

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

4000 Jackson Avenue  
Building 1  
Lone Star Room  
Austin, Texas 78731

Friday,  
October 29, 2021  
8:08 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair  
Christian Alvarado  
Stacey Gillman  
Brett Graham (absent)  
Tammy McRae  
Sharla Omumu  
John Prewitt (absent)  
Manuel "Manny" Ramirez  
Paul R. Scott

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	7
2. Pledges of Allegiance - U.S. and Texas	8
3. Chair's Reports AAMVA Board of Directors 2015-2021 - Appreciation	9
4. #EndTheStreakTX Texas Department of Transportation Campaign	11
5. Executive Director's Reports	
A. Texas by Texas (TxT) Deployment	23
B. Introduction of New Chief Financial Officer Glenna Bowman	25
C. Awards, Recognition of Years of Service, and Announcements	27
- Recognition of Ginny Booton	29
 RULE PROPOSALS	
6. Chapter 215, Motor Vehicle Distribution Amendments, §215.152 and §215.158 (Relating to HB 3927, establishing the maximum number of temporary tags that a dealer or converter may issue in a calendar year)	41
7. Chapter 215, Motor Vehicle Distribution Amendments, §§215.150, 215.151, 215.153, 215.154, and 215.155 New, §215.505 (Relating to HB 3927, including, allowing for denial of access to the temporary tag database and issuance of temporary tags to certain vehicles without inspection)	88
8. Chapter 217, Vehicle Titles and Registration Amendments, §217.56 (Relating to obtaining registration under the Unified Carrier Registration System Plan and Agreement prior to registering under the International Registration Plan; cleanup)	101
9. Chapter 217, Vehicle Titles and Registration Amendments, §§217.2, 217.4, 217.23, 217.28, 217.36, 217.45, 217.46, and 217.89 (Relating to titling and registering motor vehicles, including SB 876, allowing a person	106

to apply for title and registration of a motor vehicle with any willing county tax assessor-collector)

RULE ADOPTION

10. Chapter 217, Vehicle Titles and Registration Amendments, §217.41 110  
 (Relating to SB 792, Relating to specialty license plates and parking placards for vehicles of certain disabled veterans)  
 (Published August 20, 2021 - 46 Tex. Reg. 5167)

BRIEFING AND ACTION ITEMS

11. Specialty Plate Designs 113  
 A. Southwestern Baptist Theological Seminary-  
 New Design proposed by License Plates of  
 Texas, LLC under Transportation Code  
 §504.851  
 B. San Antonio Spurs - Redesign proposed under  
 Transportation Code §504.851  
 C. Tulane University - New Design proposed by  
 License Plates of Texas, LLC under  
 Transportation Code §504.851
12. Advisory Committee Appointments 115  
 - Consumer Protection Advisory Committee (CPAC)  
 - Customer Service Advisory Committee (CSAC)  
 - Motor Vehicle Industry Regulation Advisory  
 Committee (MVIRAC)
13. Finance and Audit  
 A. FY 2021 Financial Report 119  
 B. Internal Audit Division Status Update 127  
 - Annual Activities Report  
 C. Software Upgrade for the TxIRP System 141  
 - Capital Spending Authority  
 - Delegation of Authority to the Executive  
 Director for the Approval and Execution  
 of the Contract

CLOSED SESSION

14. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551: 145  
 Section 551.071  
 Section 551.074  
 Section 551.076  
 Section 551.089

15.	Action Items from Closed Session Performance evaluation of Executive Director, including any modifications to Compensation	146
16.	Public Comment	none
17.	Adjournment.	149

P R O C E E D I N G S

1  
2 MR. BACARISSE: Good morning. Welcome. It is  
3 eight minutes after 8:00. My name is Charles Bacarisse,  
4 and I am pleased to open this Board meeting of the Texas  
5 Department of Motor Vehicles.

6 I am now calling the Board meeting for October  
7 29, 2021 to order. I want to note for the record that the  
8 public notice of this meeting, containing all items on the  
9 agenda, was filed with the Office of the Secretary of  
10 State on October 21, 2021.

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

16 I want to welcome those who are with us in  
17 person for today's Board meeting. We're glad to have you  
18 here, and we want you to know that Texas DMV continues to  
19 take active measures to prevent the spread of COVID-19  
20 here at the DMV.

21 The speaker's podium and other surfaces are  
22 being disinfected between presenters, face coverings and  
23 hand sanitizer are available, and seating is set up for  
24 social distancing. Face coverings are not required at  
25 this meeting, and each individual attending the meeting

1 has the right and responsibility to decide for themselves,  
2 based on their personal circumstances, whether or not to  
3 wear one. It's your choice, and you're welcome here at  
4 this meeting at the Texas DMV.

5 If you wish to address the board or speak on an  
6 agenda item during today's meeting, please complete a  
7 speaker's sheet at the registration table or send an email  
8 to GCO General@TxDMV.gov; again, GCO [General@TxDMV.gov](mailto:General@TxDMV.gov).

9 Please identify in your email the specific item  
10 you're interested in commenting on, your name and address,  
11 and whether you are representing anyone or speaking for  
12 yourself. If your comment does not pertain to a specific  
13 agenda item, we will take your comment during the general  
14 public comment portion of the meeting.

15 In accordance with department administrative  
16 rule, comments to the board will be limited to three  
17 minutes. To assist each speaker, a timer has been  
18 provided.

19 The timer light will be green for the first two  
20 minutes, yellow for one minute, and then red when your  
21 time is over. Individuals cannot accumulate time from  
22 other speakers. Comments should be pertinent to the  
23 issues stated on the comment sheet. When addressing the  
24 board, please state your name and affiliation for the  
25 record.

1           There are a few things that will assist in  
2 making the meeting run smoother and to assist the court  
3 reporter in getting an accurate record. First, please  
4 identify yourselves before speaking, speak clearly, do not  
5 speak over others, and please ask the chairman to proceed  
6 and be sure to be recognized before speaking.

7           I would also like to thank our court reporter  
8 who is transcribing this meeting. To make sure that we  
9 have an accurate record of this meeting and a recording,  
10 it's very important that board members and anyone  
11 presenting today identify themselves before speaking and  
12 speak clearly and slowly.

13           Before we begin today, I'd like to remind all  
14 presenters and those in attendance of the rules of conduct  
15 at our board meetings. In the department's rules Section  
16 206.22, the board chair is given authority to supervise  
17 the conduct of the meetings. This includes the authority  
18 to determine when a speaker is being disruptive of the  
19 meeting or is otherwise violating the timing or  
20 presentation rules I just discussed.

21           So we will now move to agenda item number 1,  
22 which is a roll call and establishment of quorum, and now  
23 I'd like to have this roll call. Please respond verbally  
24 when I call your name.

25           Member Alvarado, are you here?

1 MR. ALVARADO: I am.

2 MR. BACARISSE: Member Gillman?

3 MS. GILLMAN: Present.

4 MR. BACARISSE: Member McRae?

5 MS. McRAE: Here.

6 MR. BACARISSE: Member Omumu?

7 MS. OMUMU: Present.

8 MR. BACARISSE: Member Ramirez?

9 MR. RAMIREZ: Here.

10 MR. BACARISSE: Member Scott?

11 MR. SCOTT: Here.

12 MR. BACARISSE: And let the record also reflect  
13 that Members Graham and Prewitt are absent today, and let  
14 the record reflect that I, Charles Bacarisse, am here too.  
15 We have a quorum.

16 Moving to agenda item 2 is our pledges to the  
17 U.S. and Texas flags. Please stand and honor our country  
18 and I'll turn it over to Member McRae to lead us in the  
19 U.S. Pledge.

20 (The U.S. Pledge of Allegiance was recited.)

21 MR. BACARISSE: Thank you.

22 Now Member Ramirez will lead us in the Texas  
23 Pledge.

24 (The Texas Pledge of Allegiance was recited.)

25 MR. BACARISSE: Thank you, members. Thank you



1 for leading us in the pledges.

2 Before we move to the next agenda item, I'd  
3 like to note that we have public comment listed as agenda  
4 item 16; however, we'll be taking up the public comment  
5 prior to closed session, so for anyone who's here who is  
6 not speaking on a specific item, we're not going to make  
7 you wait till the very end of the meeting; we'll move that  
8 up.

9 We will now move to agenda item 3, which is the  
10 chair reports, so let me just hand that over to Ms.  
11 Brewster, is that you or who is it? The chair reports,  
12 oh, that's me. My goodness.

13 (General laughter.)

14 MR. BACARISSE: Well, let me keep going then.  
15 Thank you.

16 We have an appreciation to really speak out to  
17 here. The Texas Department of Motor Vehicles is a member  
18 of the AAMVA, the American Association of Motor Vehicle  
19 Administrators. As a member jurisdiction, the department  
20 has access to valuable industry resources, including  
21 training webinars, survey data, best practices,  
22 documentation and conferences.

