HB 3297. This bill eliminates the Texas Department of Public Safety's safety inspection program for non-commercial vehicles and creates a replacement fee for those vehicles previously required to obtain a safety only inspection. The department is required to collect the new \$7.50 replacement fee at the time of registration.

We have bi-monthly, soon to be monthly, triagency meetings with the Texas Commission on Environmental
Quality and the Texas Department of Public Safety where we
are ensuring coordination and collaboration across
agencies. We are also in the beginning stages of framing
our internal programming enhancements that will ensure
that our system continues to validate emissions
inspections in the 17 counties where these are required
and for commercial vehicles.

Our team is diligently working to align our resources, engage with our stakeholders and explore solutions that can ensure a smooth and efficient implementation process.

That concludes my overview of HB 718 and HB 3297.

MS. HOYT: Thank you, Ms. Quintero. 1 2 Members, just as a reminder, if you want to 3 comment or ask questions, please unmute yourself and ask 4 for the floor, then wait to be recognized before speaking. 5 Are there any questions for Ms. Quintero? 6 (No response.) 7 MS. HOYT: Seeing none, thank you, Ms. 8 Quintero, for your presentation. 9 Now we'll turn to Monique Johnston, the director of the Motor Vehicle Division, to brief us on the 10 plate allocation. 11 12 Thank you, Chair. MS. JOHNSTON: 13 My name is Monique Johnston. I am the director 14 of the Motor Vehicle Division, and I'm just going to 15 expand a little bit on the new dealer demo plate that's 16 going to be replacing the agent and vehicle-specific tags. 17 The new dealer temporary plate can be used for the same purposes a dealer currently uses their agent and 18 19 vehicle-specific tags: test drives, transporting vehicles 20 to and from auction, taking vehicles to be repaired and 21 conditions, et cetera. The dealer metal plate cannot be 22 used for personal use, this new plate cannot, so the 23 dealers will need to retain their current dealer plates

Issuance and distribution of the new dealer

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for that purpose.

plates will be maintained and mailed by the Motor Vehicle Division, similar to how the current dealer plates are handled. Our goal is to keep the process consistent to what our dealers are already used to with their current dealer metal plates, such as requesting plates with new applications, reporting their current inventory of plates, and requesting additional plates with renewal applications, and utilizing a plate application process to request additional plates in between renewals, allowing dealers to provide sales documentation or other additional information to support the business need of additional plates outside the allotted amount.

The initial allocations allowed for the new dealer plates are higher than the current dealer plates, based on industry knowledge, how our regulated community operates, and the allowed uses of the plates. The goal with the proposed allocations was to account for business needs while also putting in limits as part of anti-fraud efforts.

This concludes my remarks for the new dealer demo plate, if anybody has any questions.

MS. HOYT: Are there any questions for Ms. Johnston?

(No response.)

MS. HOYT: I know I have one. This is Member

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1 Hoyt. 2 The tax assessor-collectors had a question in 3 regards to the liability on tax assessor-collectors for 4 this allocation. Is that something that will be addressed 5 in a later presentation? 6 MS. JOHNSTON: Are you talking about the 7 allocation for the dealer metal plates or the allocations 8 for the general issue plates? 9 MS. HOYT: Both, I guess. 10 MS. JOHNSTON: So the dealer demo plate allocations, those are allocations that are allotted to 11 franchised and GDN dealers and our other dealers. 12 13 those allocations they can request at the time of 14 application when they submit a new application. And they 15 will be distributed directly by us still, the Motor Vehicle Division. 16 17 These will not go through the tax assessors. It will maintain the same as what is for our current 18 19 dealer metal plate, the process. 20 MS. HOYT: Okay. Thank you.

MS. HOYT: Okay. Thank you.

Any other questions for Ms. Johnston?

(No response.)

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MS. HOYT: Seeing none, I'll hand it over to Corrie Thompson, the director of Enforcement, to tell us about compliance issues, including new data entry

requirements and storage requirements.

MS. THOMPSON: Thank you, Presiding Officer
Hoyt. Corrie Thompson, director of the Enforcement
Division. And yes, there are some enforcement activities
associated with the implementation of House Bill 718 that
directly pertain to our licensees.

So to ensure that our systems reflect the most current record vehicle information, dealers will be securing new general issue plates to the vehicles that they sell from their dealerships and they'll be entering license plate information into the system upon consummation of sales to consumers for vehicles that are going to be registered in Texas. Dealers are also now going to be required, as Annette said a moment ago, to enter a vehicle transfer notice as applicable.

These acts by the dealers and this entry into the system is going to ensure that our system contains the most accurate and up-to-date information for use by law enforcement, and it also serves to protect consumers who have purchased vehicles from our licensed dealers. And for dealers, of course, this means there's also going to be new recordkeeping requirements regarding that vehicle transfer notification filing.

Dealers are also going to be required, as part of this implementation, to ensure the security of the

plate inventory that they maintain by storing that physical plate inventory in a secured locked safe or steel cabinet. And we have some rule language as part of the discussion today that covers that.

