

TEXAS DEPARTMENT OF MOTOR VEHICLES
MOTOR VEHICLE INDUSTRY REGULATION ADVISORY COMMITTEE
(MVIRAC)
MEETING

OPEN MEETING VIA TELEPHONE CONFERENCE CALL

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

Wednesday,
March 6, 2024
1:00 p.m.

COMMITTEE MEMBERS:

David Blassingame, Presiding Officer
Michael Bradburn, Sr., 1st Vice Chair
Trey Sralla, 2nd Vice Chair
Christopher Donnelly
Laird Doran
Thomas Durant
Paul Elam
Lloyd "Buddy" Ferguson
Julio Gonzalez
Tony Hall
Russell Hayter
Charles Hicks
William Murphy
Stephen Prather, Sr.
Michael Provost
Franklin Sims
Scott Stark
Mike Sullivan
Kalien Thomas
Jimmy Vitela

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G

1
2 MR. BLASSINGAME: Good afternoon. My name is
3 David Blassingame, and I'm pleased to open this meeting of
4 the Motor Vehicle Industry Regulation Advisory Committee.

5 For ease of reference, I will refer to this advisory
6 committee as MVIRAC, which is the acronym for this
7 committee.

8 It is 1:05 p.m., and I'm calling the MVIRAC
9 meeting for March 6, 2024, to order. I want to note for
10 the record that the notice of this meeting, containing all
11 the items on the agenda, was filed with the Office of
12 Secretary of State on February 7, 2024.

13 This meeting is being held by telephone
14 conference call in accordance with Texas Government Code
15 Chapter 551.125. Members of the public may attend the
16 meeting in person at 4000 Jackson Avenue, Building 1,
17 Lonestar Conference Room, Austin, Texas, 78731. Also,
18 members of the public may attend this meeting by clicking
19 on the Webex link in the posted agenda for the meeting and
20 following the instructions to attend the meeting via
21 Webex. In addition, members of the public may attend this
22 meeting remotely by calling the toll free number which is
23 listed on the posted agenda for this meeting, along with
24 access code.

25 I don't know how many members we have in

1 attendance right now, with the vast majority of them being
2 committee members that participate remotely.

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

10 I would like to remind all participants that
11 this is a conference call meeting. Because this meeting
12 is being held by conference call, there are a few things
13 that will assist in making the meeting run smoother and
14 assist the court reporter in getting an accurate record.
15 Please identify yourselves before speaking.

16 Speak clearly and slowly. Remember that there
17 might be a slight delay due to the conference call format
18 so please wait a little longer than usual to respond to
19 participants. Do not speak over others; please ask the
20 presiding officer to proceed, and be sure to get
21 recognized before speaking.

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

1 I would like, also, to thank our court reporter
2 who is transcribing the meeting.

3 If you are not a member of this advisory
4 committee but wish to address the advisory committee or
5 speak on an agenda item during the meeting, please
6 complete the speaker's sheet at the registration table
7 prior to the agenda item being taken up by the advisory
8 committee, or send an email to GCO_General@TxDMV.gov to
9 register by providing the required information prior to
10 the agenda item being taken up by the advisory committee.

11 Please identify the specific items you are
12 interested in commenting on, your name and address, and
13 whether or not you are representing anyone or speaking for
14 yourself. If your comment does not pertain to a specific
15 agenda item, we will take your comment during the general
16 public comments portion of the meeting. When addressing
17 the advisory committee, please state your name and
18 affiliation for the record.

19 Before we begin today, I'd like to remind all
20 presenters and those in attendance of the rules of conduct
21 of our advisory committee meetings. I have the authority
22 to supervise and conduct this advisory committee meeting.

23 This includes the authority to determine when a speaker
24 is being disruptive. Disruptive speakers will be muted,
25 given a warning about disruptive behavior, and then

1 removed from the meeting for any continued disruption.

2 Advisory committee members, if you become
3 disconnected from the call, please rejoin as soon as
4 possible. If you encounter technical difficulties, please
5 reach out to our technical support team,
6 Jeff.Templeton@TxDMV.gov or Zach.Warden@TxDMV.gov.

7 Now I'd like to have a roll call of the
8 advisory committee members. Please respond verbally when
9 I call your name. Please indicate if you are present.

10 Member Bradburn?

11 MR. BRADBURN: Member Bradburn present.

12 MR. BLASSINGAME: Member Donnelly?

13 MR. DONNELLY: Member Donnelly present.

14 MR. BLASSINGAME: Member Doran.

15 MR. DORAN: Member Doran present.

16 MR. BLASSINGAME: Member Durant?

17 MR. DURANT: Member Durant present.

18 MR. BLASSINGAME: Member Elam? Member Elam?

19 (No response.)

20 MR. BLASSINGAME: Member Ferguson?

21 MR. FERGUSON: Member Ferguson present.

22 MR. BLASSINGAME: Member Gonzalez? Member
23 Gonzalez?

24 (No response.)

25 MR. BLASSINGAME: Member Hall?

1 MR. HALL: Member Hall present.

2 MR. BLASSINGAME: Member Hayter?

3 MR. HAYTER: Hayter here.

4 MR. BLASSINGAME: Member Hicks?

5 MR. HICKS: Member Hicks present.

6 MR. BLASSINGAME: Member Murphy?

7 MR. MURPHY: Member Murphy present.

8 MR. BLASSINGAME: Member Prather? Member
9 Prather, Sr.?

10 (No response.)

11 MR. BLASSINGAME: Member Provost? Member
12 Provost?

13 (No response.)

14 MR. BLASSINGAME: Member Sims?

15 MR. SIMS: Member Sims here.

16 MR. BLASSINGAME: Member Sralla?

17 MR. SRALLA: Member Sralla on the call.

18 MR. BLASSINGAME: Member Stark? Member Stark?

19 (No response.)

20 MR. BLASSINGAME: Member Sullivan?

21 MR. SULLIVAN: Member Sullivan present.

22 MR. BLASSINGAME: Member Thomas?

23 MS. THOMAS: Member Thomas present.

24 MR. BLASSINGAME: Member Vitela? Member
25 Vitela?

1 (No response.)

2 MR. BLASSINGAME: All right. I am David
3 Blassingame and I am present also. We have a quorum.

4 The purpose of this committee is to assist the
5 department in obtaining feedback regarding important
6 legislation policy-making and rulemaking. The MVIRAC
7 provides valuable input for the department by advising on
8 issues related to regulations of the motor vehicle
9 industry.

10 Agenda item 2.A. Consider rule amendments to 43
11 Texas Administrative Code, TAC, Chapter 217, Vehicle
12 Titles and Registration; Chapter 215, Motor Vehicle
13 Distribution; and Chapter 221, Salvage Vehicle Dealers,
14 necessary to implement House Bills 718 and 3297 that came
15 out of the 88th Legislature, Regular Session, and for a
16 rule review of 43 TAC Chapter 217, Vehicle Titles and
17 Registration.

18 Members, I will now move on to agenda item 2.A
19 and turn the meeting over to Annette Quintero, director of
20 Vehicle Titles and Registration Division, for an overview
21 of the department's implementation plans for House Bill
22 718 and House Bill 3297.

23 Members, just as a reminder, if you want to
24 comment or ask questions, please unmute yourself and ask
25 for the floor, then wait to be recognized before speaking.

1 MS. QUINTERO: Good afternoon. Thank you,
2 Member Blassingame.

3 MR. BLASSINGAME: Yes, ma'am.

4 MS. QUINTERO: It is my pleasure to provide an
5 overview of our implementation plans for HB 718 and HB
6 3297.

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

16 Plate design for the new plates is currently
17 underway. These plates are being designed to be
18 distinguishable and easily recognizable. We expect to
19 have these designs finalized in the coming months.

20 HB 718 requires that all dealers use webDEALER
21 to submit transactions. The department has developed and
22 deployed webDEALER 101 training. It is offered both in-
23 person and virtually on a biweekly basis. Dealers can go
24 to our website under Upcoming Events to sign up for these
25 trainings.

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

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

13 The department is currently reviewing our
14 license plate distribution model. We are reviewing three
15 options: maintaining the distribution model we have
16 today, shipping to the tax assessor-collectors and the tax
17 assessor-collectors then get plates to the dealers; or a
18 hybrid where we store plates in a distribution warehouse,
19 we ship to the tax assessor-collectors and then to the
20 dealers; or we ship directly from the warehouse to the
21 dealers and the tax assessor-collectors. We're currently
22 undergoing a cost-benefit analysis of these three models.

23 The department is also currently working
24 through the implementation of HB 3297. The bill
25 eliminates the Texas Department of Public Safety's safety

1 inspection program for non-commercial vehicles and creates
2 a replacement fee for those vehicles previously required
3 to obtain a safety only inspection. The department is
4 required to collect a new \$7.50 replacement fee at the
5 time of registration.

6 We have a bimonthly, soon to be monthly, tri-
7 agency meeting with the Texas Commission on Environmental
8 Quality and the Texas Department of Public Safety where we
9 are all working hard to ensure coordination, and
10 collaboration across agencies is at the forefront of this
11 effort. We are also at the beginning stages of framing
12 our internal programming enhancements to ensure that our
13 system accurately reflects the requirements in HB 3297.

14 Our team has been diligently working to align
15 our resources, engage with our stakeholders, provide
16 widespread knowledge and understanding of the impacts of
17 these two critical changes. We've done this by partnering
18 with the Texas Independent Automobile Dealers Association
19 and with county tax assessor-collectors across the state.

20 We have reached over 400 participants providing
21 information related to HB 718 and HB 3297. We continue to
22 explore solutions that we feel confident will ensure a
23 smooth and efficient implementation process for both of
24 these highly impactful bills.

25 You're muted, Member Blassingame.

1 MR. BLASSINGAME: Excuse me.

2 Are there any questions for Ms. Quintero?

3 MR. SRALLA: Member Sralla.

4 MR. BLASSINGAME: Member Sralla, you're
5 recognized.

6 MR. SRALLA: Ms. Quintero, are there any plans
7 to strengthen the webDEALER platform? I know that we've
8 been using the webDEALER platform for quite some time and
9 sometimes we find -- or a lot of times we find that new
10 units are not on the platform or they're tied to new units
11 not on the platform. I have another question but I'll
12 stop with that, answer that one first, please.

13 MR. BLASSINGAME: Ms. Quintero.

14 MS. QUINTERO: Sure. I want to make sure I
15 heard that correctly. The question is related to new
16 users on the webDEALER platform?

17 MR. SRALLA: No. New units, new machines,
18 cars. I'm in the motorcycle business but sometimes when
19 we use webDEALER, the new machines -- like if it's a brand
20 new 2024 model, it won't be on webDEALER. It won't come
21 up.

22 So are there plans to implement a process to
23 get machines on there faster? And then straight to
24 webDEALER, I would say probably about 10 to 12 percent of
25 the time, our webDEALER is down.

1 MS. QUINTERO: We are having extensive
2 conversations internally about webDEALER and the
3 enhancements that webDEALER needs in order to support this
4 endeavor. It is an ever-evolving conversation we have
5 with our Information Technology Division, and Vehicle
6 Titles and Registration is obviously a big participant in
7 that conversation. So yes, the answer to your question is
8 yes, we are working extensively to make sure that
9 webDEALER can support the work that we're doing with HB
10 718.

11 MR. SRALLA: Okay. And then another request, I
12 guess, would be to make sure that there is -- on the
13 contingent if somebody's internet is down or if webDEALER
14 is down or if a unit doesn't show up, that there's an easy
15 process for a dealer to be able to implement and not hold
16 up a unit sale.

17 MS. QUINTERO: Yes. That is also a
18 conversation we are having to ensure that you have a
19 replacement ultimately for internet-down tags.

20 MR. SRALLA: Thank you very much.

21 MS. QUINTERO: Absolutely.

22 MR. BLASSINGAME: Are there any other questions
23 for Ms. Quintero?

24 MR. LUNA: Member Blassingame, this is Roland
25 Luna, deputy executive director with the DMV.

1 MR. BLASSINGAME: Yes.

2 MR. LUNA: Member Sralla, a point -- I'll go to
3 your question about webDEALER enhancements. Part of our
4 legislative ask was asking for technology appropriations
5 so that we could update our current system. As you
6 pointed out, webDEALER sustainability is a consideration
7 for us and we want to make sure that it's stable.

8 We are looking at enhancements, not only
9 internally, but we are seeking feedback from all of our
10 stakeholder groups within the motor vehicle industry, as
11 well as with tax assessor-collectors, to make sure as we
12 identify enhancements that we're scoping the work and
13 we're prioritizing the work accordingly so that we can
14 have it completed well in advance of July 1 of 2025 when
15 webDEALER becomes a requirement.

16 If there are enhancements that you've
17 identified that are specific to your business model,
18 please send them to the DMV. We want to hear about them.

19 We want to hear conversations about it, and we want to
20 make sure that we get those addressed.

21 Thank you.

22 MR. SRALLA: Specifically who would we send
23 those to?

24 MR. BLASSINGAME: I'm sorry, Member Sralla, you
25 weren't clear.

1 MR. SRALLA: Who specifically would we send
2 those to?

3 MR. BLASSINGAME: Thank you.

4 MR. LUNA: You can send those to the Vehicle
5 Titles and Registration Division Director Annette
6 Quintero, or you can send them to Clint Thompson, the
7 deputy director of VTR.

8 MR. SRALLA: Thank you.

9 MR. BLASSINGAME: Are there other questions for
10 Ms. Quintero?

11 (No response.)

12 MR. BLASSINGAME: Thank you, Ms. Quintero.

13 Now we'll turn to Monique Johnston, director of
14 the Motor Vehicle Division, to brief us on plate
15 allocations.

16 MS. JOHNSTON: Thank you, Chair Blassingame.

17 As Ms. Quintero explained, HB 718 will
18 eliminate agent and vehicle-specific tags and be replaced
19 with a new metal dealer temporary plate. The new dealer
20 plate can be used for the same purpose a dealer currently
21 uses their agent and vehicle-specific tags, such as test
22 drives, transporting vehicles to auction, loaner vehicles,
23 and transporting vehicles to be repaired or conditioned.
24 This new dealer metal plate cannot be used for personal
25 use, so dealers will need to retain their current dealer

1 plates in order to use those for that purpose.

2 Issuance and distribution of the dealer plates
3 will be maintained and mailed by the Motor Vehicle
4 Division, similar to how the current dealer plates are
5 handled. Our goal is to keep the process consistent to
6 what our dealers are already used to with their current
7 dealer plates, such as requesting plates with new
8 applications, reporting current inventory of their plates,
9 and requesting additional plates with renewal applications
10 if needed, utilizing a plate application type process to
11 request additional plates in between renewals, allowing
12 dealers to provide sales documentation or other
13 information to support business need for additional plates
14 outside the allotted allocations.