23 Recently AAMVA presented our executive  
24 director, Whitney Brewster, with an award of appreciation.

25 See, I was thinking about you, that's what it

1 was.

2 I would like to read this brief statement from  
3 AAMVA president and CEO Anne Ferro.

4 "AAMVA thanks and congratulates Whitney  
5 Brewster for her role over the years in leading AAMVA,  
6 most recently as chair and immediate past chair of AAMVA's  
7 International Board of Directors. Whitney's guidance and  
8 dedicated leadership have helped us all navigate the  
9 challenges presented by this pandemic and we're so  
10 grateful for all she's done for the association.

11 "During her tenure as AAMVA chair, Whitney's  
12 accomplishments included guiding the association through  
13 the unexpected adjustments required in the wake of the  
14 COVID-19 pandemic. Her steady and focused leadership  
15 ensured that operations and initiatives were sustained,  
16 while pivoting to meet the emerging needs of members  
17 responding to the pandemic. She also oversaw the  
18 production of new resources for members, addressing  
19 diverse areas including automated vehicles, license  
20 plates, and fraud."

21 Congratulations, Whitney. Good job.

22 MS. BREWSTER: Thank you.

23 (Applause.)

24 MR. BACARISSE: We have a special guest with us  
25 today under agenda item number 4. I've had the pleasure

1 recently of getting to know former Texas DMV Board chair,  
2 Laura Ryan, and the current TxDOT commissioner as she  
3 serves now.

4 She asked for our support and partnership in  
5 2019, and Texas DMV has joined forces with our sister  
6 state agency to help raise awareness of a very important  
7 issue: End the Streak. That campaign is so critical, I  
8 think, to the State of Texas and the motoring public.

9 I want to turn this platform over now to TxDOT  
10 Commissioner Laura Ryan.

11 Laura, please come forward and join us.

12 (Discussion regarding microphone issues at the  
13 podium; Ms. Ryan sat at the dais to make her  
14 presentation.)

15 MS. RYAN: Good morning, and thank you for your  
16 patience, everyone. Chairman, Executive Director, Board  
17 members, thank you for the opportunity to be with you this  
18 morning. Thank you for the time to speak with you this  
19 morning.

20 I'm here to speak on an effort that is a  
21 personal passion of mine and a priority to TxDOT and the  
22 State of Texas. It's a bittersweet visit, because it's  
23 very good to see everyone, but the message that I have,  
24 unfortunately, is not a happy one.

25 The task is to End the Streak of daily deaths

1 on our Texas roads. On average, more than ten of our  
2 loved ones die every day on our roads, and this has been  
3 occurring for more than 20 years. To help communicate why  
4 this is so important, I'd like to share a video before I  
5 share some additional details.

6 (Whereupon, the video was shown.)

7 MS. RYAN: Thank you.

8 This was an interesting question to ask when  
9 they did this video. What's interesting is that so many  
10 people don't know the numbers.

11 So I'm often asked why this is important to me,  
12 and if truth be told, it took me a while for it to sink  
13 in. When I was appointed to the Commission in 2016, the  
14 words End the Streak didn't really have the same meaning a  
15 they do today. The signs that I've shared with the board  
16 were given to us every November for a press release and  
17 the numbers were shared, and we took the picture and I  
18 moved on about the day.

19 And in 2018 I was able to speak at the National  
20 Lifesavers Convention in San Antonio, and they had a great  
21 convention, EMTs, police and a panel of speakers including  
22 the US DOT and a lot of the efforts that are used  
23 statewide nationally with the state DOTs.

24 And one of the speakers was talking about kind  
25 of the man on the street and how many deaths are

1 acceptable, and they asked the gentleman -- it was his  
2 video that kind of hit me, but they asked the gentleman  
3 how many deaths are acceptable, and the gentleman looked  
4 at the reporter and said, Well, I don't know, 70?

5           And at that point around the corner came a  
6 group of people, about 50, 60, 70 people, all ages and a  
7 little girl ran towards him, and he said, That's my  
8 family. And the reporter looked at him and said, No,  
9 that's 70 people. And it hit me at that point that these  
10 numbers that I had been given every year were family  
11 members.

12           I do this all the time talking about this.

13           So it hit me coming home that I needed to do  
14 something, because they were family members. And I have  
15 not lost anyone, but I took on a responsibility from that  
16 day forward to create awareness, so that's why I'm here to  
17 share this. And as the chairman stated, we have met with  
18 many of the state agencies to ask for their assistance  
19 because so many people don't know.

20           So that's when it started in 2018 and it became  
21 personal, so I'd like to share some information. Twenty  
22 years, eleven months and 23 days ago on November 7, 2000,  
23 that's the last deathless day Texas has had on its roads,  
24 so we have lost near 80,000 lives on our roads since that  
25 time.

1           That's more than three-quarters of UT -- my  
2 husband would be really unhappy with me right now -- the  
3 UT Austin football stadium, and it seats more than 100,000  
4 people, so three-quarters of that stadium, those are the  
5 lives that we've lost.

6           The Sunday after next, November 7, 2021, which  
7 could be the 21st anniversary of the last deathless day on  
8 our roads, but we want to End the Streak in Texas and we  
9 need your help, we need the help of every Texan to do it.

10           So far in 2021 we've lost more than 3,300  
11 lives: 1,106 people were killed due to speeding; 661  
12 deaths were caused by driving under the influence; 901  
13 deaths were because people just chose not to buckle up and  
14 being unbuckled was the cause of death; 570 pedestrians  
15 were killed; and 319 people were killed due to distracted  
16 driving.

17           In fact, a 2021 report on distracted driving by  
18 State Farm found that nine out of ten drivers, 89 percent,  
19 admitted to driving distracted even though three out of  
20 the five drivers believed using a phone while driving  
21 greatly increases your chance to have an accident. This  
22 dangerous behavior must stop.

23           But these aren't just numbers, they're mothers,  
24 they're fathers, they're daughters, they're sons, they're  
25 brothers and sisters who didn't come home to their

1 families. There will be empty chairs at the table this  
2 Thanksgiving and Christmas.

3 The truly heartbreaking part is that 90 percent  
4 of these deaths were preventable. That's why in 2019 the  
5 Texas Transportation Commission adopted two ambitious  
6 goals: to cut the number of deaths on Texas roadways by  
7 half by the year 2035, and to eliminate traffic deaths in  
8 Texas completely by 2050.

9 To aid that effort, the Commission committed to  
10 \$600 million specifically to highest and best use safety  
11 projects, \$300 million each year for fiscal years '20 and  
12 '21, to get Texas closer to these goals.

13 In addition to the standard safety designs and  
14 practices, we've made improvements to our engineering-  
15 designing process and we start earlier, so TxDOT focuses  
16 it's engineering in the design phase, not just in the  
17 execution phase.

18 We also took action specifically over the last  
19 two years to widen roads, add shoulders, adding rumble  
20 strips to alert drivers to slow down or stop veering out  
21 of lanes, adding reinforced shoulders and select turn  
22 lanes, and deploying new technology that will increase  
23 safety.

24 We also created a safety task force, and  
25 they're responsible for identifying 277 projects quickly

1 to help us move the safety needle. If you drive on 290,  
2 you're seeing a cable barrier going up, and that's part of  
3 this project.

4 In August of 2021, approximately 85 percent of  
5 those projects have been contracted and 21 have been  
6 completed, but it's going to take more than funding and  
7 safety projects and new technologies.

8 We can't end this streak alone, and that's why  
9 I'm here today. We'd love to have the assistance of the  
10 Texas Department of Motor Vehicles as partners in this  
11 goal. You can help us educate and encourage Texans to  
12 make the commitment to drive with intention when behind  
13 the wheel and help us bring everyone home safe.

14 What does this look like? Well, buckle up  
15 every rider every ride; drive sober, don't drive under the  
16 influence of anything, alcohol, drugs or even prescription  
17 medication; pay attention every time you get behind the  
18 wheel and every time you get in your car, on your  
19 motorcycle or bicycle, walking or job, pay attention to  
20 the surroundings; drive the appropriate speed, like the  
21 posted speed limit or slower if needed.

22 2020 was an interesting time because we saw  
23 speeds increase immensely -- and that's a national problem  
24 right now -- when the roads were more open, and  
25 unfortunately, those bad habits really haven't -- now that



1 congestion is picking up, people are still continuing at  
2 those speeds.