And dealers are also going to maintain responsibility for the use and access to that vehicle plate inventory that's going to be in their possession, as well as the use and access to the actual license plate system itself. And so, whereas, a year or so ago we implemented requirements regarding system maintenance and security on the part of dealers, updating passwords, updating users, removing people who should no longer have access, that will carry over into the metal plate inventory as well.

Thank you, Presiding Officer Hoyt.

MS. HOYT: Thank you, Ms. Thompson.

Are there any questions for Ms. Thompson?

(No response.)

MS. HOYT: Seeing none, we'll turn to the specific rule amendments that we'll be discussing today. I'll turn it over to Deputy General Counsel Ashley Healy to lay out those rule amendments for us.

MS. HEALY: Good morning, Presiding Officer
Hoyt, members. For the record, I'm Ashley Healy, deputy
general counsel.

Today I'm presenting the draft rules to implement House Bill 718, which includes edits to TAC rules 215, 217 and 221. In addition, it was time for the regular rule review under Government Code Section 2001.039 of Chapter 217, so there are additional draft edits in 217 for this purpose. You'll see any draft edits that are related to rule review as underline changes, and anything related to the bills that we're implementing as highlighted changes.

And just to note, in 215, anything that is underlined as part of a rule review is the rule review that went before the Board in December and will actually be up for adoption by the Board next month. Also, finally, House Bill 3297, we're also implementing that, which is the bill related to elimination of certain safety inspections in non-emissions counties. It must be implemented prior to the effective date in the rule. And so it made sense to do these things at the same time so that we didn't have to bring that back to you guys two months after we get these other changes implemented.

We presented these rules to VTRAC three weeks ago; we presented them to the MVIRAC last week. And we intend to work with this committee, as well as the others, to help us improve upon these drafts and bring these rule packages to the Texas DMV Board for their consideration at

the June Board meeting.

And I want to thank all of you for your review and attention to these draft changes we've made here. I know it was very voluminous. So in the interest of time, rather than go through these section by section, we're going to discuss what the department has identified as the major changes or those that would have a substantial impact on our external stakeholders, many of which you've already heard about from the other ladies up here today.

And then additionally, during our next agenda item after I finish speaking, you guys will have the opportunity to make motions for any changes that you guys want to suggest to the Texas DMV Board. And keep in mind that you guys are seeing the first draft of these rules that's gone public. And so if there's anything that's a small clerical error or something that just requires a little change, we can go ahead and make those things without requiring a full motion. We've already actually addressed several renumbering and clerical changes throughout these as we've been working with the advisory committees.

Okay. So I'm going to jump into the rules now. So one thing that you already heard talked about was allocation and storage; Monique covered those. So under Section 503.0633 of the Transportation Code, it requires

us to set these numbers for the allocation for the new dealers.

You can find the rule that we've edited on this on page 56, line 21 of your materials. And that's under Rule 215.152, Obtaining dealer-issued license plates. So that's where we talk about the allocation numbers for new dealers, and so we just wanted to highlight that section as something that would be of interest.

Additionally, we talked about storage requirements. This is something that has been of interest to the other advisory committees; we knew that it would be. And this is a new requirement, so we welcome any suggested changes here.

This is Rule 215.140 and it starts on page 20, line 12, with the relevant portion on page 26, line 1.

And I wanted to note that that's contained in a couple of different sections throughout for different types of establishments, but it's going to be the same. The language is the same throughout 215.

And so this is talking about how these plates are stored when they're at the dealerships. And so the language that we have in there right now talks about how they have to be stored in a safe that is bolted to the floor or to a wall. Just to note, the other advisory committees have both suggested that we also allow that to

be also a locked room or a secure room for those that might have more plates that are able to be stored in a safe. So that's something that we talked about with the other committees as well.

Anybody have any questions on those sections or want to get clarification on that?

(No response.)

MS. HEALY: Okay. So the next thing that we wanted to highlight for you guys is a fee. So Section 503.063 of the Transportation Code requires the department to set a registration fee of not more than \$5 for buyer's temporary tags -- that's what it currently does -- which those are the paper tags that are issued when somebody purchases a vehicle at a dealership that are going away. So this section is amended by House Bill 718 beginning on July 1 of 2025.

So the amended 503.063(g) requires the department to prescribe a fee to be charged by the dealer to the buyer for the metal license plates that will be issued to the buyer upon purchase and will stay with the vehicle, because buyer's temporary tags will no longer be issued. So the registration fee is to be credited into the Texas DMV Fund which is used to fund legislatively appropriated programs, initiatives and operations.

Currently the department is determining what

dollar amount is necessary to ensure the solvency of the DMV Fund, given changes in operational requirements. So you'll see an X in the actual documents. That one is on page 78, line 1 of your materials. Right now we have some Xs to indicate that we have not yet set that number. The new registration fee is expected to be at least \$10 and not more than \$15.

So the third thing that we wanted to highlight for you guys that Corrie has already spoken about, our data entry requirements. So this is on page 17 starting on line 6, but page 19, line 1 has the specifics that you'll want to get into. So this is in Rule 215.138, Use of metal dealer's license plates, and this is where we have a modernization of the recordkeeping requirements.