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

22 So if you have any questions about the
23 allocations that are listed in the rule package, I'm happy
24 to answer those for you.

25 MR. BLASSINGAME: Are there any questions for

1 Ms. Johnston?

2 MR. DORAN: This is Member Doran. Member
3 Blassingame, may I be recognized?

4 MR. BLASSINGAME: You are recognized, Member
5 Doran.

6 MR. DORAN: I'm not sure if this is the
7 appropriate time to ask this question, but this is
8 literally the million dollar question, and I think it's
9 how long from the time a request is made by a dealer for
10 more plates can that be approved and the plates made
11 available to the dealer?

12 MS. JOHNSTON: So the goal of our division is
13 to keep it consistent with what we currently do when we're
14 reviewing plate application requests. We actually
15 received six additional FTEs as part of 718, and those are
16 all being allocated to our new plate section. And that
17 division will handle the requests for the new dealer
18 plates, review the documentation, and that way the
19 turnaround can be as quick as possible so those dealers
20 can have those plates.

21 And they're mailed directly from our division
22 to the dealer, like the current dealer plate. If we do
23 use a third party, it will still be with the Motor Vehicle
24 Division; we will have that inventory onsite with us.

25 MR. DORAN: Member Blassingame, may I follow

1 up?

2 MR. BLASSINGAME: Yes, please follow up.

3 MR. DORAN: If you're following how it's
4 handled today and you've got additional resources, do you
5 have a frame of reference for what that timing looks like?

6 MS. JOHNSTON: Not yet. We're still going
7 through that process and what that process will look like,
8 and it will also kind of circle around the new inventory
9 management system and whether those plates will be in that
10 system and how that will connect with eLICENSING and how
11 the exact request process will work. But we're trying to
12 keep it as consistent as possible with the current process
13 that we have now as to not change what the dealers are
14 used to.

15 But the additional staff that will be reviewing
16 these requests will definitely keep the processing times
17 quick with a quick turnaround.

18 MR. DORAN: Member Blassingame, follow-up?

19 MR. BLASSINGAME: Follow up, please.

20 MR. DORAN: So would the department be open
21 to -- you mentioned six FTEs -- designating a special
22 resource to handling certain situations that might justify
23 expediting the production of more license plates to a
24 particular dealer? And I want to pose two scenarios to
25 the department that we've been thinking about.

1 The first one is a situation where there's a
2 natural disaster, let's say a fire in West Texas. This is
3 a hypothetical, of course but let's say CarMax had a
4 dealership in Amarillo, Texas, and they lost 2- or 300
5 vehicles due to the fire. My understanding is that the
6 plates, because they are used vehicles, are supposed to
7 stay with the vehicles.

8 The vehicles have been destroyed. Would the
9 plates then need to be voided and then CarMax has to
10 request from the department that they try and send more
11 plates? And this assumes, of course, that a company like
12 CarMax would be able to get inventory from out of state or
13 from other dealerships over to their Amarillo location.

14 MS. JOHNSTON: The allocations that I was
15 referring to is just strictly for the new metal dealer
16 plate that would be used for test drives and taking cars
17 to and from auction and things like that, but we can still
18 take that into consideration with our six FTEs for that
19 purpose. I will kick it over to Ms. Quintero to talk
20 about the general issue plates, which I think is what
21 you're referring to in that situation.

22 MR. DORAN: Sorry about that.

23 MS. JOHNSTON: That's okay. There's a lot of
24 plates.

25 MS. QUINTERO: Mr. Doran, I want to make sure I

1 understand your question. It is related to the timeliness
2 with which we would process a request to have an increase
3 in allocated metal license plates.

4 MR. DORAN: Correct.

5 MS. QUINTERO: So I am unsure what our current
6 timeline is. But from what I understand, those are
7 reviewed and quickly processed, and we don't anticipate
8 that to be any different. We do have a stipulated formula
9 that we follow to identify what that allocation should be,
10 and then review any requests for additional plates on a
11 case-by-case basis.

12 We don't anticipate there being a delay in
13 reviewing a request for an increase in allocation, if
14 that's the kind of forefront of your question.

15 MR. DORAN: If I may respond? No, really what
16 I'm asking about is if in special circumstances there
17 could be an expedited process by which the department sets
18 aside what might have been -- I'll call it a run-of-the-
19 mill request by a dealer who says, Hey, in four weeks I
20 think I may need more plates. To say all hands on deck,
21 this dealer needs to get back in business quickly, let's
22 make sure there's no cessation of operations at the
23 dealer, and so is it possible to dedicate one of the --
24 however you want to do it.

25 MS. QUINTERO: To get that done as quick as

1 possible, and that happens today. When we receive
2 requests that need special attention or need to be
3 expedited outside of the normal process because there is a
4 sense of urgency, that already happens today, so yes.

5 MR. DORAN: Good, that's good to hear.

6 One more follow-up on this. So another
7 situation that I just wanted to bring to the department's
8 attention, because this one has some financial impacts to
9 the state. When thinking about commercial fleet sales to
10 rental car companies, we are essentially -- I'll be very
11 honest -- competing with other regions, other states in
12 order to secure those sales from the rental car companies.

13 You know, I'll just use some examples, so
14 Hertz, Enterprise, I mean, they could choose to buy 2,500
15 vehicles from Red McCombs Toyota in San Antonio or they
16 could choose Jim Norton Toyota in Oklahoma. And so one of
17 the concerns I have is that perhaps the Texas dealer has
18 their set allocation of metal plates and let's just for
19 the sake of this hypothetical say it's 2,500 plates
20 annually.

21 They get an order that GST, or whoever the
22 distributor or manufacturer is, has helped facilitate the
23 negotiations with the rental car company. They're now
24 going to get an order for 3,000 new Camrys to be delivered
25 to Dallas-Fort Worth Airport. Right?

1 So the concern here would be one of the things
2 these rental car companies are very serious about is the
3 time in which it takes to place that vehicle into service.

4 They are very rational business creatures, and when it
5 comes to their decision to whether to go with our
6 recommendation to place that order with a Texas dealership
7 versus an out-of-state dealership, in many cases the
8 determining factor is that timeline by which they can put
9 that rental vehicle in service.

10 So I'm concerned that if we don't have an
11 expedited process in place to handle that kind of
12 situation, the state could lose tens of thousands of
13 rental car sales which would have a meaningful impact in
14 terms of motor vehicle sales tax. So I'm throwing that
15 out there as a consideration and concern that we have, and
16 also to offer up our help and assistance, whether you need
17 to have conversations with the Governor's Office or the
18 Comptroller if you need data to substantiate the concern
19 that I just raised, because we want to see those sales
20 made through Texas dealers and to see that motor vehicle
21 sales tax remain in Texas.

22 So I just wanted to pose that as something
23 that's really been top of mind for us as we've gone
24 through the rules. And although we're a distributor,
25 we're looking at it in terms of the impact to both the

1 dealers as well as the manufacturers and distributors.

2 MS. QUINTERO: And that makes perfect sense,
3 and I appreciate the scenario and the explanation behind
4 it. I can assure you that we will look at it and make
5 sure that there is a mechanism there that will support
6 that.

7 MR. DORAN: Thank you.

8 MR. DONNELLY: Member Blassingame, Member
9 Donnelly.

10 MR. BLASSINGAME: Member Donnelly, you have the
11 floor.

12 MR. DONNELLY: Just a quick question as far as
13 distribution plates -- and I can't recall but I want to
14 say I receive it through the mail -- will there be an
15 option to have a more expedited mail, say, when we're
16 ordering our plates, or will we have to go through the
17 U.S. Post Office?

18 MS. JOHNSTON: Are you referring to your metal
19 dealer plates or your general issue plates, or both?

20 MR. DONNELLY: Both.

21 MS. JOHNSTON: We can definitely look into that
22 option. What our current mailing is right now and if you
23 could choose to have it mailed perhaps by, you know, FedEx
24 or overnight mail or things like that, that could be an
25 option or somehow look into that so there are different

1 options for the dealer to choose from. I'm referring, of
2 course, to the metal dealer plates.

3 MR. DONNELLY: Just having the option for a
4 charge. When you say it has to go through the Post Office
5 and I'm in Conroe, Texas, that's a scary thing.

6 MS. JOHNSTON: Understood, understood.

7 MR. DONNELLY: We get all kinds of junk mail.

8 MS. JOHNSTON: But no regular mail.

9 MR. DONNELLY: The titles have to come through
10 the post office and it is concerning.

11 MS. JOHNSTON: We can definitely look into that
12 and see if we can incorporate that option in as an
13 additional charge if dealers would prefer to do that,
14 sure. We can definitely look into that. Thank you for
15 the input on that.

16 MR. SULLIVAN: Member Blassingame, may I jump
17 in? This is Member Sullivan.

18 MR. BLASSINGAME: Member Sullivan, please.

19 MR. SULLIVAN: Thank you.

20 In reviewing the materials over the last
21 several days, could you walk us through the approval
22 process and the denial process and the potential appeal
23 process with respect to requesting additional plates for
24 the general issue plates? The way I read it -- I could be
25 wrong, but the way I read it was that we could request

1 plates and the director would review the request; if the
2 director declined the request, there was no appeal. So
3 could you walk me through the process?

4 MS. QUINTERO: I, unfortunately, am unsure of
5 the process. Can I ask Mr. Thompson if he can support
6 answering this question, if you have the answer, Mr.
7 Thompson?

8 MR. THOMPSON: Presiding Officer Blassingame,
9 may I have the floor, please?

10 MR. BLASSINGAME: Yes, sir.

11 MR. THOMPSON: Thank you. Clint Thompson,
12 deputy director of the Vehicle Titles and Registration
13 Division.

14 I apologize, Member Sullivan, what was the
15 question?

16 MR. SULLIVAN: Yes, sir. The question was to
17 walk us through the process for requesting additional
18 plates from a dealer, and if the request is denied, what
19 the potential appeal might be? Because if I remember
20 correct, the way I read it was that a dealer could request
21 plates, it would be reviewed, and if the director denied
22 the additional plates, there was no appeal.

23 MR. THOMPSON: The short answer is it's the
24 same process it is today. The language that's in existing
25 administrative code merely shifts -- obviously, metal

1 plates is the new language from the temporary tags that
2 are being requested and the responsibility from the Motor
3 Vehicle Division to the Vehicle Titles and Registration
4 Division. So it's the same process, essentially, in rule
5 for requesting those and demonstrating the need, and if
6 there's additional information that's needed, like today,
7 we can request that. If we grant something in excess of
8 or below what you requested, that does not constitute a
9 denial, but yes, if it's denied today, that is final.

10 MR. SULLIVAN: Okay. And the denial being from
11 the director?

12 MR. THOMPSON: With the new rules, it's the
13 designated director with the Vehicle Titles and
14 Registration Division.

15 MR. SULLIVAN: And to put faces to names in
16 this conversation, that's going to be you?

17 MR. THOMPSON: Operative word being "designated
18 director" of the Vehicle Titles and Registration Division.

19 So it may be Annette, it may be myself, or it may Stefan
20 Krisch, who is the Registration Services director.

21 MR. SULLIVAN: Okay. And forgive me for not
22 identifying myself, so Member Sullivan.

23 So then for now, you would have the final say,
24 so to speak, or whoever your designee would be, and
25 there's just no appeal. I'm not saying that we're going

1 to need an appeal process, but with 1,300-1,400 franchised
2 dealers across the state, I think there might be an
3 exception that would be worth considering.

4 MS. QUINTERO: So from what I'm understanding,
5 the current process is when it escalates to the division
6 director, the Vehicle Titles and Registration Division
7 director, that is the appeal.

8 MR. SULLIVAN: Okay. Member Sullivan. Are
9 y'all comfortable with that as is?

10 MS. QUINTERO: Yes.

11 MR. SULLIVAN: All right. Thank you.

12 MR. BLASSINGAME: Are there any other questions
13 for Ms. Johnston?

14 MR. DURANT: Member Blassingame, Member Durant.
15 May I have the floor?

16 MR. BLASSINGAME: You have the floor.

17 MR. DURANT: I would wait on this -- and this
18 is for all staff, whoever can answer -- I would wait on
19 this, but I just don't see it in the code section so I
20 wanted to ask. There were a series of different plates
21 that we're offering, some of these plates are for out-of-
22 state registrations, but I do not see a mechanism herein
23 for collecting those plates back. If the staff would
24 comment.

25 MS. QUINTERO: You are correct, we do not have

1 a mechanism for collecting the plates back. The intention
2 is to design those plates in a way that they are very
3 easily distinguishable as out-of-state temporary plates.
4 And in our system they would have a 30-day lifespan, and
5 so they would show -- sorry -- 60-day lifespan, and so in
6 our system they would show invalid after that 60-day mark.

7 MR. DURANT: Thank you.

8 Member Blassingame, one more follow-up
9 question?

10 MR. BLASSINGAME: Yes, sir, you have the floor.

11 MR. DURANT: This is Member Durant.

12 One other concern I had is obviously the
13 temporary tags served a very vital purpose, it was very
14 obvious. If a new customer, a new vehicle owner did not
15 receive their metal plates in time, it created a signal
16 that helped y'all find dealers that were out of trust,
17 that were having issues, and you were able to rectify that
18 very quickly. It helped the TACs collect taxes. Is there
19 a method to solve that problem?

20 MS. QUINTERO: A method to help the dealers
21 collect taxes?

22 MR. DURANT: A method to police the dealers
23 that are without those temporary plates being an obvious
24 indicator.

25 MS. QUINTERO: Sorry. Can you restate your

1 question? I think we're confused a little bit.

2 MR. DURANT: I'll give you a scenario. Say I'm
3 a dealer and I'm short on cash. And I'm not making
4 vehicle payoffs and collecting titles but I am selling
5 those cars and putting them on the road. I've got a very
6 real problem.

7 We had a massive auto group that just went
8 bankrupt a couple of years back that was engaged in this
9 type of practice. And I'm sure one of the ways y'all were
10 able to find out and catch that dealer is that you had
11 significant complaints from customers who said that they
12 sold me a car and I still have not received my metal
13 plates. And those complaints helped y'all identify that
14 dealer and helped y'all do the best you could to take care
15 of those customers.

16 And without that temporary tag system that's so
17 visible, is there a plan in place to get the same result?

18 MS. THOMPSON: Presiding Officer Blassingame,
19 may I speak? Corrie Thompson, director of the Enforcement
20 Division.