3           Avoid distractions whatever distracts you, put  
4 the phone away before you drive, save talking and texting  
5 for later and never while you're behind the wheel. And  
6 get social, help us spread the word by posting your  
7 photos, stories and safety tips on social media with the  
8 #End the Streak. Also, we request that you challenge  
9 eleven people specifically and by name -- which is the  
10 same number of people that die every day on our roads  
11 right now -- to make a personal commitment publicly on  
12 what they will do differently to avoid a fatal crash.

13           It's these types of things and personal  
14 responsibility and individual changes in behavior that  
15 will help us end this fatal streak.

16           In closing, I want to share a story that I  
17 think brings this home, and it's another reason that this  
18 has become personal, because I guess it's a privilege that  
19 I've had to meet a lot of the family members that have  
20 lost someone, and they share their stories because they  
21 want their stories known, so hopefully I'll get through  
22 this one, but this is why it becomes personal.

23           Tara Thompson and her family live in North  
24 Texas. Her son Austin was a typical kid, sports,  
25 especially baseball, his passion, but on September 21,

1 2020 Tara and her family's world were turned upside down.

2 That day Austin's pickup hydroplaned while he  
3 was driving on US 287 in Waxahachie. He crossed into the  
4 oncoming traffic, and an 18-wheeler hit him head on. It's  
5 hard when you can see into the mother's eyes as she's  
6 telling the story. Austin later died in the area  
7 hospital. He was just two days shy of his 18th birthday.

8 Sorry.

9 MR. BACARISSE: That's all right. We're with  
10 you.

11 MS. RYAN: In the weeks after Austin's crash,  
12 she noticed that TxDOT was installing a cable barrier in  
13 the median on US 287. That installation was part of our  
14 safety program, and while it was to be installed close to  
15 the site of where Austin's crash was, it was still a bit  
16 short of the actual location.

17 As it turns out, there were plans in a future  
18 phase to install the barrier in an area that included the  
19 actual site that Austin died, but it wasn't planned until  
20 2022. Tara decided to call the Dallas District and tell  
21 the folks there Austin's story.

22 After hearing about Austin, the district  
23 engineer decided to extend the length of the cable barrier  
24 to include the site of Austin's crash, but they took it  
25 one step further. They moved the contract date so the

1 installation could be completed in early March of this  
2 past year.

3 Just weeks after the cable was installed,  
4 Tara's niece was involved in a crash where the cable  
5 barrier had been extended, and the cable barrier did just  
6 what it was designed to do, it kept her car from crossing  
7 into oncoming traffic. Her car was totaled, but she  
8 survived.

9 This is when you just didn't feel anything.

10 Tara's niece is alive today because an  
11 ambitious goal of ending traffic deaths turned into  
12 action. Tara's niece is alive and countless other Texans  
13 will live because we decided to care and take ownership  
14 for the things within our control. Each one of us can  
15 make a difference if we take that same ownership and have  
16 that same caring.

17 So in conclusion -- which is good because I'm  
18 not sure how much I can get through -- if we all make the  
19 commitment to make this a priority and to take the action  
20 that is needed, we won't be talking about traffic  
21 fatalities anymore, and we can end the horrendous trend  
22 and have zero deaths on our Texas roads. We just need  
23 help.

24 Thank you again for allowing me to be here and  
25 your patience, and I respectfully ask for the help of the

1 Department of Motor Vehicles and every industry that this  
2 board represents, because it's going to take us all. So  
3 thank you.

4 MR. BACARISSE: Thank you.

5 MS. RYAN: I'm happy to answer any questions.

6 MR. BACARISSE: Members, any questions for Ms.  
7 Ryan?

8 MS. GILLMAN: How do you think DMV can help,  
9 short term, long term?

10 MS. RYAN: Well, it will be long term, because  
11 even when we End the Streak we have a goal to have zero  
12 deaths by 2050. So awareness is the biggest thing.

13 What I hear often is in speaking opportunities  
14 is that people didn't know, they had no idea, one, that  
15 it's been 20 years, two, that it's ten or more deaths a  
16 day on average. I get a report every morning at 6:01 that  
17 shows me how many deaths annually year-to-date and over  
18 the last five years, and it's one of two things that I  
19 look at first thing in the morning, and it keeps it real.  
20 So awareness to slow down.

21 I also think our roads, we are a society right  
22 now that sadly is divided, and that's causing a lot of  
23 stress and a lot of anger and people are taking that on  
24 the road. So the more we can do just to encourage people  
25 to slow down and create the awareness of the consequences

1 of these behaviors, I think that's the biggest thing we  
2 can do, and that can be industry-wide but then also in the  
3 public with notices, and we had talked with Executive  
4 Director Brewster a while ago to put those in, and then  
5 any of the offices. So really it's awareness is the main  
6 thing.

7 In dealerships it can be like the license  
8 plates, how do we make awareness, how does everyone that  
9 you touch in your circle of influence how can you create  
10 that awareness.

11 MS. GILLMAN: Thank you.

12 MR. BACARISSE: Good. Any other questions,  
13 members?

14 MR. RAMIREZ: I've got a comment.

15 MR. BACARISSE: Please, Member Ramirez

16 MR. RAMIREZ: Commissioner Ryan, I want to  
17 thank you for coming today, and I thank you for your  
18 passion. It's not very often that you find leaders in  
19 large organizations like that who are so deeply committed.  
20 So from my end, we're committed to help you End the  
21 Streak.

22 MS. RYAN: Thank you.

23 MR. BACARISSE: Thank you, Member Ramirez.  
24 Anyone else?

25 (No response.)

1 MR. BACARISSE: I think we're all united with  
2 you in this effort, and we absolutely appreciate you  
3 making time to come today and share this with us. We're  
4 going to follow up, we're going to learn more and we're  
5 going to each do our part.

6 It's obviously going to be good for Texas.  
7 It's something that can bring us all together, to your  
8 point. You're doing a lot of hard work on this, and you  
9 grabbed it and you own it, and we appreciate that very  
10 much, as Member Ramirez said. I just want to echo those  
11 thoughts.

12 We're passing around tissue up here on the  
13 board because it's --

14 MS. RYAN: I usually travel with my own.

15 (General laughter.)

16 MR. BACARISSE: Well, it's a serious issue; we  
17 all need to do our part. So thank you.

18 MS. RYAN: Thank you.

19 MR. BACARISSE: And we will not let this go  
20 after you walk out the door.

21 MS. RYAN: I appreciate that.

22 MR. BACARISSE: Absolutely.

23 MS. RYAN: And I'll follow up.

24 MR. BACARISSE: Good, and I'm looking forward  
25 to that, absolutely.

1 MS. RYAN: I've left parting gifts as a  
2 reminder.

3 MR. BACARISSE: Yeah, there's a question here,  
4 we should all hold up our placards and get a photo so that  
5 we can End the Streak. Put this in our offices. Right?

6 (Pause for photos.)

7 MR. BACARISSE: This is going to go home.

8 MS. RYAN: Those are yours to keep.

9 MR. BACARISSE: Thank you, Laura.

10 Let's now move to agenda item 5, the executive  
11 director's reports, so I'll turn it over to Executive  
12 Director Whitney Brewster.

13 MS. BREWSTER: Thank you, Chairman.

14 For the record, Whitney Brewster, executive  
15 director. Good morning, Mr. Chairman, members, staff,  
16 guests. I appreciate the time to share a few things this  
17 morning with you regarding agency operations, and all of  
18 these items are briefing items.

19 I wanted to first inform the board that the  
20 agency has rolled out the Texas by Texas application at  
21 the agency, and you can see information on this on page 6  
22 of your board books.

23 The Texas by Texas is a new digital assistant  
24 from Texas.gov and the Department of Information  
25 Resources, DIR, and this application provides an easier,

1 faster, and a more secure way for Texans to access  
2 government services like vehicle registration or driver  
3 license renewals anytime, anywhere, on any device.

4 And Texas by Texas users create a single log-on  
5 and establish a profile which enables them to any  
6 government service that is participating in Texas by  
7 Texas.

8 And so we have partnered with Texas.gov and DIR  
9 to offer vehicle registration now through the Texas by  
10 Texas application. And we released that on October 9, and  
11 you can actually now register your vehicle through the  
12 responsively designed web application; you can do that  
13 seamlessly across any device that you have.

14 Also, we're going to be rolling out an app.  
15 The native IOS and Android mobile applications for Texas  
16 by Texas will be released in November, and we're happy to  
17 announce that TxDMV will be the first state agency  
18 featured on that new mobile app. So it will be available  
19 for download in Apple and Google stores starting in early  
20 January.

21 So that's really exciting for us to be able to  
22 move forward and it's a great benefit to the people of  
23 Texas to have potentially a single place to go and have  
24 all of their government services completed.

25 MR. BACARISSE: Absolutely.



1 MS. BREWSTER: Thank you to our IT team who  
2 worked very hard to get this available, and we're excited  
3 to start being able to use it.