We're proposing that the dealer enter all the dealer standard and temporary license plate data into the license plate system which is going to allow toll authorities, law enforcement officers have immediate access to the specific vehicle that a license plate is being used on and then also who is in control of that vehicle.

I will note that MVIRAC did make some edits to this -- they did not make the edits -- they suggested some edits to this that we're taking under consideration.

So I spoke earlier about how we're implementing

other things other than 718. So the next thing we wanted to highlight for you is actually something from House Bill 3297. So House Bill 3297 is eliminating some of the safety inspections in non-emissions counties.

So one thing that arose as part of that is VIN authentication for out-of-state vehicles that are coming into those non-emissions counties. So what we've done is we've looked at 217.4(d)(4) and we've amended -- the amendment eliminated the requirement for the physical vehicle inspection, but we wanted to have a way to verify that. And so in the event that the inspection can't be done electronically, the original vehicle inspection report can be submitted as proof of inspection or the vehicle identification number inspection. So for a vehicle not subject to Chapter 548, self-inspection is available.

So right now what we have in that rule is that we would allow self-certification through a form to be prescribed by the department. So that's what's changed there is allowing that self-certification for those vehicles that are coming in from out-of-state in those counties that will not require a safety inspection for that.

So then finally, we wanted to talk about some of the rule review changes that we made in 217. So

Section 218.84, which is the application for a non-repairable or salvage vehicle title -- that's starting on page 246, line 4. So that rule 217.84(b)(5), there's a new provision that we added to that that requires the insurance companies, in addition to the information that they already had to provide, that they disclose which major component parts must be repaired or replaced as a result of the damage to the vehicle. So that is just an additional fraud prevention measure that we've added into 217 as part of the rule review of that section.

The other change that we've made to 217 as part of the rule review is a change to 217.9(a)(1) and (e)(7). These are starting on page 117, line 5 of your materials. So this one for bonded titles, the statute which is Texas Transportation Code 501.053(a)(3), requires a release of all liens with bond, meaning a release of liens to ensure the secured creditors are not harmed by these bonded titles and a bond to ensure the current owner is not harmed.

So the rule currently allows bonded title applicants to get a just large enough bond to cover the liens, but that doesn't meet the requirements of the statute and could harm secured creditors with perfected secured liens who have to then sue to get payment under the bond. So what we've done here is we've just updated

the rule to align with the statutory requirements and what 1 2 statutory limitations are there. 3 So those are the changes that we wanted to highlight. I will take questions, if anybody wants 4 5 questions or clarification, or if not, then I am done with 6 my presentation and we can move on to the next agenda 7 item. 8 MS. McCULLAH: This is Member McCullah. I have 9 a question. 10 MS. HEALY: Yes, ma'am. MS. McCULLAH: How would this pertain to 11 12 personalized plates, with the dealership now handling these? Would they just still do the transfer like they 13 14 normally would do? 15 MS. QUINTERO: Good morning, Member McCullah. This is Annette Quintero, VTR director. 16 17 You are correct, they would still be handled the same way they are handled today. 18 19 MS. McCULLAH: Okay, all right. And I only asked that because I have a personalized plate and that 20 21 just came to mind. Thank you. 22 MS. HOYT: Thank you, Ms. Healy. 23 David, are there any public comments on item 2.A? 24 25 MR. RICHARDS: No, there are not.

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MS. HOYT: Then, members, we'll now move on to agenda item 2.B.

Now that the committee has been briefed by TxDMV staff on proposed amendments to Chapters 215, 217 and 221, it is time to discuss and vote on any recommendations that we as an advisory committee want to present to the TxDMV Board.

To assist the court reporter in getting an accurate record, please cite to the blue page numbers at the top right-hand side of your written materials and the line numbers located on the left-hand side of the draft amendments to Chapters 215, 217 and 221, when discussing any portions of the provisions in the written materials the TxDMV staff provided to you. Any recommendations from this advisory committee should be made in the form of a motion that this advisory committee votes on, unless TxDMV staff are willing to accept an informal comment.

An example of a motion is: I move that this advisory committee recommend to the TxDMV Board that the proposed amendments to Section 215.120 should be modified to add a clause that says X.

Members, do you have any recommendations to present to the TxDMV Board regarding the draft amendments to Chapter 215, Motor Vehicle Distribution?

(No response.)