21 MR. BLASSINGAME: Yes, Corrie Thompson, go
22 ahead.

23 MS. THOMPSON: So what you're referring to is
24 dealers who fail to timely transfer title. And so with
25 the buyer's temporary tag expiring upon the 60-day

1 expiration mark, law enforcement is alerted to that
2 expired tag out there on the vehicle and so they're more
3 apt to identify that and report that to the department for
4 late title transfers.

5 Much like when a dealer comes to the tax
6 assessor-collector's office and they note the date of the
7 sale and they note the time period that the dealer is
8 coming in to transfer the title, we get a lot of
9 complaints that way as well, too, from the tax assessor-
10 collectors. And there's a late transfer fee associated
11 with that.

12 We are losing that visibility running the
13 plate, and VTR can correct me if I'm wrong, but that
14 should still be notated in the system that the ownership
15 has not transferred in that time period. So, yes, law
16 enforcement would not have that initial visibility with
17 that expiration date on the plate, but if they were to run
18 the plate in the system, I believe there would be some
19 information available to them there.

20 MR. DURANT: Thank you very much.

21 MR. BLASSINGAME: Are there any other questions
22 for Ms. Johnston?

23 (No response.)

24 MR. BLASSINGAME: Thank you, Ms. Johnston.

25 I will now hand it over to Corrie Thompson, the

1 director of Enforcement, to tell us about compliance
2 issues, including new data entry requirements and storage
3 requirements.

4 MS. THOMPSON: Thank you, Presiding Officer
5 Blassingame. Again, Corrie Thompson, director of the
6 Enforcement Division.

7 As Annette and Monique have mentioned
8 previously in their discussion, this new law is going to
9 eliminate the paper tags that dealers currently utilize
10 for different processes regarding their daily business
11 operations, so we have made efforts in the past couple of
12 years to ensure that the data in our systems is up to
13 date. We had heard from law enforcement that ensuring
14 that information in our records really helps them,
15 obviously when they're on roadside stops having accurate
16 information.

17 And to ensure that we continue those efforts
18 going forward with the dealers obtaining general issue
19 plates now, you'll be putting those plates on the vehicles
20 with the consummation of the sale of vehicles that are to
21 be registered in Texas. Also with that, much like today,
22 you connect the buyer's temporary tag to the vehicle upon
23 consummation of that sale, you'll be connecting the
24 general issue plate as well.

25 When you take a vehicle in on trade, as Annette

1 mentioned during her initial speech, you'll also be now
2 required to do a vehicle transfer notification. So that's
3 going to protect that person who traded in the vehicle to
4 you from anything that happens down the line because,
5 again, now the plate is going to stay with that vehicle.
6 So when taken off of the vehicle, it's going to go back
7 into the inventory, and when that vehicle is sold later
8 down the road, you'll reapply that but the vehicle
9 transfer notification would have already been filed and on
10 record with the department.

11 So with that entry into the system, law
12 enforcement will have the most up-to-date information in
13 our record on that particular plate. Same thing with your
14 dealer metal plates. So the vehicle-specific tag that you
15 would use for test drives, the agent tag that you would
16 use taking vehicles to and from auction or to and from the
17 mechanic, that's going to be replaced with one metal
18 dealer plate.

19 So you'll see some requirements in rule that
20 say when you go to utilize those plates for that specific
21 purpose, you're going to make those entries into the
22 system, with the reasoning being then, again, law
23 enforcement can query that record and they'll note that
24 that plate being utilized reflects properly in the system.
25 There is also some requirements in here about maintaining

1 the record for issuance of that plate to that vehicle
2 within the vehicle as well, too.

3 Along with those new requirements for dealers,
4 there is also a securing of inventory requirements which I
5 know will probably be a point of discussion during today's
6 meeting. The current rule states that something along the
7 lines of needing to have a secure either safe or steel
8 cabinet that is bolted or affixed to the floor in some way
9 so that you can house that inventory of metal plates that
10 you have, the variety that you'll have, the ones for
11 out-of-state buyers, the general issue plates, your dealer
12 plates. Because you're going to want to maintain security
13 of that, just as you're going to want to maintain security
14 of the actual system by not allowing password sharing,
15 maintaining who has access, removing unauthorized users
16 when they leave the dealership, things of that nature.

17 And of course, with these items and these new
18 requirements imposed upon dealers, there is sanction
19 authority for the department for violations found for
20 those new requirements as well.

21 MR. BRADBURN: Member Blassingame, this is
22 Member Bradburn. Can I ask a question, please?

23 MR. BLASSINGAME: Member Bradburn, you have the
24 floor.

25 MR. BRADBURN: Thank you.

1 Director Thompson, just a quick question. When
2 you transition over, will the closed data portal for law
3 enforcement just switch over where it will now show the
4 metal plates being issued versus the paper tags?

5 MS. THOMPSON: Corrie Thompson with the
6 Enforcement Division.

7 Member Bradburn, that is a great question.
8 Yes, it is the goal of the department to continue the data
9 that pertains to permits for 72-hour, 144-hour permits
10 that are issued to motor carriers in the closed data
11 portal, but also to try to transition all of that metal
12 plate data into the closed data portal as well, so that
13 that can be queried by law enforcement.

14 MR. BRADBURN: Thank you very much. No further
15 questions.

16 MR. HICKS: Member Blassingame, this is Member
17 Hicks. May I be recognized?

18 MR. BLASSINGAME: Member Hicks, you're
19 recognized.

20 MR. HALL: Ms. Thompson, you mentioned the demo
21 plate, the agent plate. Is that going to be at VIN level,
22 where every time we demo a vehicle, we're expected to
23 enter the information into the system for that five to
24 eight minute demo drive? Or is that something that an
25 agent is issued the plate and it's not going to be

1 required to be at the VIN level disclosure?

2 MR. THOMPSON: Corrie Thompson with the
3 Enforcement Division.

4 So I believe that that information starts on
5 page 19 in your package. And so the specific language
6 says that the dealer shall maintain in the license plate
7 system a record of each license plate issued by the
8 department to that dealer, including all of the different
9 types of the dealer plates, and that the record has to
10 have the plate number, the year and make of the vehicle to
11 which that plate is affixed, the VIN of the vehicle, and
12 the name of the person in control of the vehicle. So yes,
13 that information would have to be entered into the system
14 for those demos. Excellent question.

15 MR. HICKS: As a follow-up to that. This is
16 Member Hicks.

17 As a follow-up, on a busy day in a high volume
18 store, one sales consultant could be demoing six, eight,
19 ten people, so is the webDEALER system where we're
20 supposed to be entering this data, or is it in a more
21 secure portal for that?

22 MR. LUNA: Member Blassingame, this is Roland
23 Luna, deputy director with DMV. May I be recognized?

24 MR. BLASSINGAME: Yes, sir, you are recognized.

25 MR. LUNA: To be determined, that's the answer.

1 We have two different systems right now, two different
2 tracking systems that we use to track different types of
3 temporary tags.

4 To go back just a little bit on why we have
5 this new metal plate that's replacing the agent and
6 vehicle-specific tag, this is in response to law
7 enforcement concerns with officer safety and public safety
8 considerations, being able to identify the vehicle and
9 then ultimately being able to identify the driver. And
10 that's the purpose for that plate.

11 But for tracking of the plates in particular,
12 we're still working through technology to see if it's
13 going to be more beneficial for us to have this feature
14 incorporated into webDEALER or to use our existing system,
15 which is a different system that we have that is
16 real-time. So we're still working through that to be
17 determined, and as soon as we have that identified, we
18 will certainly communicate that to this group.

19 MR. HICKS: Thank you.

20 A final question for Ms. Thompson regarding the
21 security of the plates that you mentioned you know that
22 will be a topic of discussion. Many dealers do not have a
23 bolted down steel cabinet or safe. We do, however, have
24 safe, secure closets and other areas where we keep our
25 plates.

1 Will there be an option to consider that as a
2 solution, or will we be restricted to modifying our
3 facilities to meet that requirement?

4 MR. THOMPSON: Corrie Thompson with the
5 Enforcement Division.

6 Again, great question. So the purpose of the
7 advisory committee meetings that we're holding to discuss
8 these rules, one already previously held with our VTRAC,
9 another one to be held next week with our Consumer
10 Protection Advisory Committee, and this meeting, are to
11 get input on what you would like to see in the rule
12 language knowing your current business needs. So the
13 department is absolutely open to hearing any ideas, and I
14 have thought about that as well.

15 It might be that any particular dealership has
16 a large enough inventory of plates on hand at any one
17 point in time that it might need to be a room or a closet
18 that is secured. And so we are open to additional
19 language changes to the current rule.

20 MR. HICKS: Thank you.

21 MR. SRALLA: Member Sralla.

22 MR. BLASSINGAME: Member Sralla, you're
23 recognized.

24 MR. SRALLA: Ms. Thompson, I would like to
25 suggest a lot of us already have -- due to federal laws,

1 we have to have secured documents areas. And I would like
2 for that to be in consideration to be a place to store our
3 plates.

4 MR. THOMPSON: Thank you, Member Sralla.
5 Corrie Thompson with the Enforcement Division.

6 We will absolutely make note of that. Thank
7 you for the recommendation.

8 MR. SULLIVAN: Presiding Officer Blassingame,
9 Member Mike Sullivan.

10 MR. BLASSINGAME: Member Sullivan, you're
11 recognized.

12 MR. SULLIVAN: Thank you.

13 Ms. Thompson, if more than one member has
14 offered an idea that is supported by other members, do you
15 want to know that now?

16 MR. THOMPSON: I would love to hear any
17 additional recommendations that you have, Member Sullivan.

18 MR. SULLIVAN: Yes, ma'am. Thank you.

19 I agree with the previous comment that we all
20 have document secure areas that are strictly controlled,
21 keypads on the doors. Those numbers are not shared, they
22 are employee specific. And I would strongly encourage the
23 department to consider document secure areas as being
24 suitable for storage of metal plates. Also, to be
25 receptive to the idea of other secure areas that the

1 dealer is comfortable in assuming liability for placing
2 those plates in.

3 MR. THOMPSON: Thank you for the
4 recommendation.

5 MR. SULLIVAN: Yes, ma'am. Thank you.

6 MS. MORIATY: Chair Blassingame, if I may?
7 This is Laura Moriaty, general counsel.

8 MR. BLASSINGAME: Yes, ma'am, go ahead.

9 MS. MORIATY: I just wanted to address Member
10 Sullivan's idea that multiple folks are talking about the
11 same idea here. We're about to have a section where y'all
12 can make motions and make official recommendations to the
13 Board, so that would be the opportunity to get a vote on
14 it officially and make it an official Board recommendation
15 to do exactly what you're saying. Get something that lots
16 of folks have consensus on and put it in front of the
17 Board.

18 MR. BLASSINGAME: Thank you, ma'am.

19 Are there any other questions for Ms. Thompson?

20 MR. DORAN: This is Member Doran. May I be
21 recognized?

22 MR. BLASSINGAME: Member Doran, you're
23 recognized.

24 MR. DORAN: I do want to make sure I'm raising
25 this at the right time. I'm not going to make the motion

1 now, I get that, but a question I had for Ms. Thompson.
2 So in talking about the requirements of essentially
3 associating the plate with a particular vehicle -- which I
4 think you talked about being on page 19 for the dealer --
5 I see those same four requirements also being imposed upon
6 the manufacturer or distributor as it relates to a
7 manufacturer's license. And I believe this is on page 2
8 of 87 or page 5 in the packet, lines 4 through 7, I
9 believe.

10 So a couple of thoughts on that that I wanted
11 the agency to be aware of. As it relates to manufacturer
12 plates, on the page before -- which would be page 1 of 87.
13 Under 215.120(b), it talks about testing prototype motor
14 vehicles which I'm going to just interpret to be both a
15 prototype as well as a pre-production vehicle, one that is
16 not destined for a retail sale to a consumer but yet is
17 still operated on a Texas public road for some purpose.

18 Those vehicles, in all likelihood, are not
19 going to have a VIN number. So the requirement on the
20 following page there, page 2 of 87, page 5 of the book,
21 line 6, wouldn't seem appropriate in that situation.

22 Similarly, the way a manufacturer or
23 distributor operates in their use of manufacturer plates.

24 They will apply that plate to multiple vehicles. You
25 could have a situation where within the same week that

1 plate is on six different vehicles.

2 It was used to move a vehicle from the Toyota
3 Center that was on display to the Houston Rodeo, and then
4 it was used on a different vehicle for the MS-150 that
5 weekend, et cetera, et cetera. So the idea of tying the
6 plate to a specific vehicle and having to provide
7 information about year, make and model of the vehicle with
8 the license plate is kind of -- it is problematic from an
9 operating standpoint.

10 Obviously, the first requirement there, making
11 sure that the license plate number is accounted for and
12 that the plate itself is accounted for is something that
13 manufacturers and distributors are doing today and have
14 safeguards and controls in place. But requirements 2 and
15 3 there, which would be either problematic or inapplicable
16 in certain instances.

17 And then the last part of this section here, on
18 line 7 which is number 4, talks about the name of the
19 person in control of the vehicle to which the plate is
20 affixed. Again, from an operational standpoint, a
21 manufacturer or distributor may have an in-house employee
22 that is charged with maintaining control of the plate and
23 knowing where the plate is going, what it's being used
24 for, what event it's associated with on the vehicle, et
25 cetera.

1 But to assign that responsibility to the person
2 in control of the vehicle would seem unworkable, and
3 here's why. That vehicle may be operated by an intern, an
4 activation company for ride-and-drive, a celebrity, any
5 number of different people, and that can change sometimes
6 within a day's time. So having to report those changes to
7 the DMV when you think about the industry, hundreds, if
8 not thousands, of manufacturer-plated vehicles, you would
9 be inundated with minute changes as to who is using the
10 vehicle that happens to have the plate that morning, that
11 afternoon, that evening.

12 So when we get to the point of the meeting
13 where we're talking about proposed motions, I have a
14 suggestion for that that may be helpful and more workable.

15 So my question here -- sorry, that was the
16 windup -- my question was what was the intent behind
17 including these requirements on manufacturers and
18 distributors when House Bill 718 -- which I was a part of
19 a lot of the conversations around -- doesn't have anything
20 conveying that the legislature's intent was to impose new
21 requirements on manufacturers and distributors related to
22 manufacturer plates.

23 MS. MORIATY: Member Blassingame, if I may?
24 This is Laura Moriatty, the general counsel.

25 MR. BLASSINGAME: Yes, Laura, go ahead.

1 MS. MORIATY: So, Member Doran, the challenge
2 about our text here is that we're reflecting both the
3 changes that are currently proposed in front of the Board
4 with Chapter 215 and the changes that we are currently
5 anticipating. So the language that's underlined just in
6 black here and isn't highlighted is actually language that
7 was proposed in December and is coming back to the Board
8 in April. So that's actually not in front of this
9 committee right now, so that was not part of the 718
10 changes. That's preceding that as part of the 215 rule
11 review that we are fixing to complete in April.