4 With that, members, I'd be happy to entertain  
5 any questions on that.

6 MR. BACARISSE: Any questions for Ms. Brewster  
7 on item A?

8 (No response.)

9 MR. BACARISSE: Go right ahead into item B,  
10 please.

11 MS. BREWSTER: All right.

12 I'm happy to be able to introduce our new chief  
13 financial officer -- and she's over there, don't be shy --  
14 Glenna Bowman. She is our new CFO and director of the  
15 Finance and Administrative Services Division. She started  
16 September 1.

17 She has more than 30 years of experience in  
18 Texas government in finance and accounting, and some of  
19 the key roles that she played or helped in developing:  
20 the state's first Generally Accepted Accounting Principles  
21 based statewide financial statements; implementing the  
22 Uniform Statewide Accounting System, or USAS; developing  
23 the current funding model for the state's 14 immediate  
24 appellate courts. And she's served as a CFO for the Texas  
25 Office of Court Administration, the State Board of Public

1 Accountancy, Alcoholic Beverage Commission, and Department  
2 of Agriculture.

3 She's a graduate of the Governor's Executive  
4 Development Program and has served on the Curriculum  
5 Committee for the Texas Fiscal Officers Association. In  
6 2014 she was named Administrator of the Year by Texas  
7 State Agency Business Administrators Association. And she  
8 holds a master of accountancy from Texas State University  
9 and a BBA in accounting from West Texas State University.

10 As you know, this is a very high profile job  
11 for our agency, a very important job for our agency, and  
12 Glenna is the right person for the job and we are so  
13 excited that she's joined our team and she's already  
14 fitting right in.

15 What is not in her bio is she's also a singer,  
16 and so she has entertained our team with some numbers. So  
17 she's fitting right in, we're really excited to have her  
18 as part of our team, and please join me in welcoming her  
19 to the agency.

20 (Applause.)

21 MS. BREWSTER: And you'll be hearing from her a  
22 little bit later in the agenda.

23 MR. BACARISSE: Will she sing?

24 MS. BREWSTER: I don't know, we'll see.

25 Also, just moving on to item number C -- and

1 this is on page 8 of your board books -- this is the time  
2 that we recognize our employees who have reached some  
3 pretty significant state service milestones.

4 And we have a few people here that we want to  
5 recognize and show our appreciation for their years of  
6 service to the citizens of Texas, and so Matthew Levitt  
7 with our Human Resources Division will read our service  
8 announcements.

9 MR. BACARISSE: Good morning, Matthew.

10 MR. LEVITT: Good morning, Chairman, members.  
11 My name is Matthew Levitt, I'm the director of Human  
12 Resources, and unlike our CFO, you'll never hear me sing.

13 (General laughter.)

14 MR. LEVITT: We have some years of state  
15 service, people to recognize. We've had a slight change  
16 in plans. There's one person here this morning who we'd  
17 like to be recognized with you and the board, so Patricia  
18 Combs from the Vehicle Titles and Registration Division  
19 has reached 40 years of state service.

20 Patty started her career with the State  
21 Department of Highways and Public Transportation, now  
22 known as the Texas Department of Transportation, on August  
23 1, 1981.

24 She has spent the last eleven years as the  
25 regional manager of the Amarillo Regional Service Center.

1 She was awarded the VTR Star Award for outstanding  
2 service and dedication in 2007 at TxDOT, and Patty has  
3 spent 40 years becoming a subject matter expert for the  
4 regional service section of VTR. She has had varied roles  
5 in her career, yet none as important as an excellent  
6 mentor, teacher and peer. She is admired for her  
7 optimism, knowledge and willingness to always help.

8 It is our pleasure to congratulate Patty on 40  
9 years of state service.

10 (Applause; pause for presentation and photos.)

11 MR. BACARISSE: Fantastic. Thank you for all  
12 those 40 years.

13 (Applause.)

14 MR. LEVITT: Mr. Chairman, there are a few more  
15 I'd like to mention here. The following employees reached  
16 a state service milestone but were unable to join us this  
17 morning:

18 Jim Bronson in the Information Technology  
19 Services Division has reached 20 years of service; those  
20 reaching 25 years of service include Lisa Selvera in the  
21 Finance and Administrative Services Division, Bryan Wilson  
22 in the Motor Vehicle Crime Prevention Authority Division;  
23 those at 35 years include Edward Sandoval from the Office  
24 of Administrative Hearings.

25 And lastly, would just like to recognize the

1 following employees who recently retired: David Flathmann  
2 in the Information Technology Service Division, Martin  
3 Brown in the Office of General Counsel, a couple who  
4 you'll probably familiar with; Ginny Booton with the  
5 Consumer Relations Division, Butch Grote in the  
6 Information Technology Services Division, and Dewitt Juul  
7 in the Finance and Administrative Services Division.

8 Thank you.

9 MR. BACARISSE: Thank you. Thank you all.

10 Bryan, congrats. I see you over there.

11 Thank you all very much.

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

13 If I may go on to the next and final item.

14 MR. BACARISSE: Please.

15 MS. BREWSTER: And this is to recognize Ginny  
16 Booton, who recently retired from our Consumer Relations  
17 Division, and we didn't want to let her go without just  
18 really recognizing her and thanking her publicly for her  
19 years of service and her impact on the agency.

20 Ginny's work in state government started in  
21 1993 at the University of Texas at San Antonio, and she  
22 developed the Leadership Challenge Program, and that was a  
23 public-private joint venture in the Center for  
24 Professional Excellence.

25 And then she moved over to Austin to accept a

1 promotion with the Texas Department of Human Services,  
2 where she advanced to become the director of operations  
3 for the Lone Star Technology Program, and in this role she  
4 did something pretty incredible, she implemented the  
5 nation's largest electronic benefits system which  
6 distributes assistance to recipients of the Temporary  
7 Assistance for Needy Families Program through the use of  
8 an electronic debit card.

9 Her passion for leading teams is infectious,  
10 and it has led her to multiple state agencies, including  
11 the Texas Department of Transportation, where she managed  
12 over 200 customer service employees in the Vehicle Titles  
13 and Registration Division, and then being one of our very  
14 first TxDMV employees when we opened the doors in 2009.  
15 Ginny has an incredible passion for serving and coaching  
16 others and watching them succeed is really her greatest  
17 reward.

18 This amazing woman's lifelong learning and  
19 leading began when she financed her own education and  
20 obtained an MBA.

21 Ginny does not leave her leadership skills at  
22 home. She has been the Seton Board co-chairwoman and also  
23 volunteered for United Way, Big Brothers and Big Sisters,  
24 Family Eldercare and Manos de Cristo.

25 Ginny is a past president of the Executive

1 Women in Texas Government and during her tenure supported  
2 various important causes. She is a true model of public  
3 service, and her leadership, mentorship and community  
4 service has benefitted everyone who has had the pleasure  
5 of knowing Ginny.

6 Few people equal the accomplishments that she  
7 has in her career, and we're just really, really happy  
8 that Ginny has retired and is enjoying her life. She  
9 deserves every minute of the good times that she's  
10 enjoying now, and we miss her so much already. We are so  
11 happy to have her back to be able to see her and wish her  
12 well publicly.

13 Thank you, Ginny.

14 MR. BACARISSE: Thank you, Ms. Booton,  
15 appreciate it.

16 MS. BREWSTER: Please join me in congratulating  
17 Ginny.

18 (Applause; pause for photos.)

19 MS. BOOTON: May I say something?

20 MR. BACARISSE: Please.

21 MS. BREWSTER: Absolutely.

22 MS. BOOTON: Thank you for having me today.

23 Thank you, Chairman and board members. I'm so glad to see  
24 you. I haven't worked with some of you at all, and some  
25 of you I've known for years, like Miss Tammy over there.

1           It's been a honor to be here. I first want to  
2 say that I know that, as Whitney said, I was opening the  
3 doors over here with Mr. Vandergriff when we first  
4 started. I even beat Ed Serna to the door, because I was  
5 here on day one.

6           (General laughter.)

7           MS. BOOTON: And Whitney is right, I've done  
8 projects throughout state service in my career, and I have  
9 been so fortunate. They were all big learning lessons and  
10 I worked for some tough people, but that's where I learned  
11 the good stuff. Right? And that's where they say that  
12 you build your character, and I learned a lot about  
13 integrity and devotion, and I tried to bring that here.  
14 But little did I know in all those many, many years of the  
15 work prior to the DMV that it was really setting the stage  
16 for me to do something that was my passion.

17           And thanks for using that word, Whitney,  
18 because it is true, I am passionate about how we serve  
19 others. And I know it's overused now, that servant  
20 leadership phrase, but I do believe it's a calling to be  
21 in customer service and in public service, and for me to  
22 be able to help start an agency that that is why it was  
23 created was, you know.