1	MS. HOYT: I'm seeing none. Is that correct?
2	Any recommendations for Chapter 215?
3	MR. GONZALEZ: Permission to speak? Member
4	Gonzalez speaking.
5	MS. HOYT: Yes, Member Gonzalez.
6	MR. GONZALEZ: Yes. On page 49 dealing with
7	webDEALER electronic titling and registration systems, on
8	page 49, I have a county that we have privately contracted
9	offices. I want to make sure that there's no
10	misinterpretation.
11	And I would like to recommend and suggest to
12	the Board if they add a number (3) to the use of
13	electronic titling systems language add a number (3),
14	language to the effect that a full-service deputy, acting
15	on behalf of a licensed GDN holder, may utilize webDEALER
16	if approved by the county tax assessor-collector to use
17	the web-based title application known as webDEALER.
18	MS. HEALY: Ashley Healy, general counsel.
19	Can you repeat that, please?
20	MR. GONZALEZ: Are you speaking to me?
21	MS. HEALY: The actual language that you were
22	looking for.
23	MR. GONZALEZ: The language? Yes, let me
24	repeat it. Okay?
25	Item (3), a full-service deputy, acting on

behalf of a licensed GDN holder, may utilize webDEALER if 1 2 approved by the county tax assessor-collector to use the 3 web-based title application known as webDEALER. 4 MS. HOYT: Ms. Healy, I might need your help. 5 I'm not seeing it on my page 49, but we have a motion from 6 Member Gonzalez. 7 MS. HEALY: I think I found it on page 49 towards the bottom, starting on line 14 in the section 8 9 about webDEALER. 10 MS. MORIATY: Laura Moriaty, general counsel. We've got it on the screen right now, but the 11 problem is he's adding a new (3), so it doesn't show up 12 here. This is just the context for where it would be. 13 14 MR. GONZALEZ: That's correct. 15 MS. HEALY: If you're looking to add it in 16 after the highlighted section (2), License Plate System, 17 it would be new section (3) there. MS. JOHNSON: I second that motion for the 18 19 purposes of discussion. MS. HOYT: So we have a motion from Member 20 Gonzalez and a second from Member Johnson. This is adding 21 22 an item (3) on page 49. Is there any discussion? 23 I'd like for someone, maybe Ms. Healy, to 24 clarify exactly what that would be. And, Mr. Gonzalez,

you may have to repeat that to get it again verbatim as

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you wish.

MR. GONZALEZ: Yes, ma'am. The purpose or the intent is to make sure that there may be language already in other parts of the rulemaking process that will allow a tax assessor-collector to allow a deputy to utilize the webDEALER program. And I think there is language in other parts of this rule.

However, since this is dealing specifically with the use of department electronic titling and registration systems, I want to make sure that there is no doubt that a full-service deputy, for those counties that have private contracted offices, to be able to be incorporated in this program, keeping the intent of House Bill 718 in place to be able to utilize this electronic system, with the permission of the county tax collector, to include them in the program to assist counties that have private contracted offices when the bulk of these dealer applications are being processed by the dealers.

MR. LUNA: Presiding Officer Hoyt, may I be recognized? This is Roland Luna, deputy executive director with DMV.

MS. HOYT: Yes, Mr. Luna.

MR. LUNA: Thank you, ma'am.

I'd like to provide some context around the suggested language for Member Gonzalez. Today, with the

way that the department administers its regulatory environment, tax assessor-collectors enter into an agreement with a private entity that serves as a full-service deputy. Full-service deputies today receive an allotment of plates and stickers and have the same authority as the elected tax assessor-collector. The tax assessor-collectors today own the relationship with any private entity that they enter into an agreement with.

What Mr. Gonzalez is suggesting is that if we would fast forward to July 1 of 2025, one of the provisions in House Bill 718 requires that all tax assessor-collectors use webDEALER, as well as all dealers use webDEALER. Today, full-service deputies do not have access to webDEALER. So what he is suggesting is that we specifically spell out in the rules that full-service deputies have access to webDEALER.

I would also like to add that there is a number of webDEALER enhancements that other advisory committees have recommended, as well as staff internally, on ways to improve the functionality of webDEALER and make it more customer-centric for all of our stakeholders, whether they're dealers, tax assessor-collectors, or anyone else.

Thank you.

MS. HOYT: Thank you, Mr. Luna.

I understand the intent from Member Gonzalez.

I'm not sure, Ms. Healy, if you have official language 1 2 after hearing all of that. I have my own draft, but it's pretty simple. 3 Is there any other discussion in the meantime? 4 5 MR. DORAN: Presiding Officer Hoyt, this is 6 Member Doran. I had a question. 7 MS. HOYT: Sure, Member Doran. This may be more to staff than to 8 MR. DORAN: 9 Member Gonzalez. So just for sake of clarity, since we 10 have this up on the screen, when we're referring to the license plate system, are we referring to webDEALER? 11 12 MS. QUINTERO: Good morning. Annette Quintero, 13 VTR director. 14 Not specifically, not specifically. We are 15 unsure how our license plate management system and 16 webDEALER will have integration and whether initially we 17 will be able to accomplish integration. And so that's why you see in the rule that we've delineated a license plate 18 19 system versus webDEALER, in the event that there isn't an 20 integration of those two systems and we have to use the 21 license plate system independent of webDEALER initially. 22 MS. HEALY: Deputy General Counsel Ashley 23 Healy. 24 We're currently in a procurement stage and so

we're not entirely sure what the final product would be.