12 So we're happy to hear the feedback, but I just
13 want to make sure that you understand that those changes
14 are coming up in April and that we should really take that
15 feedback to Terry and I so that we can make sure that
16 we're incorporating any change we need to make into the
17 stuff that's going to the Board this time. We can also
18 look at it in the context of House Bill 718 and see if
19 there's a new lens we need to put on it now that we're not
20 just looking at it as a rule review, but that was where
21 these underlined black changes came from. The only thing
22 that's changing officially for 718, from our perspective,
23 is the highlighted yellow language.

24 MR. DORAN: Thank you. Member Doran.

25 I appreciate the explanation and perhaps the

1 agency can avoid multiple manufacturers and distributors
2 having to weigh in on that issue at the April hearing if
3 we're able to address it at this stage. So I understand
4 the train has left the station a little bit as it relates
5 to formal comment on that, and obviously the advisory
6 groups taking that specifically up, but we want to raise
7 awareness of this issue because I would hate for the
8 agency to hear about it after the fact. So thank you.

9 MR. BLASSINGAME: Anybody have questions for
10 Ms. Thompson?

11 (No response.)

12 MR. BLASSINGAME: Thank you, Ms. Thompson.

13 Now we'll turn to the specific rule amendments
14 that will be discussed today. I'll turn it over to Deputy
15 General Counsel Ashley Healy to lay out those rule
16 amendments for us.

17 MS. HEALY: Good afternoon, Presiding Officer
18 Blassingame, members, and for the record, my name is
19 Ashley Healy and I'm the deputy general counsel at DMV.

20 Today I'm presenting the draft rules to
21 implement House Bill 718, which includes edits to the
22 Texas Administrative Code Rule 215, 217 and 221. In
23 addition, it was time for the regular rule review under
24 Section 2001.039 of Chapter 217, so there's additional
25 draft edits in 217 for this purpose.

1 So as Laura was saying a second ago, you saw
2 some changes to 215 that were part of that rule review
3 process which the agency has to do every four years for
4 each of its rules, and those were the ones that were
5 presented back in December and will go before the Board
6 again in April. But we are bringing to the Board the
7 Chapter 217 rule review, along with the 718 changes.
8 We're bringing that to them together; we thought that
9 would be more efficient there.

10 And then finally, also we are implementing
11 House Bill 3297, which is the bill that relates to the
12 elimination of certain safety inspections. So we've
13 included some edits for that implementation as well here.

14 Quite a bit going on, so I can understand exactly how it
15 would be confusing what the different edits and highlights
16 mean. The main point is that anything that is highlighted
17 is directly related to 718 in our opinion, and so that's
18 how we distinguish that.

19 We presented these rules to VTRAC about two
20 weeks ago and we intend to work with this committee as
21 well as VTRAC and CSPAC, so Vehicle Titles and
22 Registration and Consumer Protection, to improve upon
23 these drafts and to bring these rule packages to the DMV
24 Board at the June Board meeting. That's when we're
25 looking to bring them to them, so we'll continue to work

1 on them for the next few months and so we welcome all of
2 your input.

3 I want to thank you guys all for your review of
4 these. I know it was very voluminous. And in the
5 interest of time, rather than go through each edit
6 individually through these 800-page documents, we're going
7 to go ahead and discuss the things that we feel like the
8 stakeholders really will have some significant
9 conversations about and things that impact you guys
10 substantially.

11 So during the next agenda item, we're happy to
12 take recommendations -- the next agenda item being where
13 you guys make your motions. We're happy to take
14 recommendations for clerical and conforming changes, like
15 if we just need to clean something up without having to
16 make full motions and votes and all that stuff. If
17 there's something that you guys see where we called it X
18 in seven places and we called it Y in something else, you
19 guys can just send those to us or let us know about it
20 right here. We don't have to take motions for that kind
21 of thing.

22 And your committee is seeing the first draft of
23 these rules, the first public draft of these rules, so we
24 know there's probably several small clerical errors that
25 could be cleaned up, and we thank you guys for bringing

1 these to our attention. And as always, we welcome motions
2 for any substantive changes.

3 I do want to note that we had a couple of
4 clerical things that we did fix based on Member Hall's
5 comments to us. We cleaned up some numbering, a spelling
6 error or two, and we added some consistency with -- in
7 some places we had called it general issue license plates
8 and some places we called it buyer's license plates, but
9 we were meaning the same thing. And so we updated that
10 definition and added consistency throughout so that that
11 would be less confusing for you guys.

12 So I'm going to jump right into the things that
13 we thought were going to be some of the points we wanted
14 to highlight and jump to those particular sections in the
15 rules so you guys can have a discussion on that and
16 provide us your recommendations.

17 So the first thing -- and most of these things
18 have already been spoken about by the other ladies up
19 here -- allocation and storage. So this is coming from
20 Section 503.0633 of the Transportation Code, and the first
21 part of the rule that I want to talk about is Section
22 215.152, Obtaining dealer-issued license plates. This is
23 our allocation numbers for new dealers.

24 And so this is one of the sections that's
25 changing, and so if you guys want to talk about this in

1 the next agenda item, that's one thing that we wanted to
2 bring up to you. And Monique has already made a lot of
3 comments about that and y'all have had some good
4 discussion, so I'm not going to go any further into that
5 since you guys have already had a discussion on it.

6 Additionally, under allocation and storage and
7 storage requirements, that rule section is section
8 215.140, and currently it does say that it has to be in a
9 safe that's bolted down. We did receive a recommendation
10 from VTRAC to add a secured storage room or closet, so
11 that is something that we're considering and you guys are
12 welcome to make some more motions or recommendations
13 during the next agenda item about what would work for you
14 guys.

15 We expect that this is an area where we're
16 going to get significant feedback from this committee
17 because you guys are the ones having to do it, so we want
18 to know what works for you. We're not trying to impose
19 anything that's not going to be logistically feasible. So
20 we want to hear you guys think that you can do that and
21 keep them secure, and we know that you also find value in
22 keeping them secure, so we want to hear from you guys
23 about that.

24 The next thing is fees. So we do have Section
25 503.063(g) relating to dealer-issued license plates for

1 buyers. So 503.063(g) currently requires the department
2 to set a fee of not more than \$5 for the buyer's temporary
3 tags, which we know don't exist anymore, temporary paper
4 tags.

5 So this section is amended by House Bill 718
6 beginning on July 1, 2025. The amended 503.063(g)
7 requires the department prescribe a fee to be charged by
8 the dealer to the buyer for the metal license plates that
9 will be issued to the buyer upon purchase and they will
10 stay with the vehicle. Buyer's temporary tags will no
11 longer be issued.

12 So this fee is to be credited to the Texas DMV
13 fund which is used to fund legislatively appropriated
14 programs, initiatives and operations. The department is
15 determining what dollar amount is necessary to ensure the
16 solvency of the DMV Fund given the changes in operational
17 requirements. And the new fee is expected to be at least
18 \$10 and no more than \$15. So currently you'll see it
19 reflected in the draft rules as an X because that's,
20 again, something that's open for discussion and we want to
21 hear feedback on.

22 The next thing that we thought you guys might
23 want to talk about is data entry requirements, and you
24 did. So in Section 215.138, these are metal dealer's
25 license plates. This is our modernization of the

1 recordkeeping requirements.

2 We're proposing the dealer enter all the dealer
3 standard and temporary license plate data into the license
4 plate system which will allow toll authorities, law
5 enforcement officials to have immediate access to specific
6 vehicles and what license plate is being used and who is
7 in control of those vehicles. So we're going to hopefully
8 be able to get into a more modern system of things all
9 being electronic and easily accessible by anyone who needs
10 to see those rather than some of the paper records that
11 are being kept currently.

12 So other related issues. Again, we mentioned
13 that we were going to talk about 3297, so we've got some
14 sections in 217 that address the changes that 3297 makes.

15 So currently we have the VIN authentication for
16 out-of-state vehicles in non-emissions counties, and so
17 what we've put in the rule for that one is kind of a self-
18 certification method for when somebody brings a car in
19 from out of state and then how that is going to be
20 authenticated for the VIN. That would previously have
21 been authenticated through the inspection process, and so
22 now certain vehicles would be available to have a self-
23 inspection.

24 And let me pull up that language real quick.
25 So in accordance with Transportation Code 501.030, the

1 verification of the vehicle identification number would be
2 on a form prescribed by the department for the applicant
3 to self-certify the vehicle identification number if the
4 vehicle is not subject to 548. That's one change we made
5 in 217 related to that bill.

6 Then additionally, as I said, we were also
7 going through the rule review process for Chapter 217.
8 And so a couple of things that we made changes to or
9 proposed changes to as part of the rule review process is
10 Section 217.84, and that's the application for a non-
11 repairable or salvage vehicle title. So this new
12 provision is going to require that insurance companies, in
13 addition to the information and documentation that's
14 required to apply for a non-repairable or salvage vehicle
15 title, that they have to disclose which major component
16 parts must be repaired or replaced as a result of the
17 damage to the part.

18 And then finally, the last thing that we wanted
19 to highlight is Section 217.9(a)(1) and (3)(7), and this
20 is about bonded titles. And so the statute,
21 Transportation Code 501.053 requires a release of all
22 liens with bond to ensure that the creditors are not
23 harmed by the bonded title, and a bonded title to ensure
24 that the current owner is not harmed. So the rule
25 currently allows them to get a bond just large enough to

1 cover the lien but it doesn't meet the requirements of the
2 statute, and so this could harm secured creditors with
3 perfected security liens who have to go sue and get
4 payment.

5 And so we need to more closely align the rule
6 with what the statute actually authorizes. But we might
7 have some statutory challenges here, so this is something
8 where we do have some statutory challenges that we have to
9 work around because our authority extends to being able to
10 pass rules which are within authority given to us by the
11 legislature here.

12 Those are the things that we thought you guys
13 might want to talk about. Obviously, anything that is
14 contained in these rules, we could talk about and make
15 motions on. But we wanted to highlight those specific
16 sections and let you know which sections they were found
17 in to give you guys kind of a head start on that.

18 So if anybody has any questions.

19 MR. SULLIVAN: Director Blassingame, Member
20 Mike Sullivan.

21 MR. BLASSINGAME: Member Sullivan, you have the
22 floor.

23 MR. SULLIVAN: Thank you.

24 Ms. Healy, when referring to the chapter
25 numbers, et cetera, it would be helpful to me if we could

1 mention if it's in our 292-page, whatever, what blue page
2 number.

3 MS. HEALY: Of course. Everything I referred
4 to is in your documents but I can jump to that too.

5 MR. SULLIVAN: Thank you, Presiding Officer
6 Blassingame.

7 MR. BLASSINGAME: Yes, sir.

8 MR. SULLIVAN: I just wanted to say thank you.

9 MR. BLASSINGAME: You're welcome.

10 MR. HICKS: Member Blassingame, this is Member
11 Hicks. May I ask a quick question?

12 MR. BLASSINGAME: Member Hicks, go ahead.

13 MR. HICKS: And this is really for staff. Is
14 it appropriate for this group to hear the suggestions that
15 came out of the first review of this inside CSPAC and any
16 other committee where dealers have already provided
17 feedback with suggested language changes, or do we need to
18 keep this an independent discussion?

19 MS. HEALY: It's a public meeting, the one that
20 just happened, and so I can let you know that we did have
21 one recommendation that was related to storage
22 requirements, and they recommended that we add a locked
23 storage room or something to that extent.

24 MR. HICKS: No other feedback from CSPAC other
25 than that?

1 MS. MORIATY: We have not met with CSPAC yet,
2 that one is next week. We met with the MVIRAC about two
3 weeks ago.

4 MR. HICKS: That's the one I'm thinking of.
5 Okay. Thank you.

6 MR. BLASSINGAME: Are there any other questions
7 for Ms. Healy?

8 MR. BRADBURN: Member Blassingame, Member
9 Bradburn with a question.

10 MR. BLASSINGAME: Member Bradburn, you have the
11 floor.

12 MR. BRADBURN: Thank you.

13 I just had one question. If I'm correct, now
14 when a dealer loses or a buyer tag gets stolen, they can
15 void it in the system but it does not show up for law
16 enforcement. The storage is going to be a hot topic for
17 all these other car dealers so I feel their pain, but when
18 metal plates do get stolen -- because we know criminals
19 will adapt -- are they going to show up in the TLETS
20 system for law enforcement when they get entered so the
21 cop driving down the street knows that plate is stolen?

22 MR. LUNA: Member Blassingame, this is Roland
23 Luna. May I be recognized?

24 MR. BLASSINGAME: You are recognized, sir.

25 MR. LUNA: Member Bradburn, the way that we

1 envision is, let's first talk about what is displayed in
2 TLETS now. If there's an old motor vehicle record -- our
3 motor vehicle records are provided to the Department of
4 Public Safety. And as the administrator for the State of
5 Texas, they oversee the TLETS system, the Texas Law
6 Enforcement Telecommunications System, that Member
7 Bradburn is referring to.

8 Whenever they run a registration check, law
9 enforcement on a vehicle, if the registration is current,
10 it will provide all of the details for that vehicle to the
11 officer. If a plate is stolen that was traded in -- so if
12 I buy a vehicle and it was pre-owned vehicle, there should
13 already be a plate that's assigned to that vehicle. If
14 that plate is stolen, we envision being able to place a
15 remark in that motor vehicle record so that a replacement
16 plate can be issued to that vehicle.

17 Member Bradburn, there's a number of logistical
18 considerations that we have to consider and this is why we
19 want to hear these types of scenarios from law enforcement
20 personnel on our various advisory committees. We're happy
21 to have further conversation about recommendations that
22 you may have.

23 MR. BRADBURN: Thank you. The only thing I can
24 see is when a vehicle is stolen, when DMV has the mark on
25 the bottom saying it's stolen, it also populates on the

1 wanted vehicle system. And that might be a suggestion for
2 a lost plate to populate there as well, just for officer
3 safety and public safety.

4 MR. LUNA: Yes, sir. And as we work through
5 operational changes and implementation, we're working very
6 closely with the Department of Public Safety. As we make
7 enhancements and changes to our system, we update the
8 motor vehicle record but we do not control the layout of
9 the information in TLETS. But as y'all make
10 recommendations, we will certainly pass those along to
11 DPS.