24           And so it hasn't always been easy, but what is.  
25 Right? And if it's worth it, you stick it out, you work



1 hard and you just work harder.

2 And of course, I am very proud of the Consumer  
3 Relations Division. That division has seen a lot of  
4 changes over the years. A little unknown fact to you was  
5 that when we first opened the doors -- I'm glad  
6 Commissioner Ryan is not here to hear this --

7 (General laughter.)

8 MS. BOOTON: But Mr. Vandergriff and I sat in  
9 that corner over there, and I found out that the way they  
10 controlled calls, because there were only eight agents  
11 taking calls at that time, was a busy signal. Well, we  
12 know other agencies that do that. Right?

13 And I convinced him, and thank goodness he and  
14 Mr. Serna believed in me, I said let's cut off the busy  
15 signal, we need to know how many people are trying to get  
16 through so we can staff for that and we can care for them.

17 (Very loud feedback.)

18 MR. BACARISSE: You're still getting feedback  
19 even after all these years.

20 (General laughter.)

21 MS. BOOTON: But we went from being able to  
22 handle customer volumes with just eight people to what we  
23 have today which we have thousands of calls a day, and the  
24 team does it.

25 But it's customer service all over this agency,

1 it's not just consumer relations, although they're the  
2 team that I led and am so proud of. But we have the face  
3 of this agency are the representatives out in the field,  
4 that are on the phones. Consumer Relations, of course, I  
5 believe is the heartbeat of the agency, but it takes  
6 everybody in this agency to make it all happen.

7 And I want to thank every member of the DMV  
8 team for all that they do in all of their roles, because  
9 if it weren't for them, the people who are serving  
10 customers would not be able to do it as well as they do,  
11 so it is a big family.

12 And congratulations to the recent IT  
13 accomplishments, because all of those make things better  
14 for the customers, which makes things better for the State  
15 of Texas.

16 So it's been an honor to be able to end my  
17 career in something I'm so passionate about in an agency  
18 that I was fortunate to help build. And I got to meet my  
19 successor a little while ago, so the second division  
20 director of the Consumer Relations Division I think is  
21 going to do a great job and the team is going to love her.

22 Amanda, I wish you very well.

23 And I want to thank all of my colleagues for  
24 all of your help. I've seen a lot of colleagues come and  
25 go and some new ones, I want to wish you well, but I would

1 be remiss if I didn't say that I especially appreciate the  
2 friendship and the holding my hand and keeping me from  
3 jumping a few days, and that would be Jimmy Archer and  
4 Daniel Avitia, who have been the best friends anyone could  
5 ask for. They've really seen me through a lot. And  
6 Daniel was my third-floor partner, and Jimmy would walk  
7 across campus just to make sure I was okay some days.

8           It's not just about the roles we have as  
9 division directors. I was on almost every single project  
10 this agency has ever had, and we have our hands in  
11 everything. They're working directors and they work very,  
12 very hard and so do our team members. And I'm just proud  
13 of all of you, and I want to thank you for this  
14 opportunity.

15           And I especially want to thank that man over  
16 there, my husband, Steve Booton. I have to point you out.  
17 I know he hates that, but that man has put up with a lot  
18 and he's even been known to drive and bring me a change of  
19 clothes and breakfast in the morning when I pulled some  
20 all-nighters. That is one good man who has believed in me  
21 and trusted me and tried to get me to sleep some, and I'm  
22 doing that now a little bit.

23           (General laughter.)

24           MS. BOOTON: But thank you for today, thank you  
25 for the honor, thank you all, and God bless you.

1 MR. BACARISSE: Thank you so much. All the  
2 best.

3 (Applause.)

4 MR. BACARISSE: I think you should keep her  
5 pass active so she can come back and visit whenever she'd  
6 like.

7 MS. BREWSTER: That is absolutely correct; we  
8 are not deactivating her badge.

9 MR. BACARISSE: That's great, good.

10 Let me just mention again, I think we do this  
11 well, but I just want to say for the record before we move  
12 on to the next agenda item I just want to provide a few  
13 comments regarding our operation and how we do our  
14 conversations here.

15 It's important to wait to be recognized by the  
16 chair before obtaining the floor to speak, and just raise  
17 your hand or say Chairman, and I'll recognize you by name.

18 That helps with our record, the official record. And  
19 please be courteous -- obviously you always are -- and  
20 wait until the prior speaker has finished before asking  
21 for the floor.

22 Also, I may alternate giving the floor to  
23 members with differing views or opposing or favoring a  
24 motion as appropriate. For example, I'll give all members  
25 wishing to speak a turn, obviously, before the floor to a

1 member for the second time in a discussion, so we want to  
2 make sure everybody has opportunity to weigh in.

3 Remember to always address me as chairman and  
4 not other board members during a discussion. I think that  
5 helps us keep on the point. So members and the chairman  
6 may ask to confer with general counsel if you need to or  
7 take a recess at any time.

8 So I just wanted to mention that, I think we do  
9 a great job with that, and I'm thankful for a great board.

10 Let's move to agenda item 6, if we are ready to  
11 do so, and that is the rule proposals. These are rules  
12 that we are proposing to put out for public comment, so  
13 just remember that as we are discussing these matters  
14 before us, they are going to go out to the public for a  
15 period of time for that comment to come back before we  
16 ever approve them, so this is really step one in the  
17 official process. We also do have on the agenda some  
18 rules for final approval, and those will come later.

19 With that, let me turn it over to Tracey  
20 Beaver, our general counsel, to give an overview of the  
21 rulemaking process.

22 Tracey.

23 MS. BEAVER: Thank you, Chairman.

24 Tracey Beaver, general counsel, for the record.

25 Wanted to take a moment to go over the rule

1 process since we haven't had very many rules for the board  
2 to consider. Since the legislative session had several  
3 statutes that were passed for implementation, we do, as  
4 the chairman mentioned, have a few rule proposals, as well  
5 as a rule adoption before the board today.

6 The rule proposal process under the  
7 Administrative Procedures Act in Chapter 2001 of the  
8 Government Code does provide a two-step process. The  
9 first step is rule proposal, where the rule is put out  
10 after it's published in the *Texas Register* for public  
11 comment.

12 The public is then able to provide comments to  
13 the department on those rules, and the department  
14 considers those comments, and at the adoption stage brings  
15 the rule back before the board -- as we have one today --  
16 for additional approval to then adopt the rule to be  
17 effective.

18 The department, in considering public comment,  
19 is able to amend the rule after proposal, so any proposed  
20 rules that are put before the board for consideration are  
21 being put out for public comment for additional review,  
22 input and amending, depending on the comments received,  
23 before it comes back before the board.

24 I also wanted to mention there's an additional  
25 step in which the Regulatory Compliance Division of the

1 Governor's Office also does an independent review of any  
2 rule proposals that the board approves to move forward for  
3 publication.

4 Those proposals are reviewed by the Regulatory  
5 Compliance Division if they have any impact on market  
6 competition, if they would affect market prices, or have  
7 any barriers for industry to be able to provide services  
8 as a license holder by a state agency.

9 That independent review by the Regulatory  
10 Compliance Division also has its own separate public  
11 comment period and that is done after a proposal is  
12 published in the *Texas Register*.

13 So I wanted to just mention, before we get into  
14 these rule proposals, that there are those two steps prior  
15 to a rule coming back before the board for consideration  
16 and adoption.

17 Thank you, Chairman.

18 MR. BACARISSE: Thank you.

19 I'll now turn it over to Monique Johnston and  
20 Clint Thompson, if I may.

21 MS. JOHNSTON: Chairman, members, Ms. Brewster,  
22 good morning. For the record, my name is Monique  
23 Johnston. I am the director of the Motor Vehicle  
24 Division.

25 First, I would like to give an overview of

1 House Bill 3927, which is the bill that gives the  
2 department the authority for these rules that we will be  
3 presenting under the next two agenda items, number 6 and  
4 number 7.

5 In 2021 the Texas Department to Motor Vehicles  
6 Board requested the legislature to provide TxDMV tools to  
7 combat misuse and fraud in the issuance of temporary tags.

8 With the additional input from law enforcement, motor  
9 vehicle dealers, and the industry, the legislature  
10 responded with House Bill 3927.

11 The tools provided in HB 3927 include  
12 authorizing the TxDMV to deny a dealer or converter access  
13 to the temporary tag database and to establish a maximum  
14 number of tags a dealer or converter may obtain in a  
15 calendar year.

16 Prior to HB 3927, TxDMV was specifically  
17 prohibited by statute from denying access for a dealer or  
18 converter who was fraudulently obtaining thousands of  
19 excess temporary tags with access to the database.