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We should know at some point pretty soon in the future and 1 2 we could update everybody as we find out those things. 3 But while in the procurement stage, it's hard to say for 4 sure. 5 This is Member Doran, and I have no MR. DORAN: 6 issue with Member Gonzalez's motion. But I think he's 7 kind of given me a thought-starter here, and that is we're 8 talking about potentially opening up access to webDEALER

MS. HEALY: Again, Ashley Healy, general counsel.

for people other than dealers, which could include

manufacturers, distributors, et cetera.

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I wanted to call your attention to page 232, line 15. We may already have something in here that is going to cover your concerns. So this is 217.74 related to access to and use of webDEALER.

And line 15, this is language that exists already: a county tax assessor-collector may authorize a deputy appointed by the county tax assessor-collector, in accordance with Subchapter H of this chapter related to deputies, to utilize webDEALER. So I think we already have some language in there that covers your concern.

MR. DORAN: This is Member Doran.

So it sounds like -- well, maybe I didn't understand. He's talking about ensuring that designated

representatives on behalf of the tax assessor's office 1 2 have access to webDEALER, and I'm asking --3 MS. HEALY: Specifically other entities. 4 Right, because I've always operated MR. DORAN: 5 under the premise that the department's position was that 6 only dealers had access to webDEALER. And it sounded like 7 the answer was TBD on whether we're going to have two 8 different systems, right. We'll have to make the IT 9 investment necessary to have a separate system. 10 But if we don't, then you have a situation where you have manufacturers and distributors and 11 12 potentially other licensees that would be getting into the 13 webDEALER system. And I think that raises a whole host of 14 questions that you would get from different industry 15 stakeholders. 16 MS. HEALY: We'll defer to our deputy executive 17 director on that one. MR. LUNA: Member Hoyt, may I be recognized? 18 19 This is Roland Luna. 20 MS. HOYT: Yes, Mr. Luna. 21 MR. LUNA: Member Doran, I want to try to 22 provide some context to your question. Excellent question 23 about the risk involved with providing access to 24 webDEALER.

The webDEALER access that full-service deputies

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are provided is as a result of an agreement that the elected tax assessor-collector enters into with a private entity that specializes in title and registration transactions. Those entities are required to be bonded. There is a specific statute in the Transportation Code 520.0072 that talks about the liability for county tax assessor-collectors in certain acts and for their deputies.

And I'm paraphrasing -- a county tax assessor-collector may not be held liable for any offense or damages arising from the misuse of license plates or any fraudulent activity. That is why the elected tax assessor-collector enters into an agreement and then requires that that entity be bonded.

How this plays out in practice. A full-service deputy helps complete transactions for registration and title work, so their webDEALER access is very different than a dealer who is selling a car. They are performing the same level of transactions that an elected tax assessor-collector performs, so their webDEALER access is a little different.

So I hope that that makes sense and I'm happy to answer any follow-up questions that you have.

MR. DORAN: This is Member Doran.

No, I think I understand that it would be the

agency's intent then to the extent webDEALER access is expanded to any other stakeholders to limit it accordingly. This has come up in the context of Member Gonzalez's specific concern, but I'm talking about the more global issue, given what the license plate system is bound to be.

MR. LUNA: Yes, sir. And with your comment and question around RTS, registration and title system, and how that connects with webDEALER, our registration and title system is our repository for motor vehicle records. So when a vehicle is sold or it is titled here in Texas, that's our master repository.

The webDEALER system in particular serves as the conduit to complete transactions for our stakeholder groups that are in the dealer community. It's an electronic means of submitting transactions that can then be completed and memorialized by the tax assessor-collectors.

The new technology that we hope to procure in the future will help us with inventory management and help all of those systems connect. We haven't determined exactly how that's going to look or how it's going to play out in practice. But we have a number of other state agencies that tie into some of our systems, like the Department of Public Safety. When a law enforcement

officer runs a registration check, they are tapping into our data to be able to provide that information to the officer.

So we're still working through the logistics and the technology on that, but I wanted to provide that information as well. So hopefully that makes a little bit more sense.

MR. DORAN: Thank you. Again, it's Member Doran.

I really appreciate that explanation. And I feel, as a member of the advisory committees, that my job is to point out things, potential pitfalls for the department to the extent that they can be avoided. So if the timeline for these rules is that the agency would like to bring them before the Board in June, just trying to anticipate that the Board and stakeholders may have questions about how that's going to work. And if the questions about who would have access to the system and what that looks like, the contours of that -- if that could be communicated prior to the June Board meeting, then you could avoid some questions, perhaps, in a more formal setting on that.

MS. HEALY: This is Ashley Healy, deputy general counsel.

We're absolutely aware of that. One fun thing

about House Bill 718 is that it requires all the rules to be passed by December 1 of 2024, yet the implementation is not required until July of 2025. And so we didn't have very long to implement major technology projects and actually know fully where they're going to be before the timelines require we actually presented these rules to the Board.

So we anticipate there may be some tweaks to these things as we learn more about the technology systems and what's going to be available to us through the procurement process, but we have to follow that full procurement process. And so there are some unanswered questions at this point and we're fully aware of that. And as we get that information, we're going to be sharing it.