12 MR. BRADBURN: Thank you, sir. No further
13 questions.

14 MS. THOMPSON: Officer Blassingame, Corrie
15 Thompson with the Enforcement Division.

16 MR. BLASSINGAME: Ms. Thompson, you have the
17 floor.

18 MS. THOMPSON: Yes. I wanted to follow up on
19 the question that Member Bradburn had.

20 Also, Member Bradburn, to get that stolen plate
21 information into the hands of the department, Rule 215.138
22 does currently mandate that the dealer report any lost,
23 stolen or damaged plates in the system back to the
24 department, if it's a dealer plate, within three days of
25 the discovering. And then if it is a buyer plate, so

1 those general issue plates, within 24 hours of
2 discovering, so that we'll be able to update the system.

3 MR. BRADBURN: Well, that's excellent. Thank
4 you.

5 MR. BLASSINGAME: Are there any other comments?

6 MR. DORAN: Member Blassingame, this is Member
7 Doran again. A question for Ms. Moriaty.

8 MR. BLASSINGAME: Member Doran, you have the
9 floor.

10 MR. DORAN: Thank you.

11 So I just want to make sure I'm understanding
12 correctly. I was going to make three motions today on
13 underlying language in this proposed rule package. Am I
14 precluded from doing that today, or is it the desire of
15 the agency that we put those in writing and send them to
16 the agency?

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

19 So we can make them today, I just want to make
20 sure we have an effective feedback loop going between you
21 and I since our deadline for this is much sooner than
22 these will actually be presented to the Board. Now, it's
23 very possible that you could also amend them in June.
24 Right?

25 Assuming that the Board adopts the proposed

1 changes, they would be effective, and then we could take
2 them back up again in June. So let's go ahead and do them
3 today. I just wanted to put it on your radar that that
4 language was currently proposed and still open if there
5 were easy things that we could do at adoption.

6 Now, it's important for me to point out that
7 obviously our ability to adopt something different than
8 what we propose is very limited. So it's very possible
9 that our only route to deal with the problem at this point
10 is to adopt what we have and then amend it in June when we
11 bring these amendments forward. So let's go ahead and do
12 it. I just wanted you to know that we may have a chance
13 to fix it ahead of that.

14 MR. DORAN: Okay. Thank you. And I think
15 they're fairly minor, but you let me know when you want me
16 to lay those out.

17 MS. MORIATY: Sure. You're about to move to
18 the part of the show where you get to make your motion, we
19 can just talk about it then.

20 MR. DORAN: Okay. I'll wait till we get to
21 that part of the show. Thank you.

22 MR. BLASSINGAME: Are there any other
23 questions?

24 MR. HALL: This is Member Hall.

25 MR. BLASSINGAME: Member Hall, you're

1 recognized.

2 MR. HALL: Thank you. I have a question or a
3 follow-up question, I guess, on the \$10 to \$15 fee. And
4 for a little bit of context, I'm a member of the advisory
5 committee that met a couple of weeks ago and I made a
6 general comment about the buyer's tag fee being replaced
7 with a new registration fee that was just mentioned at the
8 \$10 to \$15.

9 It would be helpful to understand what is going
10 into that calculation because every motor vehicle that's
11 operated on the road today has a general issue license
12 plate. There's not a supplemental registration fee that's
13 attached to those, and part of this process is actually
14 proposing to reuse general issue license plates, which
15 would seem to be a cost savings to the state. So I'm
16 trying to figure out what's going into the calculation
17 that would justify essentially increasing a motor vehicle
18 operator's registration annually -- or I say annually --
19 one time by that \$10 to \$15 range rather than keeping it
20 fairly consistent.

21 Again, I understand that there are going to be
22 operational costs, a new system has to be built, and all that
23 stuff, but I bring that up. And motor vehicle
24 affordability is a big thing, certainly when somebody is
25 paying \$60-, \$70-, \$80,000 for a car, maybe \$10 or \$15

1 isn't a big deal, but a lot of vehicles are significantly
2 cheaper than that, especially used motor vehicles and
3 those little bits of money can make a difference. I just
4 want to kind of understand what's going into the rationale
5 to increase the fee from \$5 to two to three times that.

6 MS. QUINTERO: Member Hall, this is Annette
7 Quintero, Vehicle Titles and Registration director.

8 I don't have an explicit answer to your
9 question, however, I have done quite a bit of research in
10 the last couple of weeks related to the \$5 registration
11 fee that we currently have, and from what I was able to
12 uncover and kind of work backwards from -- as you can
13 imagine, it was no easy feat -- the fee has been \$5 since
14 very likely the beginning of the fee which I couldn't find
15 any data beyond the year 2000. There weren't any rules
16 related to the \$5 fee until 2007, I believe; there wasn't
17 a statute that addressed the rule until 2007.

18 So while I don't have an explicit answer to
19 your question, the only answer I do have is that that fee
20 has not been assessed in almost likely two decades. And
21 so as part of the overall assessment that the department
22 is doing related to ultimately the way that we do
23 business, but it happens to be brought to the forefront of
24 HB 718 and the implementation of metal plates. So it is
25 ultimately a registration fee.

1 It is not a temporary tag fee or a metal plate
2 fee, it is a registration fee. Does that help provide
3 some insight, Member Hall?

4 MR. HALL: Yeah. Just one slight follow-up.
5 So that registration fee is being earmarked for the Texas
6 DMV Fund, and there was a comment made about keeping that
7 fund solvent. If the fund is already solvent and the
8 department is able to fund its operations with the
9 existing \$5 fee which is going into the DMV Fund, again,
10 I'm just trying to advocate for let's make sure that we're
11 not increasing registration fees, which consumers
12 generally look at as taxes, unnecessarily if the funds are
13 not actually needed just for the sake of saying -- you
14 know, I get it, inflation has gone up a lot in 20-25
15 years. But if it's not needed to actually balance the DMV
16 Fund, let's err on the side of not raising fees for
17 consumers.

18 MR. LUNA: Member Blassingame, this is Roland
19 Luna. May I be recognized?

20 MR. BLASSINGAME: Yes, sir, Mr. Luna, you're
21 recognized.

22 MR. LUNA: Member Hall, good to hear from you.
23 Roland Luna, deputy executive director with the DMV.

24 There are a number of considerations when we
25 look at replacing the buyer's tag fee, which is now \$5,

1 with this amount that we're trying to determine that we
2 need your assistance for. When we look at the buyer's tag
3 fee that has been flat, as Annette said, for two decades,
4 if you consider the operational considerations that we
5 have at the agency, license plate manufacturing is one
6 consideration, the raw materials, the manufacturing, the
7 transportation, and then ultimately, being assigned to a
8 tax assessor-collector and then to a dealer, there are
9 various components that we need to consider along the way
10 that have increased in cost and that \$5 buyer's tag fee
11 has been flat.

12 And if we think about CPIs over the last two
13 decades, I mean, let's just focus on a loaf of bread, what
14 did a loaf of bread cost two decades ago and what does it
15 cost today, a significant difference in price. So when
16 we're looking at that and we're looking at the long-term
17 projections of the DMV Fund and our solvency as an agency
18 to make sure that we can continue to deliver first class
19 customer service at our regional service centers, to
20 dealers, and to the public, we have to ensure that our
21 technology, our services and all of our operations can
22 continue to be funded, which is why we need some help
23 determining what that fee should be, if it's \$10 or
24 somewhere in between the \$10 and \$15. But we know today
25 that \$5 is inadequate, which is why we want to have

1 additional conversation with committees.

2 Thank you.

3 MR. SRALLA: Member Sralla.

4 MR. BLASSINGAME: Member Sralla, you have the
5 floor.

6 MR. SRALLA: I want to follow up on the fee
7 concern here. I agree, I don't believe that a modest
8 increase in the fee from \$5 to \$10 or to \$15, while we're
9 always careful we don't want to nickel-and-dime people to
10 death, we do agree with the solvency. But by the same
11 token, has there been any discussion with allowing the
12 dealer -- because you've used the word charge a fee, but
13 it's not really a charge. It's more passing it on to the
14 collection of a fee to charge a \$5 fee or something,
15 because we have increased costs as well with additional
16 security and the things that are going to go along with
17 having plates in-house.

18 MR. BLASSINGAME: Mr. Luna, any answer?

19 MR. HALL: This is Member Hall.

20 MS. HEALY: Could you repeat your question,
21 please? I was trying to figure out the exact question.

22 MR. BLASSINGAME: Member Hall.

23 MS. MORIATY: This is Laura Moriatty, general
24 counsel. I'm going to need to go back to the statute but
25 I don't believe we have statutory authority to charge a

1 fee that the dealer can collect.

2 MR. THOMPSON: Presiding Officer Blassingame,
3 can I have the floor, please? Clint Thompson, deputy
4 director.

5 MS. HEALY: Thank you, Clint.

6 MR. THOMPSON: Thank you.

7 The existing statute -- and I believe that's
8 what Member Hall was fixing to speak to -- the existing
9 statute allows the dealer to charge a \$20 fee relative to
10 this.

11 MS. MORIATY: So it's set specifically by
12 statute. Is that right, Clint? We don't have rulemaking
13 authority --

14 MR. THOMPSON: That's correct, and it's
15 unchanged by House Bill 718.

16 MR. HALL: This is Member Hall. That's what I
17 was going to say. The dealers can already charge an
18 optional fee up to \$20 for processing a buyer's tag, which
19 does not change, so they can charge up to \$20 for
20 processing a metal plate.

21 MR. BLASSINGAME: Does that answer the
22 question?

23 MR. SRALLA: Yes, it does. Thank you.

24 MR. BLASSINGAME: Thank you.

25 Are there any other questions for Ms. Healy?

1 (No response.)

2 MR. BLASSINGAME: Thank you, Ms. Healy.

3 Are there any public comments on item 2.A?

4 MS. MORIATY: Laura Moriaty, general counsel.

5 There are not.

6 MR. BLASSINGAME: Members, I will now move on
7 to agenda item 2.B. Now that the committee has been
8 briefed by TxDMV on the proposed amendments to Chapters
9 215, 217 and 221, it is time to discuss and vote on any
10 recommendations that we as an advisory committee want to
11 present to the TxDMV Board.

12 To assist the court reporter in getting an
13 accurate record, please cite to the blue page number at
14 the top right-hand side of your written materials and the
15 line number located on the left-hand side of the draft
16 amendments to Chapters 215, 217 and 221, when discussing
17 any portion of the provisions in the written materials
18 that TxDMV staff provided you.

19 Any recommendations from this advisory council
20 should be made in the form of a motion that this advisory
21 council votes on, unless TxDMV staff are willing to accept
22 an informal comment. An example of a motion is: I move
23 that this advisory committee recommend to the TxDMV Board
24 that the proposed amendments to Section 215.120 should be
25 modified to add a clause that says X.

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

4 MR. DORAN: This is Member Doran. May I be
5 recognized?

6 MR. BLASSINGAME: You have the floor, Member
7 Doran.

8 MR. DORAN: Thank you.

9 Okay. So I wanted to follow up from our
10 discussion earlier. And to make sure we have a clean
11 record, I'm looking at blue page 5 of the proposed rule
12 packet. This is also identified as page 2 of 87, dealing
13 with Chapter 215, towards the top of the page, and it is
14 essentially lines 5 and 6.

15 So I'm going to explain the motion and then
16 I'll make it. Right?

17 So what I'm trying to accomplish here with this
18 motion is to strike lines 5 and 6 which would require that
19 a manufacturer or distributor put into the license plate
20 system the year and make of the vehicle to which the plate
21 is affixed, as well as the VIN number. And as I discussed
22 earlier, there are operational complexities -- or frankly,
23 an operational impossibility as it relates to VIN numbers
24 not existing for certain vehicles. So with respect to
25 those two lines, I'm going to move to strike them, but let

1 me continue to explain the motion.

2 And in addition to that, on line 7, which is
3 number (4) here, it reads currently: the name of the
4 person in control of the vehicle to which the license
5 plate is affixed -- that that would be information that
6 the manufacturer or distributor would have to input into
7 the license plate system. The proposal that I'm going to
8 make is that the language be changed to read: the name of
9 the person in control of the vehicle plate. And then
10 strike the rest of the language there on line 7, again,
11 page 5 of the packet.

12 So I would like to make a motion at this time
13 to modify what is Chapter 215.120, License Plates, the
14 proposed rule under (d) (2) (3) and (4) to be changed and
15 modified as follows. One, striking lines 5 and 6 which
16 are numbers (2) and (3) that currently read: the year and
17 make of the vehicle to which the license plate is affixed,
18 and number (3) the VIN of the vehicle. And then changing
19 line 7, number (4) to read: the name of the person in
20 control of the vehicle plate, period, striking the rest of
21 that line.

22 That would be my motion.

23 MR. BLASSINGAME: We have a motion on the
24 floor.

25 Member Bradburn.

1 MR. DORAN: I think we've got to get a second.
2 Right?

3 MR. BLASSINGAME: Yeah, you're right.

4 MR. SULLIVAN: Member Sullivan, second.

5 MR. BLASSINGAME: All right. Member Bradburn,
6 are you for or against?

7 MR. BRADBURN: Member Bradburn against the
8 motion.

9 MR. BLASSINGAME: Member Donnelly?

10 MR. DONNELLY: Member Donnelly, for.

11 MS. MORIATY: Mr. Chairman, I'm sorry. This is
12 Laura Moriatty, general counsel.

13 If you'd like to call for discussion, members
14 might have things they want to talk about before we vote
15 on this motion.

16 MR. BLASSINGAME: Okay.

17 MR. MURPHY: I'll call for discussion. This is
18 Murphy.

19 MR. BLASSINGAME: Go ahead.

20 MR. MURPHY: I'd like to hear from people that
21 do this every day, all day long about those changes.

22 MR. HICKS: Member Blassingame, this is Member
23 Hicks.

24 MR. BLASSINGAME: Member Hicks, you have the
25 floor.

1 MR. HICKS: Specifically for Member Doran, this
2 is related to manufacturers, distributors and converters,
3 not to dealers, but the specific use by the manufacturers
4 or distributors. Correct?

5 MR. DORAN: This is Member Doran. Yes, that is
6 100 percent correct. This does not impact any operations
7 by the dealer whatsoever.

8 MR. HICKS: Thank you.

9 MR. HALL: This is Member Hall.

10 MR. BLASSINGAME: Member Hall.

11 MR. HALL: I'm going to probably direct this
12 question to Mr. Luna, since he's got prior law enforcement
13 experience.

14 If a law enforcement officer is affecting a
15 traffic stop and they run that plate and they don't know
16 if that plate is legally affixed to that vehicle because
17 there's no vehicle description to go along with it, and
18 the operator of that vehicle is also not tied to the
19 record, what type of risk does that pose to an officer
20 that's affecting that traffic stop?