20 The department's only recourse was license  
21 revocation, and this is an administrative process that can  
22 take months or years to complete, thus leaving the dealer  
23 or converter with access to the temporary tag database and  
24 allowing them to continue their fraudulent activity.

25 House Bill 3927 removes the statutory



1 prohibition and authorizes the TxDMV to deny a dealer's or  
2 converter's access to the temporary tag database if the  
3 department determines that dealer or converter is  
4 fraudulently obtaining those tags.

5 The dealer or converter may appeal the  
6 department's determination, but the dealer or converter  
7 would no longer have access or the ability to engage in  
8 fraudulent activity during the appeal process.

9 While denial of access is a powerful to stop  
10 those who are misusing the system and fraudulently issuing  
11 temporary tags, this is reactive and only addresses  
12 stopping additional fraudulent activity. To prevent fraud  
13 the legislature authorized the TxDMV to establish a  
14 maximum number of temporary tags a dealer or converter may  
15 obtain in a calendar year.

16 So with that overview of how we came to the  
17 proposed rule before you today, I will now present agenda  
18 item number 6 for the board's consideration.

19 Today we are asking the board to approve  
20 posting the proposed amendments to Sections 215.152 and  
21 215.158 relating to establishing maximum number of  
22 temporary tags that a dealer or converter may issue in a  
23 calendar year for public comment.

24 The rule package listed in your agenda is  
25 agenda item 6, and the details may be found in the board

1 book beginning on page 10.

2           The rule proposal implements House Bill 3927  
3 passed in the 87th Legislature Regular Session. The  
4 proposal modifies two existing sections: 215.152  
5 Obtaining Numbers for Issuance of Temporary Tags, and  
6 215.158 General Requirements and Allocation of Preprinted  
7 Internet-down Temporary Tag Numbers.

8           The most significant proposed changes are in  
9 Section 215.152. Subsections (c) through (l) describe the  
10 separate methods to establish temporary tag limits for  
11 existing dealers and converters as well as new licensees.

12           This proposal also sets different maximums for  
13 franchised and independent dealers. The proposal  
14 establishes the process for when and how dealers and  
15 converters may request more tags and the review and  
16 appeals process as well.

17           In 215.158 the methodology for determining the  
18 number of internet-down tags has not changed; however,  
19 this proposal would include the number of internet-down  
20 tags in the annual maximum limits and changes the  
21 responsibility for approving exceptions to the Motor  
22 Vehicle Division Director.

23           The Motor Vehicle Industry Regulatory Advisory  
24 Committee voted to require the department to present  
25 proposed rules implementing all aspects of HB 3927 to the

1 board at the next board meeting after the committee met,  
2 which is this meeting, the October board meeting.

3 The advisory committee met twice to provide the  
4 department input to consider in developing the methodology  
5 to determine the maximum number of temporary tags a dealer  
6 or converter may issue. The department used the input  
7 from the advisory committee in developing the formula for  
8 calculating the annual maximum number of tags a dealer or  
9 converter may issue in a calendar year.

10 In setting maximum temporary tag limits, TxDMV  
11 carefully balanced the need to combat fraud while ensuring  
12 lawfully operating dealers and converters can continue to  
13 grow and conduct business efficiently, as well as  
14 minimizing any administrative burdens for both license  
15 holders and the TxDMV. We believe this proposal does  
16 strike a right balance between reducing fraud and allowing  
17 legitimate dealers and converters to operate and grow  
18 their business.

19 As part of the process, the dealer or converter  
20 will be able to monitor their temporary tag limits in real  
21 time through the system. The max limit and how many tags  
22 are remaining will be displayed every time an authorized  
23 user issues a tag.

24 The proposed rules would allow the dealer or  
25 converter to request additional tags once they have used

1 50 percent of their allotment. These requests would be  
2 submitted through the eLICENSING system, which is familiar  
3 to our license holders, and will be similar to what they  
4 use when they're renewing their license or when they're  
5 requesting metal dealer plates.

6 With the proposed tag limit methodology, in  
7 addition to license holders being given real-time access  
8 to what their tag limit is and what is remaining, and  
9 their ability to request additional tags once they used 50  
10 percent of their allotment, dealers and converters will be  
11 able to conduct regular business without impediments or  
12 additional cost.

13 Here today with me is the deputy director of  
14 Vehicle Titles and Registration, Clint Thompson, and he  
15 will provide you with an overview of the methodology the  
16 department used to determine those initial maximum tag  
17 limits.

18 And Mr. Thompson, I turn it over to you.

19 MR. THOMPSON: Thank you, ma'am.

20 Mr. Chairman, members, Executive Director  
21 Brewster, good morning. For the record, Clint Thompson,  
22 deputy director of Vehicle Titles and Registration  
23 Division.

24 As I provide the overview of how we established  
25 the maximums and how they're going to work, I think it's

1 important that we understand what tag types we're talking  
2 about and also the factors that we're required to  
3 consider.

4           So the tag types that we're looking at are  
5 those issued by licensed Texas dealers and licensed Texas  
6 converters. We have buyer's tags, which are issued when a  
7 vehicle is sold to a retail purchaser' we have the vehicle  
8 specific tags and dealer agent tags that are used for  
9 dealers to conduct their business; and obviously we have  
10 converter tags as well, same concept as the dealer tags  
11 for them to conduct their business and move vehicles  
12 around.

13           In addition, House Bill 3927 requires the  
14 department to consider several factors: sales data, time  
15 in operation, expected growth, changes in the market,  
16 temporary conditions that may affect sales, and any other  
17 information that the department deems pertinent.

18           In addition to these factors, it's important to  
19 consider other factors to make sure, as Director Johnston  
20 said, we are not hindering legitimate businesses while  
21 trying to prevent this fraud.

22           So that end, we considered input from the  
23 advisory committee, we had discussions that dealt with,  
24 obviously, COVID fluctuations, volatility in the market  
25 due to chips, things of that nature, and the fact that not

1 all dealerships are the same -- we have franchised  
2 dealers, independent dealers, and varying sizes of  
3 independent dealers -- and also the fact that we have a  
4 small number of licensees that are actually committing  
5 this fraud. Those were important factors as well.

6 So knowing this, I'll walk you through the  
7 formula, and we'll be here to answer any questions that  
8 you may have.

9 We further broke this down between existing  
10 licensees and new licensees. So for those folks that are  
11 currently licensed by the department we have data  
12 available to us through our various systems, and we went  
13 that route to pull that data to determine what legitimate  
14 sales were reflected, as opposed to requiring the  
15 department to have them submit information for each  
16 dealership. So the base sales that were calculated were  
17 based on actual tag issuance.

18 So I went over the various tag types, the two  
19 dealer and the converter tag are the same as far as raw  
20 numbers issued, the buyer tag a little bit different  
21 components.

22 We have buyer tags issued to Texas residents,  
23 and we considered buyer tags issued to out-of-state  
24 residents. We know we sell vehicles to out-of-state  
25 residents as well. We can't just take the raw amount of

1 buyer tags issued, because we know we're here to stop  
2 fraud. We have folks issuing tens of thousands of tags,  
3 and we have no title transfers to validate that against.

4 So we've done a comparison to the actual tag  
5 issuance for in-state purchasers to title applications  
6 processed by county tax offices through the registration  
7 and title system.

8 We are taking the higher of the last three  
9 years for total tag issuance; we're looking at '18, '19,  
10 '20, and we're factoring in the fact that COVID was an  
11 anomaly. In the event that your dealership happened to  
12 have more sales in '20 even though COVID was an anomaly,  
13 we've given you that maximum and attributed that as your  
14 base.

15 In the event that you had total tag issuance  
16 for in-state buyers that was more than twice the amount of  
17 title transactions, we're not going to allow you to have  
18 that, there's something wrong there, there's fraud going  
19 on, there's something that needs to be looked at.

20 We're not going to allow folks just to issue  
21 tags and not follow their statutory requirements to apply  
22 for title. So that's one validation that we put in with  
23 the in-state buyer tags. So knowing that we added those  
24 together, that establishes the base.

25 The other factor that, again, statute requires

1 us to look at, time in operation. That's a multiplier  
2 that increases per year of operation up to ten years, so  
3 from your initially established base every year you get a  
4 10 percent increase.

5 In addition, we have the expected growth, which  
6 was calculated based on actual tag issuance for the state,  
7 that is an additional factor on top of your base plus your  
8 time in operation credit.

9 So for an example how that works, we have a  
10 dealership that issued 1,000 buyer tags, they've been in  
11 business for ten years, the fact that they've been in  
12 business for ten years automatically doubles their  
13 allotment, so we're working with 2,000 tags.

14 The additional 9.7 percent growth factor that  
15 we've attributed based on actual tag issuance gets them to  
16 2,194. That's more than twice the number of maximum tags  
17 that they issued in the past three years. That should be  
18 sufficient for folks to do business.