These guys go on some road shows and share information all the time, so that information is going to be shared as soon as we do know that. But our timelines are such that we don't know quite everything at this point because we've got to get these rules passed well before the actual implementation.

MR. DORAN: Thank you. Appreciate the explanation.

MS. HOYT: Do we have any further discussion on the motion that was made from Member Gonzalez?

MR. NANCE: This is Member Nance. Could I be 1 2 recognized for a question for staff? 3 MS. HOYT: Yes, Member Nance. 4 MR. NANCE: Okay. So this is for staff. I 5 just want to make sure I'm understanding the motion before 6 us would amend -- if I've got this right, got to scroll up 7 a little bit -- Section 215.144. And I get the sense that 8 the subject matter of this rule is records that dealers 9 have to maintain, and this seems to basically be a rule 10 about requirements on dealers. So my question for staff is: is that a fair 11 understanding of what the subject matter of this rule is? 12 13 MS. MORIATY: This is Laura Moriaty, general 14 counsel. 15 So the provision that this motion is about is 16 only about full-service deputies acting with TACs. It doesn't involve dealers. Dealers already have access to 17 webDEALER. 18 19 And as Deputy General Counsel Healy pointed 20 out, the full-service deputies already have access to webDEALER to the extent their TACs allow them. So staff's 21 22 concern about this motion is that it's redundant with a 23 rule that we already have in place. 24 MR. NANCE: Well, Member Nance again. 25 Thank you, that's helpful. I think I

understood that about the language that would be added. I think I share a similar concern to staff.

But I've also got a concern that we're putting this language in a place that doesn't make a lot of sense to me. So my question was about the rule where this language would go: what is the subject matter of that rule generally? Am I correct that this language would be added into a rule that's generally about requirements on dealers?

MS. HEALY: Deputy General Counsel Ashley Healy.

So the language is actually already contained within 217 which is in your materials on page 232, line 15. And this is language that's not even being added or edited at all. This language has always been there.

And it's very similar to the language that was suggested and it's related to the access and use of webDEALER, specifically talking about the county tax assessors and their access and use. And I believe the motion was that we would allow a tax assessor-collector who could then have access to it, and that is the exact language that's already contained in 217.

MR. NANCE: Okay. Is this a motion to add language to Section 215.144?

MS. HEALY: Yes.

MS. MORIATY: Member Hoyt, this is Laura 1 2 Moriaty, general counsel. 3 I just want to say that Member Nance does have a good point. 215.144 is really about dealers' 4 5 obligations regarding how we transfer the records through 6 a dealer. So he does have a point, this is an odd place 7 to put it. 8 General Counsel Healy also has a point. It 9 already exists somewhere else. 10 MR. NANCE: Okay. I wanted to make sure I was correct about the second point. So for both of those 11 12 reasons, then I'm happy to hear Member Gonzalez's feedback. It looks like he's got his hand raised. 13 14 But it seems to me that this is both redundant 15 to another rule and the language would be inserted in a 16 place that has more to do with what dealers have to ensure 17 they comply with when they use webDEALER. That was my comment. Thank you. 18 19 MS. HOYT: Thank you, Member Nance. Member Gonzalez. 20 21 MR. GONZALEZ: Thank you, Chair. 22 I saw the language also on 217.74, but I just 23 wanted to make sure and get assurance that the 24 authorization and the flexibility was there to allow

counties, such as mine, to be able to utilize the full-

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service deputies for the purpose of supporting this 1 2 program. So if that is acceptable and I have that 3 assurance, then my recommendation can go away. Okay? 4 Okay. So, Ms. Moriaty or Ms. Healy, MS. HOYT: 5 I don't know what reassurance you can give Member 6 Gonzalez, but you are saying that this is --7 MS. QUINTERO: Annette Quintero, VTR director. 8 I'm sorry, Member Hoyt, can you repeat your question? 9 MS. HOYT: Member Gonzalez was just wanting assurance that this was not needed. Sounds like he's 10 willing to withdraw his motion if he can get some 11 reassurance that this is already taken care of in 217. 12 13 MS. QUINTERO: Thank you, Member Hoyt. Annette 14 Quintero, VTR director. 15 He is correct. It is addressed in 217.74, 16 subsection (d). Additional language is not needed. 17 MS. HOYT: Member Gonzalez, would you like to withdraw your motion? 18 19 MR. GONZALEZ: Yes, ma'am. If that's the 20 assurance and the understanding with all my support, my 21 consideration, I do withdraw my motion. Thank you. 22 MS. HOYT: Thank you, Member Gonzalez. 23 Does the advisory committee have any other 24 formal recommendations to present regarding Chapter 215, 25 Motor Vehicle Distribution?