21 MR. LUNA: Member Blassingame, this is Roland
22 Luna. May I respond?

23 MR. BLASSINGAME: Yes, sir, Mr. Roland.

24 MR. LUNA: So the scenario that Member Hall
25 just described would be handled as what's called a high

1 risk stop by law enforcement. The license plate is for
2 one purpose. It's to identify the owner or the registrant
3 of the vehicle and the conditions of the vehicle.

4 And during the legislative session we met with
5 a number of law enforcement associations, as well as
6 individual law enforcement agencies, both county and
7 municipal law enforcement, to discuss what their concerns
8 were around paper tags. And one of the prevailing themes
9 that we heard from those groups was that they had a need
10 to identify the vehicle.

11 And at the height of temporary tag fraud --
12 that y'all are well aware of that ultimately led to this
13 bill -- that was one of the considerations that continued
14 to be pushed by law enforcement was the immediate need to
15 identify the vehicle. So the purpose of having the metal
16 plate ultimately is to identify the vehicle and the
17 conditions. And by having a plate on there, law
18 enforcement is able to query that in the TLETS system and
19 see the returned information so that they know how to
20 approach the vehicle and be able to determine whether or
21 not that vehicle is stolen.

22 MR. DORAN: This is Member Doran. May I
23 respond to that?

24 MR. BLASSINGAME: Member Doran, go ahead.

25 MR. DORAN: So today when a Toyota vehicle or a

1 General Motors vehicle or a Tesla vehicle is pulled over
2 by a law enforcement officer and it has a manufacturer's
3 plate on there, my understanding -- because trust me,
4 there's been plenty of employees that have been pulled
5 over -- my understanding is that what law enforcement sees
6 is that that vehicle is owned by and registered by the
7 manufacturer or distributor. So the officer knows as they
8 approach the vehicle this is a company car that is owned
9 and operated by the company. So the right question to ask
10 is: Are you authorized to be operating the vehicle?

11 And in that regard, this agency provides all of
12 the -- they provide letters that all of the associates
13 from our company carry with them in the vehicles
14 identifying the license plate -- this is signed by Daniel
15 Avitia -- that says: These plates are associated with
16 Gulf States Toyota and this associate or this employee is
17 authorized to be operating this vehicle. So that's how
18 that works today.

19 And just to clarify the question, so at no
20 point in time are paper temporary tags ever placed on one
21 of these vehicles that has a manufacturer plate, so it's a
22 different situation.

23 Thank you.

24 MR. LUNA: Yes, sir.

25 MR. BRADBURN: Member Blassingame, Member

1 Bradburn.

2 MR. BLASSINGAME: Member Bradburn, go ahead.

3 MR. BRADBURN: Thank you.

4 The reason I'm opposing it right now is line
5 item 5, section (2). If you take away everything on there
6 but the license plate number, regardless of what kind of
7 plate it is, we call it ghost plate law enforcement. It's
8 not going to come back on anything. I believe at least it
9 should be modified -- if it's a prototype vehicle, if it's
10 an ambulance, a fire truck, whatever, it should have some
11 kind of descriptor.

12 Perfect example, not manufacturer, just this
13 weekend NYPD, they had a metal dealer plate, legitimate
14 one, not reported stolen, New York troopers do a stop and
15 it was a stolen vehicle. So I think there needs to be a
16 little more security features because I personally was at
17 the Capitol with the legislature on these, and that was
18 the intent of this bill.

19 And that's my comment.

20 MR. BLASSINGAME: Thank you, Member Bradburn.

21 MR. DURANT: Member Blassingame?

22 MR. BLASSINGAME: Yes, sir.

23 MR. DURANT: Member Durant.

24 I'm confused here. It's a difference of
25 interpretation, but when I read the line "the name of the

1 person in control," I understand that a company can be in
2 control of the vehicle. It's not saying the name of the
3 person driving the vehicle.

4 So I read that as if Tesla owned the vehicle,
5 the name of the person in control would very much be Tesla
6 or General Motors, or any manufacturer. Perhaps the staff
7 can clarify what exactly that language means.

8 MR. BLASSINGAME: Thank you, sir.

9 Staff?

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

12 I do not have the preamble in front of me, but
13 I believe the intent of in control was to mean the person
14 driving it, the operator, so that law enforcement would
15 know who they are going after. Now, you're absolutely
16 right that person does potentially mean corporate entity,
17 which I think is what Member Doran is getting at when he
18 suggests that we draw it back to the person, the entity in
19 control of the plate.

20 MR. BLASSINGAME: Did that answer your
21 question, sir?

22 MR. DURANT: Yes, sir. Thank you very much.

23 MR. BLASSINGAME: Any further discussion before
24 we vote?

25 MR. BRADBURN: Member Bradburn. Can I make one

1 more comment?

2 MR. BLASSINGAME: Member Bradburn, you have the
3 floor.

4 MR. BRADBURN: I would actually agree with
5 Member Durant on line item 7, changing that from the name
6 of the person to the entity. To me that would make sense
7 as a law enforcement officer, so I would agree with that.

8 MR. BLASSINGAME: Any further discussion?

9 MR. DORAN: This is Member Doran. So it sounds
10 like there might be a suggestion to change the motion as
11 it relates to line 4 to say: the name of the person or
12 entity in control of the vehicle to which the license
13 plate is affixed. That sounds like it might appease.

14 MS. MORIATY: Member Blassingame, this is Laura
15 Moriatty again.

16 I just wanted to clarify. It sounded to me
17 like Member Bradburn was willing to take out "in control
18 of the vehicle." I thought he was agreeing with you.

19 MR. DORAN: I think so too.

20 MS. MORIATY: Member Bradburn, are you fine
21 with his language which is currently the name of the
22 person in control of the vehicle plate, not the vehicle?

23 MR. BRADBURN: Member Bradburn. I was opposed
24 to line item 5 being taken out. That should still say in
25 there. On line item 7, I believe if I had it right,

1 Member Doran wants to change it to the manufacturer entity
2 versus the name of the person, and that I would agree
3 with.

4 MS. MORIATY: Right. So his language for
5 number (4), line 7 -- his language would be: the name of
6 the person in control of the vehicle plate.

7 MR. BRADBURN: I would agree with that on that
8 line 7, yes.

9 MS. MORIATY: Thank you.

10 MR. BLASSINGAME: Any further discussion?

11 (No response.)

12 MR. BLASSINGAME: Do you want to change the
13 original motion?

14 MR. DORAN: This is Member Doran.

15 I'm still struggling with line 5 here and the
16 concern that's been raised around that. Because the
17 plate -- the whole reason for having a manufacturer plate
18 is the interchangeability of it with different vehicles so
19 that they can be quickly and easily moved legally on Texas
20 roads. So what I've discussed a few times in the meeting
21 is that operationally I'm having a hard time understanding
22 how it would be practical to have to perhaps enter into
23 the system multiple times in one day.

24 We really haven't discussed much in the meeting
25 as far as to how it would work, what hours of operation

1 accessibility would be, those types of things, that we
2 would have to have potentially inputting this information.

3 Okay, it's noon, now the plate is on a vehicle at the
4 rodeo. And then we're going to remove it as soon as we
5 get it parked at the rodeo, and then we're going to put
6 just a Toyota license plate on it. And that plate is now
7 going to be carried by that individual who is responsible
8 for it and it will be placed on another vehicle.

9 It's very difficult. So I'm trying to
10 accommodate the concern that's been raised as it relates
11 to line 5 there, but I don't have a good way to address
12 that concern. Because that's really the crux of the issue
13 there is I'm understanding the concern to be that the
14 objection is that the manufacturer or distributor would
15 have to input information into the license plate system
16 about the specific vehicle that that plate happens to be
17 affixed to.

18 Now, one possible -- I still don't think this
19 is going to get where law enforcement wants to go with
20 this -- but maybe once a year we could do that or once a
21 quarter, but I mean, again, the frequency with which that
22 plate is removed and applied to other vehicles that it's
23 authorized to be applied to is pretty high, and I think it
24 would be administratively cumbersome and burdensome to do
25 that. So I don't know that I can really modify the motion

1 to address that concern, but I am open to suggestions from
2 staff.

3 MR. DONNELLY: Member Blassingame, Member
4 Donnelly.

5 MR. BLASSINGAME: Member Donnelly.

6 MR. DONNELLY: I'm not sure if this is an
7 appropriate time to ask the question, but I see what Laird
8 is saying. And from an independent standpoint it would be
9 cumbersome keeping track of it, but I'm envisioning
10 somebody sitting in front of a computer individually
11 punching something in.

12 Is there any plan for some type of mobile app
13 scenario would you could utilize the scan technology that
14 would then go into that system, and we're not sitting in
15 front of a desk? Because that's where I'm struggling is
16 everything in the system is in front of a desk, but will
17 there be something mobile that, say, my employees can scan
18 the VIN, scan the plate, connect it, type in his name and
19 done?

20 MS. QUINTERO: Annette Quintero, Vehicle Titles
21 and Registration director.

22 I would love that, I would. I think I would be
23 remiss to say that we are that far along in our technology
24 track to be able to accomplish that. But it is definitely
25 something that we would -- a model we would really like to

1 get to. There's a lot of efficiency gained in that space,
2 but we're a way away from that.

3 MR. DONNELLY: Long way away. Got it. Thank
4 you.

5 MR. HALL: This is Member Hall.

6 I believe this language is exactly the same for
7 the dealer plates, so the expectation is going to be the
8 same for dealers. And I can guarantee you that dealers
9 that are doing test drives are going to have this problem
10 at a level that's exponentially higher than what
11 manufacturers are. But just my personal perspective on
12 this is this whole bill was a result of a law enforcement
13 officer dying because of temp tag fraud, that my personal
14 opinion is that whatever that burden is, is not worth
15 another law enforcement officer losing their life.

16 I think us finding the way to solve this
17 problem through our internal operations, if there's a
18 technology solution, I mean, any website is accessible
19 from a mobile phone, whether it's mobile-friendly or not
20 is a different conversation, but I think we've got to put
21 law enforcement at the forefront. And for me, the biggest
22 sticking point is not having a record of what vehicle that
23 license plate is actually affixed to at the moment that
24 that law enforcement officer might be effecting a traffic
25 stop. They're getting a plate and it's going to come back

1 and it's going to say, yeah, okay, it belongs to Toyota
2 but they're not sure if it's on the right Toyota vehicle,
3 they have no description of the vehicle, to me that just
4 increases risk.

5 So just from that standpoint and the purpose
6 behind this whole bill, I think we've got to defer to
7 ensuring an optimal outcome for our law enforcement
8 officers that are effecting traffic stops.

9 MR. DORAN: This is Member Doran. May I
10 respond to that?

11 MR. BLASSINGAME: Member Doran, go ahead.

12 MR. DORAN: Thank you.

13 I completely agree that the premise of HB 718
14 was to protect law enforcement and to meet what their
15 needs were. And throughout the process of this bill going
16 through the legislature during the session, we, along with
17 other stakeholders, worked very closely with the bill
18 author, Craig Goldman, and his staff on this. And I can
19 tell you that in my experience in working with the bill
20 author, not one time was there ever a concern raised by
21 law enforcement or any other stakeholder that manufacturer
22 plates were ending up in the wrong hands, had been
23 mishandled, that safeguards hadn't been followed, and that
24 those plates were being used in the commission of a crime.
25 I'm not saying that that's never happened but I'm telling

1 the group here that throughout the legislative process
2 that did not come up.

3 So here we have a situation where, unlike the
4 dealers who were a driving force as a reason for HB 718,
5 we are now going further afield from what the legislative
6 intent of this bill is and we are getting into the realm
7 of potential scenarios versus things that have actually
8 happened. And I think when you're talking about
9 hypotheticals, you have to apply a different level of
10 scrutiny and a lighter touch, honestly, when you're
11 dealing with things that haven't been identified by law
12 enforcement or the bill author as a reason for the bill.

13 So I just wanted to make that -- I just wanted
14 to express that, so thank you.

15 MR. BLASSINGAME: Thank you.

16 Any further discussion?

17 MR. SULLIVAN: Member Blassingame, Member
18 Sullivan.

19 MR. BLASSINGAME: Member Sullivan.

20 MR. SULLIVAN: I'm going to pose a question but
21 I don't know to who, so forgive me. In thinking of the
22 scenario that Member Doran has laid out where there may be
23 multiple changes throughout the day of a plate, I think my
24 question, from a layman's perspective, is are those
25 changes entered into a system and those are reflected in

1 real-time, if that makes sense.

2 So in other words, for instance, going back to
3 our old safety inspection days, at midnight everything
4 trues up. All the records are updated. So in fact,
5 currently -- and you may know the answer to this, Member
6 Doran -- do we know whether or not that the changes made
7 throughout the day when the plates are changed are
8 actually accurate anywhere? Does that make sense?

9 MR. DORAN: Member Doran. I don't know, Member
10 Sullivan. I think that's a question for staff.

11 MR. THOMPSON: Clint Thompson, deputy director,
12 Vehicle Titles and Registration Division. Presiding
13 Officer Blassingame, if I can have the floor, please.

14 MR. BLASSINGAME: You have the floor, Mr.
15 Thompson.

16 MR. THOMPSON: Thank you.

17 So obviously considering that manufacturer
18 plates are not in the system today as being entered for a
19 vehicle, that's the whole discussion point that we've got
20 right now. Those records are available. What we are
21 talking about doing is creating a system, whether it's
22 eTAG that we all use today for dealer plates, or whatever
23 the system may be, to mirror that same process that, yes,
24 when a vehicle is entered into that system, when a record
25 is created, it is near real-time, which is what eTAG is

1 today.

2 You issue a buyer tag, within minutes law
3 enforcement has access to that record. The same concept
4 would prove true with the manufacturer. And Member Hall's
5 point, the dealer plates, that once you make those
6 instantaneous changes for changing a vehicle for driving
7 it for demo purposes or whatever the case may be, or
8 changing at the rodeo, livestock show, or whatever the
9 case is, yes, those would be updated and reflected for law
10 enforcement near real-time.

11 And I also want to point out that keep in mind
12 this is a protection. And while we have not heard from
13 law enforcement about issues with manufacturer license
14 plates, we have heard issues from dealers and other
15 entities about stolen plates and plates being used on
16 vehicles that they're not authorized for. This is a
17 protection for manufacturers; it's a protection for
18 dealers as well.

19 They actually have that record of the vehicle
20 that it belongs to, law enforcement runs that, they
21 recognize that it doesn't belong on that vehicle, it's a
22 stolen plate. That's an opportunity to protect the entity
23 that the vehicle actually has been moved from or the plate
24 has been moved from.