19 In addition, statute allows for the other  
20 factors that I mentioned. You can't account for temporary  
21 market conditions when you implement maximums from the  
22 onset, so these variables, expected market changes,  
23 temporary market conditions and other data that may become  
24 available are going to be additional increases that the  
25 rule contemplates us being able to make without additional



1 input from a dealer.

2 If the department sees an increase in a various  
3 region maybe throughout the state, a particular area, we  
4 have the authority with the proposed rules to go ahead and  
5 make those increases based on that data without a dealer  
6 having to reach out to us and ask us to do so.

7 So that's existing dealers. Obviously we have  
8 to account for folks coming on and obtaining new licenses,  
9 so we broke those into different buckets. We have new  
10 licensees that do not have any history with the  
11 department.

12 Based on input from, again, the advisory  
13 committee, we've established those in the proposal at 600  
14 of each tag type for franchised dealers, 300 for  
15 independents, and 600 for converters.

16 We understand that dealers change locations.  
17 They can take their allotment with them. If we have  
18 somebody that's in north Austin and they move to south  
19 Austin, whatever allocation they had in north Austin  
20 they're going to take with them to south Austin.

21 And obviously dealers can open up additional  
22 locations as well. When a dealer opens up an additional  
23 location, they will be allotted what their previous  
24 location was allotted, and that will be their start rather  
25 than starting from the 300, 600, depending on what type of

1 license that they have.

2 And the other thing I will add for new  
3 licensees with the 600 for franchised, 300 for independent  
4 and the 600 for converters, it's based on when they get  
5 licensed. If you start on January 1 you get the total  
6 allotment, if you start in the middle of June you get half  
7 of it, if you start three-quarters through the year, so  
8 on.

9 That concludes the formula. Now I will turn it  
10 back over to Director Johnston.

11 MS. JOHNSTON: So at this time the Motor  
12 Vehicle Division requests your approval to proceed with  
13 publication in the *Texas Register* so we may receive public  
14 comment and move forward with the formal rulemaking  
15 process.

16 Members, this concludes my remarks. Mr.  
17 Thompson and I are happy to answer any questions the board  
18 has on this rule package, and thank you very much.

19 MR. BACARISSE: Great. Thank you.

20 I'm sure there will be questions. Members, are  
21 there any questions for staff?

22 MS. OMUMU: Mr. Chairman, I have a question,  
23 please.

24 MR. BACARISSE: Yes, Member Omumu.

25 MS. OMUMU: Yes. Can you please elaborate on

1 the number of dealers that were involved in temp tag  
2 misuse, just for the record, please?

3 MS. THOMPSON: Good morning, Chairman, members  
4 of the board, Ms. Brewster. I can't hear myself, but I  
5 assume you can hear me. Corrie Thompson, director of the  
6 Enforcement Division.

7 So over the past year or so we were seeing  
8 approximately four to six of these what we would call  
9 excessive tag issuance dealers in the system that we are  
10 looking at each month, so several dozen a year.

11 That has decreased, and in the past couple of  
12 months I know of just a few, probably three to four in the  
13 past couple of months that we've seen, and that's based on  
14 the fact that as we are seeing these numbers, we are  
15 starting the administrative process that Director Johnston  
16 mentioned earlier. We're having to go through the full  
17 due process, issuance of a NODD, issuance of a final order  
18 to knock them out of the system, but as we're doing that  
19 we're seeing the numbers fall.

20 MS. OMUMU: Thank you.

21 Were there any franchised dealers involved in  
22 misuse?

23 MS. THOMPSON: No. The licensees that have  
24 been involved in the misuse that we've seen thus far have  
25 been independent general distinguishing number holders.

1 MS. OMUMU: Okay. Thank you.

2 Mr. Chairman, I'd like to make a motion,  
3 please.

4 MR. BACARISSE: Before we do that, I think  
5 there may be other questions for staff.

6 Member Gillman.

7 MS. GILLMAN: Thank you, Corrie and Clint and  
8 Monique for coming to us today and explaining this  
9 complicated issue.

10 My question is I would like to understand, did  
11 the advisory committee have the chance to see the formula  
12 after you received input?

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

15 No, ma'am. They were not presented directly  
16 with the formula that is laid out in the rule proposal.  
17 When we last met with them, the discussion was given since  
18 the nature of the fraud that was occurring and the need to  
19 get these rules to the board expediently that we were not  
20 going to have another advisory committee meeting, and in  
21 fact, the recommendation coming out of the advisory  
22 committee was for us to go ahead and bring the rules  
23 forward to the board at this meeting.

24 MS. GILLMAN: And the first time other  
25 stakeholders and the public were able to see this formula

1 is just last week. Is that right?

2 MR. THOMPSON: Yes, ma'am, when they were  
3 posted for the board meeting. Correct.

4 MS. GILLMAN: I think that while definitely --  
5 don't misunderstand; I think that the thoughtfulness  
6 regarding the formula is -- I mean, it's evident that  
7 you've taken a lot of factors into consideration; I think  
8 it's -- that if I was serving as an advisory board member  
9 that I'd like to see the final product. So I guess my  
10 question would be would you consider showing the formula  
11 to the committee after you have received public comment  
12 and getting back together again.

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

15 IF the board does vote to move the proposal  
16 forward for public comment, everyone will be given an  
17 opportunity to provide comment, and if it is the desire of  
18 the board to ask the advisory committee to also consider  
19 the rule during the public comment period for the advisory  
20 committee's input, those comments would also then be part  
21 of the comment period, which would be summarized for the  
22 adoption order.

23 It is within the discretion of the board to  
24 choose whether to move the proposal forward and also ask  
25 the advisory committee to review it then. That is an

1 option before the board.

2 MS. GILLMAN: Thank you for the clarification.

3 MR. BACARISSE: Okay. Thank you, Member  
4 Gillman.

5 Any other questions from the board? Yes,  
6 Member Ramirez.

7 MR. RAMIREZ: Thank you, and thank you,  
8 directors.

9 Chairman, you mentioned that this was the first  
10 step in the process, but I thought the first step in the  
11 process, and I still believe, is folks telling us that  
12 there was a problem. I think law enforcement brought this  
13 to our attention quite some time ago.

14 We know in law enforcement that we've had  
15 issues with this dating back years. We've had police  
16 officers killed pulling over vehicles with fraudulent  
17 titles; we've had plenty of issues that are well  
18 documented.

19 So I want to applaud you for your work, I want  
20 to applaud you for your work in the legislature, in the  
21 8th, and everybody who was involved in giving comment, and  
22 the dealers and the industry who fully recognized that  
23 there was a need to do something. Because like we say in  
24 law enforcement, nobody hates a bad cop more than a good  
25 cop, very similar to auto dealers, you don't want them

1 giving you a stain on you industry.

2 So I want to thank you for your work, and I'm  
3 supportive of moving this.

4 MR. BACARISSE: Thank you, Member Ramirez,  
5 appreciate that.

6 MS. McRAE: Chairman?

7 MR. BACARISSE: Yes, Member McRae.

8 MS. McRAE: And I too would like to thank y'all  
9 for all your work on this process. I know from our  
10 perspective while the majority of the dealers are great  
11 dealers, this is a small portion of the dealer community  
12 and just like Manny just said, just no one hates a bad tax  
13 assessor more than a good tax assessor.

14 And fortunately, and as I understand this  
15 proposed rule, if the dealers have no fraud, if they're  
16 just conducting business day to day, they're not going to  
17 be impacted by this. They will have sufficient and have  
18 an avenue to request more of the tags if needed. Isn't  
19 that correct?

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

22 Member McRae, yes, ma'am, that is correct.  
23 That's the entire intent with this formula that we've come  
24 up with, is to establish limits that will allow those  
25 folks to continue to conduct business legitimately and not

1 be burdened by having to come to the department and,  
2 conversely, not burden the department with having to  
3 fulfill unnecessary requests. We have the ability on the  
4 front-end to establish a maximum that's sufficient for  
5 them to conduct that legitimate business.

6 MS. McRAE: Okay. Thank you.

7 And a lot of these vehicles, I would just like  
8 to point out, are unsafe for the roadways anyway, and this  
9 is a way for them to get these unsafe vehicles, almost all  
10 of them, and so I commend you for all your work on this  
11 project.

12 MR. BACARISSE: Thank you.

13 Members, any other questions for the staff on  
14 this item?

15 (No response.)

16 MR. BACARISSE: Hearing none, I think we do  
17 have -- Tracey, are there some public commenters that are  
18 here for this item?