1	MR. WALL: This is Member Wall. I have a	
2	question.	
3	MS. HOYT: Member Wall.	
4	MR. WALL: Yes. I just wanted to, regarding	
5	page 26, line 1, the definition of a secure area to store	
6	plates, I know in the summary it was mentioned that there	
7	have already been recommendations to expand that to	
8	include the ability to store in a secure storage room or	
9	facility. I just didn't know if that needed to be do	
10	we need to make that motion here as well, or is that	
11	already in for consideration?	
12	MS. HEALY: Deputy General Counsel Ashley	
13	Healy.	
14	You are welcome to make a motion for that, but	
15	we are definitely taking it under consideration from the	
16	other committees already.	
17	MS. HOYT: Can you clarify what the other	
18	committees have recommended?	
19	MS. HEALY: I'll let Ms. Moriaty find that	
20	language so she can read that back to you.	
21	MS. MORIATY: Okay. So they were similar, but	
22	slightly different. The first thing to note is that this	
23	language occurs not just in this particular spot but in	
24	several.	
25	So MVIRAC, when they met last week, wanted to	

have it read that it would be a locked, secured storage 1 2 room, safe or steel cabinet that cannot be readily 3 removed. And VTRAC, when they met previously, only added the words "secured storage room or facility" and kept the 4 5 existing language about safes or cabinets bolted to the 6 floor. 7 MS. HEALY: Deputy Regional Counsel Ashley 8 Healy. 9 I think the difference is whether or not they 10 use bolts for a safe. One is not readily removed and one is requiring bolting, but both allow storage rooms or 11 facilities as well. 12 MS. HOYT: Member Wall, would you like to make 13 14 a motion? 15 MR. WALL: I mean, I look at situations where 16 it's a larger dealership or maybe centralized accounting 17 offices that don't allow for storage to fit in a storage cabinet. So maybe this is what was said, but my thought 18 19 would be is that if you have a secure storage room, that 20 in and of itself would be sufficient to satisfy the secure 21 requirement and not require that it be in a safe or 22 cabinet bolted to the floor. 23 MS. HEALY: Deputy General Counsel Ashley 24 Healy.

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Yes, if you'd like to make that motion, we

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could entertain that motion. But I think what the other committees currently are saying is that it could be either a safe or a room, so those would both be options.

We want to provide options because we know that everyone is a little different. There are different sizes of dealers and things. And so for some people a safe might be appropriate, for some people a storage cabinet might be appropriate, and some people might need an entire room. So we wanted to be as flexible as possible while still allowing for the security that's necessary.

MR. WALL: Thank you for that explanation.

I will make a motion that the secure area to store plates will include a secure storage room or the safe or storage cabinet bolted to the floor.

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

I just wanted to see if we could construct that in the form that's in here, just to smooth it out a little bit. Could we say: At least one securely locked storage room, safe or steel cabinet that is bolted or affixed to the wall or floor in such a way that the safe or steel cabinet cannot be readily removed?

Member Wall, would that language work for you?

MR. WALL: Yes, I believe it would. Thank you.

MS. HOYT: We have a motion from Member Wall,

Ms. Moriaty has read through that. Do we have a second 1 for that motion? 2 3 Member Stidham has his hand raised. 4 MR. NANCE: This is Member Nance. I'll second 5 for discussion purposes. 6 MS. HOYT: Thank you, Member Nance. Am I permitted to make a motion, because I 7 8 would also support this motion? 9 MS. MORIATY: This is Laura Moriaty, general 10 counsel. Member Hoyt, typically the chair does not, so 11 that's how it usually works. 12 MS. HOYT: Okay, great. Thank you, I 13 14 appreciate that. 15 We have a motion from Member Wall and a second 16 from Member Nance on the language in Section (e), this is 17 page 23, Chapter 215. And, Ms. Moriaty, if you'd like to read that 18 19 back, I have some of it written down, but if you would like to read it back and then we'll take a vote. 20 21 MS. MORIATY: Okay. And again, staff's 22 recommendation would be that the motion allow this change 23 to be made wherever this language occurs in the draft rules. And the other caveat to that is that there are 24 25 often second clauses to this sentence, as you see in this one, that will differ by the location of where it is, but:

At least one locked secure storage room, safe or steel

cabinet bolted or affixed to the floor or wall in such a

way that the safe or steel cabinet cannot be readily

removed.

MS. HOYT: Do we have any further discussion before we go to a vote?

MR. NANCE: This is Member Nance. The way that that's phrased, like the grammar, makes it a little confusing about what requirements apply to the safe and what requirements apply to the room. And if staff has a way to do this, I'd be open to it, but maybe like (e) could be: at least one of the following that is of sufficient size to store all license plates in a dealer's possession, including both assigned plates for vehicles for inventory and unissued buyer's license plates: (1) a locked storage room, or (2) a safe or steel cabinet bolted or affixed to the floor.

I'm open to staff feedback on that, but it seems like the room, the safe or the cabinet needs to be of sufficient size but it doesn't need to be bolted or affixed. I don't know. I'm open to staff feedback on that and maybe I'm getting too in the weeds on that.

MS. HEALY: Ashley Healy, general counsel.