25 Thank you.

1 MR. BLASSINGAME: Does that answer the
2 question?

3 MR. SULLIVAN: Member Sullivan. Yes, thank
4 you.

5 MR. DORAN: This is Member Doran. If I
6 modified my motion?

7 MR. BLASSINGAME: Member Doran, go ahead.

8 MR. DORAN: Thank you.

9 I would like to make essentially the same
10 motion and just leave out my proposed change to line 5,
11 which is number (2) the year and make of the vehicle to
12 which the license plate is affixed, so that just to
13 restate the motion, the motion would be to strike line 6
14 which identifies the VIN number of the vehicle and then to
15 make that change in line 7, number (4) to modify it to
16 read the name of the person in control of the vehicle
17 plate, period.

18 MR. BRADBURN: Member Blassingame, Member
19 Bradburn. Can I have the floor?

20 MR. BLASSINGAME: Member Bradburn, go ahead.

21 MR. BRADBURN: Thank you.

22 Member Doran, thank you for working with me. I
23 would suggest on line 6, instead of completely removing
24 the VIN of the vehicle -- some of those vehicles are going
25 to have VINs, and if you're already updating stuff, if it

1 doesn't have a VIN, like a prototype, that would be one
2 thing. But if it has a VIN, I think it should be entered.

3 MR. BLASSINGAME: Thank you.

4 MR. DORAN: This is Member Doran. May I be
5 recognized?

6 MR. BLASSINGAME: Member Doran, you have the
7 floor.

8 MR. DORAN: Okay. Let's modify this one more
9 time. We will change line 6 to read: (3) the VIN of the
10 vehicle, if applicable; and.

11 MR. BLASSINGAME: Any further discussion?

12 MS. MORIATY: I'm sorry. This is Laura
13 Moriaty, general counsel.

14 We're going to need a second on that.

15 MR. SULLIVAN: Member Sullivan, second.

16 MR. BLASSINGAME: Thank you, Member Sullivan.

17 We have a motion from a member and a second
18 from a member. Any further discussion?

19 MR. BRADBURN: Member Blassingame, Member
20 Bradburn.

21 Can we just read back now what we're voting on,
22 please?

23 MR. BLASSINGAME: Yes. Do you want to read
24 that back?

25 MS. MORIATY: This is Laura Moriaty, general

1 counsel. I can read it back if that will help.

2 So we're modifying line 6 to read: (3) the VIN
3 of the vehicle, if applicable; and. And then we're
4 modifying line 7 number (4) to read: the name of the
5 person in control of the vehicle plate.

6 MR. BRADBURN: Thank you very much.

7 MR. BLASSINGAME: Any further discussion?

8 (No response.)

9 MR. BLASSINGAME: I will now call for the vote.

10 Members, when I call your name, please state your name
11 and for the record whether or not you support the motion
12 or not. If you support the motion, please respond by
13 saying Support, and if you do not support the motion,
14 please respond by saying No.

15 Member Bradburn?

16 MR. BRADBURN: Member Bradburn, support.

17 MR. BLASSINGAME: Member Donnelly?

18 MR. DONNELLY: Member Donnelly, support.

19 MR. BLASSINGAME: Member Doran?

20 MR. DORAN: Member Doran, support.

21 MR. BLASSINGAME: Member Durant?

22 MR. DURANT: Member Durant, support.

23 MR. BLASSINGAME: Member Elam?

24 (No response.)

25 MR. BLASSINGAME: Member Ferguson?

1 MR. FERGUSON: Member Ferguson, support.
2 MR. BLASSINGAME: Member Gonzalez?
3 (No response.)
4 MR. BLASSINGAME: Member Hall?
5 MR. HALL: Member Hall, yes.
6 MR. BLASSINGAME: Member Hayter?
7 MR. HAYTER: Member Hayter, yes.
8 MR. BLASSINGAME: Member Hicks?
9 MR. HICKS: Member Hicks, support.
10 MR. BLASSINGAME: Member Murphy?
11 MR. MURPHY: Member Murphy, support.
12 MR. BLASSINGAME: Member Prather, Sr.?
13 (No response.)
14 MR. BLASSINGAME: Member Provost?
15 (No response.)
16 MR. BLASSINGAME: Member Sims?
17 MR. SIMS: Member Sims, support.
18 MR. BLASSINGAME: Member Sralla?
19 MR. SRALLA: Member Sralla, support.
20 MR. BLASSINGAME: Member Stark? Member Stark?
21 (No response.)
22 MR. BLASSINGAME: Member Sullivan?
23 MR. SULLIVAN: Member Sullivan, yes.
24 MR. BLASSINGAME: Member Thomas?
25 MS. THOMAS: Member Thomas, support.

1 MR. BLASSINGAME: Member Vitela? Member Vitela?

2 (No response.)

3 MR. BLASSINGAME: I, David Blassingame, support
4 the motion. It passes.

5 Members, do you have any recommendations to
6 present to the TxDMV Board regarding the draft amendments
7 to Chapter 217, Vehicle Titles and Registration?

8 MS. MORIATY: Mr. Chairman, I'm sorry. This is
9 Laura Moriaty.

10 I want to make sure we're still running through
11 215, because I think at least Mr. Doran might have had
12 some other suggestions.

13 MR. DORAN: Thank you. This is Member Doran.

14 I'm not going to move forward with the second
15 motion. Thank you.

16 MR. BLASSINGAME: The advisory committee does
17 not have any formal recommendations to the department
18 requiring a vote, but has provided a great discussion and
19 information to the department to consider in drafting the
20 rules.

21 We will now move on to the draft amendments to
22 Chapter 221, Salvage Vehicle Dealers.

23 MR. HICKS: Mr. Blassingame, this is Member
24 Hicks.

25 MR. BLASSINGAME: Mr. Hicks, go ahead.

1 MR. HICKS: Did we come to terms in Section 215
2 regarding the language on storage? Did we get a proper
3 language vetted through this committee?

4 MR. BLASSINGAME: We did not discuss that.

5 MR. HICKS: Okay. It's on blue page 26,
6 section (e). I'm not making this a motion yet, but I
7 certainly could, that the language was to extend that to
8 include secure document storage areas or other secured,
9 locked closet areas, whatever that might be.

10 MR. BLASSINGAME: Discussion?

11 MR. SULLIVAN: Member Blassingame, Member
12 Sullivan.

13 MR. BLASSINGAME: Yes, sir, Member Sullivan.

14 MR. SULLIVAN: Thank you.

15 If you'd put that in a motion, I'd be happy to
16 second it. It sounds like you read it and it certainly
17 met my expectation.

18 MR. HICKS: This is Member Hicks. I'll
19 rephrase that. Looking for a motion to amend Section
20 215 -- you'll have to help me staff, what section that is.

21 MR. HALL: This is Member Hall.

22 Real quick, before we make a motion, I just
23 want to point out that the VTR Advisory Committee did make
24 a motion on this and the language that was moved was to
25 include "or substantially constructed room" to that

1 existing definition, so that recommendation has already
2 gone before the Board, and the department is considering
3 that as part of that other advisory committee. I don't
4 know that staff feels it's going to be necessary for us to
5 make a motion for the same thing, but if we need to do so,
6 I'm happy to make that motion.

7 But there's a couple of different sections
8 where that's in, it's not just one. I think there's two
9 or three different sections that we use that same
10 language.

11 MR. SULLIVAN: Member Blassingame, Member
12 Sullivan.

13 MR. BLASSINGAME: Member Sullivan, go ahead.

14 MR. SULLIVAN: Thank you. I'm not sure that I
15 understand or would agree to "substantially." So the
16 original discussion, I guess from Mr. Hicks, if I'm not
17 mistaken, is more in line with what I was hoping to come
18 out of the meeting today, but to add the word
19 "substantially constructed" is not something I would
20 support.

21 Thank you.

22 MR. HICKS: Member Blassingame, it's Member
23 Hicks. May I be recognized?

24 MR. BLASSINGAME: Member Hicks, go ahead.

25 MR. HICKS: Thank you.

1 Staff, could you share with us the specific
2 language that was offered up at the prior committee review
3 of this so we could look at that before we settle this
4 down to a motion?

5 MS. MORIATY: Certainly. This is Laura
6 Moriatty, general counsel. We'll have to look it up.

7 I just want to talk about the term
8 "substantially" quickly. This current language you have
9 in front of you is actually based off the requirements for
10 controlled substances, so it is more serious than it
11 probably needs to be for license plates. But in that
12 sense, "substantially" is defined, like the common usage
13 of the word means it's heavily constructed, fortified. So
14 I just want to make sure we're on the same page that in
15 this usage it's meaning fortified and strongly
16 constructed.

17 There have been some folks who thought it meant
18 partially, substantially meaning somewhat, so that's not
19 the meaning.

20 If you'll give me just one moment, I will pull
21 up the language from VTRAC.

22 MR. SULLIVAN: Thank you.

23 Presiding Officer Blassingame, while she looks
24 that up, may I be recognized?

25 MR. BLASSINGAME: Member Sullivan, you have the

1 floor.

2 MR. SULLIVAN: Yes. I can envision -- having
3 been in many dealerships where there are secure areas with
4 materials such as chainlink fencing or similar materials
5 that might not appear to be "substantially constructed"
6 but are definitely suitable and adequate for storing the
7 plates because we're storing -- [audio cuts out].

8 Thank you. Now it's back on green. So now
9 they're all back green again, forgive me.

10 But the substantially constructed doesn't have
11 to be the materials that one might envision. Dealers have
12 secure areas now that are protecting inventory of all
13 types that I think would be suitable and not all into the
14 "substantially constructed" definition.

15 Thank you.

16 MR. SRALLA: Member Sralla.

17 MR. BLASSINGAME: Member Sralla.

18 MR. SRALLA: I'm in agreement on that. I mean,
19 whoever is going to decide to make the motion,
20 "substantially" -- when you start adding terms like that,
21 then you get into some gray areas and who's going to make
22 a determination on what's substantial or not. I think
23 secured document area is substantial enough for documents,
24 according to the federal government, so I think it would
25 be a good enough application in this application as well.

1 MS. MORIATY: Mr. Chairman, this is Laura
2 Moriaty, general counsel. I've got the language for you
3 now.

4 MR. BLASSINGAME: Do you want to read that back
5 to us, Ms. Moriaty?

6 MS. MORIATY: Absolutely. The VTRAC motion
7 was: "at least one securely locked, substantially
8 constructed, secure storage room, facility, safe or steel
9 cabinet bolted or affixed to the floor or wall in such a
10 way that the safe or cabinet cannot be removed" blah,
11 blah, blah. So they just added "secure storage room,
12 facility" to this language.

13 MR. BLASSINGAME: Does that solve the problem?

14 MR. HICKS: Member Blassingame, this is Member
15 Hicks.

16 That would certainly serve -- I think that
17 language lines up with what we intend to offer up as a
18 modification.

19 MR. SULLIVAN: Presiding Officer Blassingame,
20 Member Mike Sullivan.

21 MR. BLASSINGAME: Member Sullivan.

22 MR. SULLIVAN: Yes, I agree with Member Hicks
23 completely. It's suitable language for me to vote to
24 approve.

25 Thank you.

1 MR. BLASSINGAME: Any other discussion?

2 MR. BRADBURN: Member Blassingame, Member
3 Bradburn with a question.

4 MR. BLASSINGAME: Member Bradburn.

5 MR. BRADBURN: Are we adding to this only?
6 Because my concern is -- I mean, they need to find
7 different ways for their business, I understand that, but
8 some of these independent dealerships are 200 square feet
9 in size completely, give or take, so they're not going to
10 have room. They still will need some kind of locking
11 cabinet or something to lock their stuff up.

12 MR. DONNELLY: Member Blassingame, Member
13 Donnelly.

14 MR. BLASSINGAME: Member Donnelly.

15 MR. DONNELLY: I am one of those dealers that
16 are very, very small. We have a safe to keep our titles
17 in and such and we would anticipate with the volume of
18 business that we do, it wouldn't be burdensome to put
19 license plates in the safe.

20 MR. BRADBURN: Member Bradburn. Member
21 Donnelly, that makes sense. I just don't want to see
22 independent dealers pushed into a position that they're
23 not in compliance.

24 MR. HICKS: Member Bradburn, this is Member
25 Hicks -- Member Blassingame, I guess I need to be

1 recognized.

2 MR. BLASSINGAME: Member Hicks, you're
3 recognized.

4 MR. HICKS: Member Bradburn, this is adding
5 language to that as an alternative, the dealers can have a
6 secured, locked document storage area, so the language
7 lines up with the previous committee's review. That
8 offers up the alternative in lieu of some form of a locked
9 safe or secured structure affixed to the floor.

10 MR. BRADBURN: Member Bradburn. Thank you.
11 That makes perfect sense, I agree.

12 MR. SULLIVAN: Member Blassingame, Member
13 Sullivan.

14 MR. BLASSINGAME: Member Sullivan.

15 MR. SULLIVAN: Thank you.

16 And not trying to beat this up, but we're still
17 agreeing that it would not have to be securely fastened to
18 the floor. Is that correct? Losing track of who was
19 speaking, but it was, I think, the person before Hicks
20 that said something about the prior language from the
21 other committee.

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

24 If we were to track the prior language from the
25 other cabinet, the safe or steel cabinet would still need

1 to be attached to the floor or wall, the storage room or
2 facility would not, so it only modifies the second half.

3 MR. SULLIVAN: Okay. Thank you very much for
4 clarifying that. Thanks.

5 MR. BLASSINGAME: Any further discussion?

6 MR. HICKS: This is Member Hicks. I know we
7 need a motion for this. I'm just trying to figure out the
8 best way to modify or add to the language as to present an
9 alternative of having secure document storage area fit the
10 requirement of securing the plates.

11 And I'm looking at section (e) now. Can you
12 give us or show us the language how it was presented to be
13 modified by the prior committee?

14 MS. MORIATY: This is Laura Moriatty, general
15 counsel.

16 So the language from the prior committee --
17 first of all, keep in mind that this language occurs in
18 several places within these rules, this is just one
19 example. So when we make this motion, we should ask
20 globally to have the description of the secured facility
21 changed to match this. I just want to note that this is
22 not the only one.

23 So the language that the last committee, VTRAC,
24 looked at said, "at least one securely locked,
25 substantially constructed, secure storage room, facility,

1 safe or steel cabinet bolted or affixed to the floor or
2 wall" and continued on from there. So the only words that
3 they actually added were "secure storage room, facility."

4 MR. HICKS: This is Member Hicks.

5 And I'll ask you, Ms. Moriaty, do you believe
6 that offers that as an alternative or is that in addition
7 to the requirement that needs to be affixed to the floor?

8 MS. MORIATY: So your secure storage room or
9 facility would not need to be affixed to the floor but the
10 way that VTRAC described it, those were a room or a
11 separate storehouse, so they already had a floor. They
12 were a separate structure.