I think we definitely understand, from speaking

with all three advisory committees, that everybody wants 1 2 to include a room. And so we're definitely going to work 3 to make those changes and we'll do it in a way that's 4 grammatically correct. 5 MS. MORIATY: This is Laura Moriaty, general 6 counsel. 7 I mean, when I read it, a storage room cannot 8 be bolted or affixed, so it feels like it can only modify 9 the safe or steel cabinet, but we can definitely 10 restructure it when the time comes. If we want to try to vote on the concept right now, staff can work on massaging 11 it as we get closer to getting a draft. 12 13 MS. HOYT: Is there any further discussion? 14 (No response.) 15 MS. HOYT: Okay. Seeing none, I will now call for a vote. 16 Members, when I call your name, please state 17 your name for the record and whether you support the 18 19 motion or not. If you support the motion, please respond 20 by saying support, and if you do not support the motion 21 please respond by saying no. 22 Member Ames is not present. 23 Member Brooks? 24 MS. BROOKS: Member Brooks, support. 25 MS. HOYT: Member Carter?

1	(No	response.)
2	MS.	HOYT: Member Doran?
3	MR.	DORAN: Member Doran supports the motion.
4	MS.	HOYT: Member Elam?
5	(No	response.)
6	MS.	HOYT: Member Gaston?
7	(No	response.)
8	MS.	HOYT: Member Gonzalez?
9	MR.	GONZALEZ: Support.
10	MS.	MORIATY: Madam Chair, you are muted.
11	MS.	HOYT: Member Johnson?
12	MS.	JOHNSON: (No audible response.)
13	MS.	HOYT: Member King?
14	MS.	KING: Member King supports.
15	MS.	HOYT: Member McCullah? Member McCullah?
16	MS.	McCULLAH: (No audible response.)
17	MS.	HOYT: Member Nance?
18	MR.	NANCE: Member Nance, support.
19	MS.	HOYT: Member Olah?
20	MR.	OLAH: Supports the motion.
21	MS.	HOYT: Member Stidham?
22	MR.	STIDHAM: Member Stidham supports the
23	motion.	
24	MS.	HOYT: And Member Wall?
25	MR.	WALL: (No audible response.)

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1 MS. HOYT: And I, Kristen Hoyt, also support the motion. 2 3 I see we have seven members in support and none 4 opposed, so this motion has passed. 5 MS. JOHNSON: Member Johnson wishes to be 6 recognized, please. 7 MS. HOYT: Member Johnson. 8 MS. JOHNSON: You were muted when you were 9 calling the names and I could not hear you. I support 10 that motion. And you're muted again. 11 MS. HOYT: I'm sorry. We have ten members in support and none opposed so the motion has passed. 12 Do we have any other recommendations for 13 14 Chapter 215? 15 (No response.) 16 MS. HOYT: Do we have any recommendations to 17 present to the TxDMV Board regarding the draft amendments to Chapter 217, Vehicle Titles and Registration? 18 19 (No response.) 20 MS. HOYT: I see no hands raised, so it seems that there are no recommendations regarding Chapter 217, 21 22 so the advisory committee does not have any formal 23 recommendations for the department requiring a vote. Is 24 there any discussion regarding 217? 25 (No response.)

1 MS. HOYT: We'll now move on to the draft 2 amendments to Chapter 221, Salvage Vehicle Dealers. 3 Members, do you have any recommendations to 4 present to the TxDMV Board regarding Chapter 221, Salvage 5 Vehicle Dealers? 6 I'm seeing no hands raised; I'll give it a 7 little bit more time. Any recommendations for Chapter 8 221, Salvage Vehicle Dealers? 9 (No response.) 10 MS. HOYT: So we have no recommendations for Chapter 221. 11 12 I will now move on to agenda item number 3, 13 public comment. 14 David, are there any comments from the public? 15 MR. RICHARDS: No public comments. Thank you. 16 MS. HOYT: We will now move on to agenda item 17 number 4 that is adjournment. Unless there's any other further business, we'd 18 19 like to entertain a motion to adjourn. 20 MR. STIDHAM: Member Stidham. Motion to 21 adjourn. 22 MR. GONZALEZ: Second the motion. 23 MS. HOYT: We have a motion by Member Stidham, 24 a second by Member Gonzalez to adjourn this meeting. All 25 in favor?

1	(A chorus of ayes.)
2	MS. HOYT: Let the record reflect that the vote
3	is unanimous. It is now 10:20 a.m., and we are adjourned.
4	Thank you all. Thank you TxDMV staff, and
5	thank you, members, for attending.
6	(Whereupon, at 10:20 a.m., the meeting was
7	adjourned.)

1 CERTIFICATE 2 3 MEETING OF: TxDMV Customer Service and Protection Advisory Committee 4 5 LOCATION: Austin, Texas 6 DATE: March 12, 2024 7 I do hereby certify that the foregoing pages, 8 numbers 1 through 52, inclusive, are the true, accurate, 9 and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the 10 11 Texas Department of Motor Vehicles. 12 DATE: March 25, 2024 13 14 15 16 17 18 /s/ Nancy H. King 19 (Transcriber) 20 21 On the Record Reporting 22 7703 N. Lamar Blvd., #515 23 Austin, Texas 78752 24

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