13 So yes, if you were working off of a safe or a
14 steel cabinet or any other form of box in your room, it
15 would need to be affixed to the wall or floor.

16 MR. SRALLA: Member Sralla.

17 MR. BLASSINGAME: Member Sralla.

18 MR. SRALLA: I'd like to go ahead and put forth
19 a motion so we can get started on this. So I move on page
20 26, Chapter 215, section (e) that my motion would be that
21 plates must be stored in a locked, secured storage room or
22 a safe or a steel cabinet that cannot be readily removed.

23 MR. BLASSINGAME: We have a motion from the
24 floor. Do we have a second?

25 MS. MORIATY: Mr. Chairman, sir, if I may, can

1 I just clarify that the member would want that language
2 used in every instance where this storage security is
3 described, not just in this particular rule?

4 MR. SRALLA: That is correct.

5 MS. MORIATY: Thank you.

6 MR. HICKS: This is Member Hicks. I'd second
7 that motion.

8 MR. SULLIVAN: Presiding Officer Blassingame,
9 Member Mike Sullivan.

10 MR. BLASSINGAME: Member Sullivan.

11 MR. SULLIVAN: Thank you.

12 Ms. Moriaty, even though the motion only had
13 some of the language mentioned in (e), we would still have
14 everything else, for instance, in dealer's possession
15 including both assigned plates for vehicles in inventory
16 and unissued buyer's license plates. Is that correct? I
17 don't want to assume that it's going to be in there.

18 MS. MORIATY: Right. Well, let's make sure
19 we're in agreement on this. I believe that the way this
20 modification has worked, the part we're looking at is it
21 would say "at least one locked, secured storage room, safe
22 or steel cabinet that cannot be readily removed, and of
23 sufficient size to store all dealer's and buyer's plates
24 in a dealer's possession, including both assigned plates
25 for vehicles in inventory and unissued buyer's license

1 plates."

2 I want to add the caveat that since we're doing
3 this globally, that last clause probably does not appear
4 in all the places we're making it, so that's not an
5 essential part. But I agree with Member Sullivan that
6 everything after the "and of" would be intact. We're
7 really just talking about the first clause of this
8 sentence.

9 MR. SULLIVAN: Thank you, Ms. Moriaty.

10 MR. SRALLA: Member Sralla.

11 MR. BLASSINGAME: Member Sralla, go ahead.

12 MR. SRALLA: That was the intent of the motion,
13 and I apologize for not being more clear on that. The
14 intent of the motion was to get to the "and of" and
15 everything else stay the same if it's applicable where
16 it's listed in the rule.

17 MR. SULLIVAN: Presiding Officer Blassingame,
18 Member Sullivan.

19 MR. BLASSINGAME: Member Sullivan, go ahead.

20 MR. SULLIVAN: If appropriate, I'm happy to
21 second his motion.

22 MR. BLASSINGAME: We have a motion and a second
23 on the motion. Any further discussion?

24 (No response.)

25 MR. BLASSINGAME: Hearing none, I call for a

1 vote if you support or do not support the motion.

2 Member Bradburn?

3 MR. BRADBURN: Member Bradburn, support.

4 MR. BLASSINGAME: Member Donnelly?

5 MR. DONNELLY: Member Donnelly, support.

6 MR. BLASSINGAME: Member Doran?

7 MR. DORAN: Member Doran, I support.

8 MR. BLASSINGAME: Member Durant?

9 MR. DURANT: Member Durant, I support.

10 MR. BLASSINGAME: Member Elam?

11 (No response.)

12 MR. BLASSINGAME: Member Ferguson?

13 MR. FERGUSON: Member Ferguson, support.

14 MR. BLASSINGAME: Member Gonzalez? Member

15 Gonzalez?

16 (No response.)

17 MR. BLASSINGAME: Member Hall?

18 MR. HALL: Member Hall voting present.

19 MR. BLASSINGAME: Member Hayter?

20 MR. HAYTER: Hayter supports the motion.

21 MR. BLASSINGAME: Member Hicks?

22 MR. HICKS: Member Hicks supports.

23 MR. BLASSINGAME: Member Murphy?

24 MR. MURPHY: Member Murphy supports.

25 MR. BLASSINGAME: Member Prather, Sr.?

1 (No response.)

2 MR. BLASSINGAME: Member Provost?

3 (No response.)

4 MR. BLASSINGAME: Member Sims?

5 MR. SIMS: Member Sims, support.

6 MR. BLASSINGAME: Member Sralla?

7 MR. SRALLA: Member Sralla supports.

8 MR. BLASSINGAME: Member Stark?

9 (No response.)

10 MR. BLASSINGAME: Member Sullivan?

11 MR. SULLIVAN: Member Sullivan, support.

12 MR. BLASSINGAME: Member Thomas?

13 MS. THOMAS: Member Thomas, support.

14 MR. BLASSINGAME: Member Vitela? Member

15 Vitela?

16 (No response.)

17 MR. BLASSINGAME: And I, David Blassingame, do
18 support the motion. The motion carries.

19 All right, there's 18 members that have
20 supported the motion, so the motion passes as it stands.
21 One present, by the way. One voting present.

22 Members, do you have any recommendations to
23 present to the DMV Board regarding Chapter 221, Salvage
24 Vehicle Dealers?

25 MR. DURANT: Member Blassingame, this is Member

1 Durant. May I be recognized?

2 MR. BLASSINGAME: Member Durant, you have the
3 floor.

4 MR. DURANT: Same paragraph that we just
5 discussed. It just occurred to me that the assigned
6 plates for perhaps used vehicles are also going to be
7 stored in these sealed containers and I just wanted to
8 discuss the fact that while at every grocery store and
9 parking lot, license plates are going to be affixed to
10 cars, these plates are going to be in a safe. And knowing
11 my teams and the people I work with, we're going to make
12 mixups, and I wanted to see if there's any appetite to
13 discuss whether these could be stored in the glove box of
14 the car so that they would not be mixed up with the wrong
15 plate on the wrong VIN, as I've seen many times.

16 MS. HEALY: That's an item up for discussion
17 amongst you guys and you can make recommendations to
18 include things if you'd like.

19 MR. BLASSINGAME: Any further discussion?

20 MR. DONNELLY: Member Blassingame, Member
21 Donnelly. May I have the floor?

22 MR. BLASSINGAME: Member Donnelly, say again, I
23 didn't hear you.

24 MR. DONNELLY: Sorry. I'm just asking for the
25 floor.

1 MR. BLASSINGAME: You have the floor.

2 MR. DONNELLY: So what is the current proposal
3 for a trade-in? Do the plates come off the vehicle and
4 get destroyed, or do the plates come with the vehicle? If
5 they come off the vehicle, what is the next step for them,
6 do they get sent back? Do they get destroyed?

7 MR. THOMPSON: Clint Thompson, deputy director,
8 Vehicle Titles and Registration Division. Presiding
9 Officer Blassingame?

10 MR. BLASSINGAME: You have the floor.

11 MR. THOMPSON: Thank you.

12 So once this is in effect, a used vehicle that
13 has a Texas plate, that plate is now going to stay with
14 that vehicle. It gets traded in to the dealership, that
15 plate stays with the vehicle, per the rule as drafted.
16 And statutorily it's supposed to come off the vehicle, and
17 then as drafted, the rule would require that plate to be
18 put in secure area, room, safe, bolted, not bolted,
19 whatever we decide on, obviously, through the ultimate
20 adoption of the rule. But it is statutorily required to
21 be removed from the vehicle by the dealer and then storage
22 as contemplated by the rule.

23 MR. BLASSINGAME: Does that answer your
24 question?

25 MR. DONNELLY: Yes, it does. Thank you.

1 MR. BLASSINGAME: Back to Chapter 221, members,
2 do you have any recommendations to present to the DMV
3 Board regarding Chapter 221, Salvage Vehicle Dealers?

4 MR. DORAN: This is Member Doran. Could I just
5 go back to what you were just saying about the plate
6 staying on the vehicle. So what if you have a vehicle
7 with an out-of-state plate on it, and so now it's been
8 traded in so it's a used vehicle.

9 A customer wants to come in and test drive that
10 vehicle. Is the requirement going to be that the
11 dealership has to take one of its demo plates and affix it
12 to the vehicle that has the out-of-state plate on it, or
13 can that used vehicle be operated for the test drive with
14 the Louisiana or Oklahoma plate on the vehicle?

15 MR. THOMPSON: Clint Thompson, deputy
16 director, Vehicle Titles and Registration Division.

17 MR. BLASSINGAME: Yes, sir.

18 MR. THOMPSON: Those plates that are assigned
19 to the vehicle, whether they're Texas plates or they're
20 out-of-state plates, should be removed and only operated
21 with a plate that's in the dealer's inventory. Dealer's
22 temporary plate, whatever the case may be.

23 MR. DORAN: Thank you.

24 MR. BLASSINGAME: Any other questions about
25 that?

1 MR. HICKS: Member Blassingame, this is Member
2 Hicks.

3 MR. BLASSINGAME: Member Hicks, go ahead.

4 MR. HICKS: My question may be a little off
5 topic but I still need to know the answer. Are we
6 expecting that these plates are to be screwed into the
7 back of these cars, or is there going to be a temporary
8 opportunity to put the plate on the dash in a displayed
9 form or a rear window? Or when we do these demos, are we
10 going to be expected to install the plates on the back of
11 each vehicle as that vehicle is being pulled forward to
12 demonstrate?

13 MR. BLASSINGAME: Mr. Thompson?

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

16 I would have to check the rule language to see
17 exactly what it is. I know we do specify that in
18 accordance with 217.27, affixing a plate to a vehicle,
19 that is where we specify how they are to be affixed. If I
20 can get some help from general counsel on locating where
21 we talk about the --

22 (Simultaneous discussion.)

23 MS. HEALY: Ashley Healy, deputy general
24 counsel. Looking it up right now.

25 MR. THOMPSON: Thank you.

1 MR. HICKS: This is Member Hicks.

2 It may not seem significant but from a customer
3 experience standpoint, it's going to be significant if
4 we're having people moving these plates around. There's
5 got to be an easy way for them to display those plates,
6 protecting law enforcement while also protecting the
7 customer experience.

8 MR. THOMPSON: Thank you for the reference.
9 Again, Clint Thompson, deputy director, Vehicle Titles and
10 Registration Division.

11 I'm on page 17 of blue text, Section 215.138,
12 line 7: "A dealer's standard personalized prestige or
13 temporary license plate should be attached to the rear in
14 accordance with 217.27." Are we talking about the
15 temporary dealer tag that's used to demo a vehicle for a
16 test drive, is that correct?

17 MR. HICKS: Member Hicks. Correct.

18 MR. THOMPSON: Okay. Thank you. So that's
19 going to be the rule that speaks to that right there. So
20 that reference to 217.27 is basically the attachment to
21 the rear of the vehicle like any other license plate.

22 MR. HICKS: Member Hicks. Thank you. Not the
23 answer I was hoping for, but thank you.

24 MR. THOMPSON: Yes, sir.

25 MS. THOMAS: Member Thomas. May I have the

1 floor?

2 MR. BLASSINGAME: Yes, ma'am.

3 MS. THOMAS: I just wanted to make sure that I
4 understood this. A trade-in vehicle comes in, the plates
5 are supposed to come off of that vehicle and kept in
6 storage until the vehicle is sold, then those same plates
7 go back on that vehicle. Correct?

8 MR. THOMPSON: Clint Thompson, deputy director,
9 Vehicle Titles and Registration Division.

10 That is correct. So if the vehicle has an
11 assigned -- and what we're referring to is a general issue
12 plate, it's not a specialty license plate, personalized
13 plate, something of that nature. That plate comes off of
14 the vehicle that is traded in. It goes into storage in
15 accordance with the current rules that we have drafted.

16 If it is sold to a retail purchaser, it gets
17 affixed to the vehicle for that retail purchaser. If it
18 is sold via wholesale, it travels with the vehicle to the
19 wholesale dealer, assuming we have a licensed Texas dealer
20 purchasing the vehicle.

21 MS. THOMAS: Thank you for clarifying.

22 MR. THOMPSON: Yes, ma'am.

23 MR. BRADBURN: Member Blassingame, Member
24 Bradburn with a question.

25 MR. BLASSINGAME: Member Bradburn, go ahead.

1 MR. BRADBURN: Thank you.

2 Member Bradburn to Mr. Thompson, just a
3 question. Sometimes vehicles get traded in -- I've
4 personally bought them -- that come with a really junky
5 old license plate. I personally as a citizen would not
6 want that. Would there be a way for a dealer to exchange
7 that and put a new one on and void the other one out?

8 MR. THOMPSON: Clint Thompson, deputy director,
9 Vehicle Titles and Registration Division.

10 The statute actually provides a provision for
11 the purchaser of the vehicle to opt for a replacement
12 license plate, so that is established in statute.

13 MR. BRADBURN: Thank you. I think that will
14 help the dealers out. I appreciate it.

15 MR. THOMPSON: Yes, sir.

16 MR. BLASSINGAME: Any other discussion or
17 questions?

18 (No response.)

19 MR. BLASSINGAME: Back to Salvage Vehicle
20 Dealers, do you have any recommendations to present to the
21 TxDMV Board regarding Chapter 221, Salvage Vehicle
22 Dealers?

23 MR. BRADBURN: Member Blassingame, Member
24 Bradburn. Can I have the floor?

25 MR. BLASSINGAME: Member Bradburn, you have the

1 floor.

2 MR. BRADBURN: I just want to comment. I think
3 that's a really good proposal for the salvage dealers and
4 I support it.

5 MR. BLASSINGAME: Any other comment?

6 (No response.)

7 MR. BLASSINGAME: Are there any comments from
8 the public?

9 MS. MORIATY: I was waiting for David Richards
10 to answer. I'm sorry. This is Laura Moriatty, general
11 counsel. No, there are no public comments.

12 MR. BLASSINGAME: Thank you.

13 Unless there is any further business, I would
14 like to entertain a motion to adjourn. Do I have a motion
15 from anyone to adjourn this meeting?

16 MR. DORAN: This is Member Doran. I'll make
17 that motion.

18 MR. HALL: Member Hall seconds.

19 MR. BLASSINGAME: Member Doran made the motion,
20 Member Hall seconded. All in favor?

21 (A chorus of ayes.)

22 MR. BLASSINGAME: It is now 3:22 p.m., and we
23 are adjourned.

24 (Whereupon, at 3:22 p.m., the meeting was
25 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Motor Vehicle Industry Regulation
Advisory Committee

LOCATION: Austin, Texas

DATE: March 6, 2024

I do hereby certify that the foregoing pages,
numbers 1 through 109, 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: March 19, 2024

/s/ Nancy H. King
(Transcriber)

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