19 MS. BEAVER: Yes, Chairman. We have one public  
20 commenter for this agenda item number 6, Sgt. Escribano.

21 MR. BACARISSE: Yes, sir, please, Sergeant,  
22 come on up to the podium, if you would.

23 We'll now hear from Sgt. Escribano of the  
24 Travis County Constable Precinct 3.

25 SGT. ESCRIBANO: (Speaking from audience.)



1 MR. BACARISSE: Sir, hold on just a moment.  
2 Please come up to the podium. We've got to get it all on  
3 the record. Thank you. Appreciate your patience.

4 You'll have three minutes when you start. Go  
5 ahead, sir.

6 SGT. ESCRIBANO: Do my three minutes start now,  
7 sir?

8 MR. BACARISSE: They'll start when you begin  
9 your presentation.

10 SGT. ESCRIBANO: I'd want to introduce myself.

11 MR. BACARISSE: Yes, please go ahead.

12 SGT. ESCRIBANO: Mr. Chairman and members of  
13 the board, I am Sgt. Jose Escribano, Travis Count  
14 Constable's Office, Precinct 3, Clean Air Task Force,  
15 Austin, Texas.

16 I am here representing the Travis County  
17 Constable's Office Precinct 3, Stacy Suits, and I wish to  
18 speak to you today about agenda item number 6, as it  
19 relates to 3927 and the maximum number of tags a dealer  
20 can issue in a calendar year, and agenda number 7, that  
21 addresses denial of the access.

22 I will start now. Agenda item number 6, House  
23 Bill 3927 is only one dot of four that must be connected  
24 to make a square. The other three dots are webDEALER  
25 application process, fingerprinting GDN applicants using

1 Identico, and the verification of webDEALER information  
2 such as stolen vehicles, safety vehicle inspections before  
3 it's transferred into TLETS, the Texas Law Enforcement  
4 Telecommunication System.

5 Exhibit A, page 25, line 1 through 2 allot 300  
6 tags to non-franchised dealers per calendar year per type,  
7 buyer, dealer authorization, vehicle specific, for a  
8 total of 900 tags.

9 The value in the black market of 900 tags is  
10 approximately \$90,000 in the state of Texas, more when you  
11 go out of state. The fraudulent non-franchised dealers  
12 can create 900 tags in a day or less and move on to their  
13 next GDN before the ten-day response that will be  
14 discussed in number 7. We have seen it over the past  
15 three years at a tune of about 25,000 tags per week on the  
16 black market.

17 Agenda number 7, House Bill 3927, accounts for  
18 the fraud by giving the Texas DMV the ability to deny  
19 access to webDEALER, and at face value this would appear  
20 to work, except for two factors. The Texas DMV GDN  
21 application process does not verify the identity of the  
22 applicant using the fingerprints. Texas has long used a  
23 system called Identico for a variety of professions. The  
24 system is used by the Texas Department of Public Safety  
25 and appears to be available to Texas DMV via the Texas

1 Government Code.

2 Number two, non-franchised dealers can enter  
3 any information they want into webDEALER, including but  
4 not limited to stolen vehicles. The information is then  
5 uploaded into LETS, the very system used by law  
6 enforcement every single day, so they're getting false  
7 information. Law enforcement can no longer count on TLETS  
8 information as reliable due to the upload of over 1.5  
9 million fraudulent records from the Texas DMV webDEALER.

10 We are currently investigating over 40-plus  
11 fraudulent non-franchised dealers selling paper tags.  
12 Limiting the number of tags and denying access is a good  
13 idea if only you could positively identify the person on  
14 the other side creating that tag. The United States  
15 Attorney's Office Southern District of Texas said it best  
16 in their press release on May 20 --

17 MR. BACARISSE: Let's extend your time to  
18 finish up, please. Go ahead.

19 SGT. ESCRIBANO: -- on may 20 on the federal  
20 indictments, and we have more coming: The illegal tags  
21 pose a danger to the public and to law enforcement.

22 That is my comment.

23 MR. BACARISSE: Indeed. Thank you.

24 Any questions, members, of Sgt. Escríbano?

25 MS. GILLMAN: I have a question.

1 MR. BACARISSE: Member Gillman.

2 MS. GILLMAN: So I think what you're pointing  
3 out is even limiting the number of tags, while that's  
4 really great, the information in webDEALER allows the bad  
5 actors put in whatever they want.

6 SGT. ESCRIBANO: Correct.

7 MS. GILLMAN: Do you have a solution?

8 SGT. ESCRIBANO: Yes.

9 MS. GILLMAN: Let's hear it.

10 SGT. ESCRIBANO: You want to go and close that  
11 circuit. Like I said before, you start 3927 -- which  
12 CLEAT and us and Hefner were the ones that went in and  
13 pushed that bill, so we got that done.

14 But now I need to identify the person behind  
15 that, the bad actors, the criminals that are doing it, and  
16 the only way I can do that is Identico or identifying or  
17 getting them to do that.

18 I don't think that anybody would mind -- my  
19 prints are everywhere, and I don't think any professional  
20 would mind to be printed. Identico can even come to your  
21 front door, I guess, if that's what they use. So it's  
22 there, it's available.

23 So now when I'm going after them, which I have  
24 40-plus of them, and I've had to run multiple search  
25 warrants on Google and I've had to chase my tail with

1       them, and now I can go after the person that actually is  
2       doing it. Right now you don't have that. Once we get  
3       that done, now we can go ahead and corner them and start  
4       weeding them out.

5                   MS. GILLMAN: Adding Identico to the  
6       application.

7                   SGT. ESCRIBANO: To the application process.  
8       And also fixing TLETS that when they upload from webDEALER  
9       and I put a stolen vehicle like I had two days ago and it  
10      was on a buyer's tag and they pulled the vehicle over, had  
11      no idea it was stolen.

12                   They ran the VIN number in TLETS and then they  
13      found out, lo and behold, it was stolen. And they do that  
14      all the time, and they can put any information, any name,  
15      anybody they want in the system, and there's no check.

16                   So you can put any VIN number you want in  
17      there, you can put 17 characters or none at all -- excuse  
18      me -- you can put 17 characters or less; you can put  
19      asterisks or whatever you want, and the system is going to  
20      take it.

21                   So we want to go ahead and curtail that so we  
22      can actually go after who's doing this crime and clean it  
23      up. That's all we're asking for. Give us a fighting  
24      chance and don't let me sit here with one hand tied behind  
25      my back. We've been doing this for three years now and

1 still here we are.

2 MR. BACARISSE: Members, any other questions?

3 MS. McRAE: Chairman, I have a question.

4 MR. BACARISSE: Yes, Member McRae.

5 MS. McRAE: My question is probably more for  
6 Clint. Can you explain to the rest of the board the  
7 webDEALER process? Because I'm having trouble  
8 understanding what the constable is saying, because from  
9 my perspective I know how webDEALER is handled, and so I  
10 don't really understand how the fraud is being committed.

11 So could you explain the webDEALER process to the rest of  
12 the board?

13 MR. THOMPSON: Yes, ma'am. Clint Thompson,  
14 deputy director, Vehicle Titles and Registration Division.

15 My assumption, Member McRae, is that when  
16 webDEALER is referenced in this scenario it's essentially,  
17 okay, we all know that webDEALER is a single sign-on to  
18 get into eTAG, webDEALER, eTITLE, the various applications  
19 that we have, so my suspicion is that the reference is to  
20 creating buyer tags, issuing buyer tags through logging in  
21 to webDEALER.

22 But to that end, as far as being able to issue  
23 the tag to a stolen vehicle that's currently stolen, we  
24 have hard stops in place that you're aware of, mechanisms  
25 that prevent these things from happening, just like a

1 title application being submitted to your tax office  
2 through webDEALER. We do have those mechanisms in place.

3 And if folks alter a VIN -- I can alter a VIN,  
4 change it and do whatever I want in the system,  
5 absolutely. That doesn't mean that they've put a stolen  
6 record into eTAG, they have falsified the entry of  
7 information, covering up the fact that the vehicle is  
8 stolen.

9 I'm not disputing that that's a problem,  
10 nonetheless, our applications have various mechanisms in  
11 place to prevent this. Are there opportunities to go  
12 further? Absolutely. Some of that was discussed in the  
13 advisory committee meeting.

14 The point being here what we're charged with in  
15 House Bill 3927 is implementing max tag limits and denial.

16 Obviously there are other resources out there.

17 Ms. McRAE: Thank you.

18 SGT. ESCRIBANO: May I answer your question? I  
19 have one more thing.

20 Two days an officer went ahead and observed a  
21 vehicle with a buyer's tag, ran it in TLETS in his  
22 computer, and the tag came back, it was the registration  
23 date and everything else.

24 He approaches the vehicle, and he checked the  
25 VIN number on the vehicle and put it into TLETS in his

1 onboard computer, and it showed that it was stolen. The  
2 mere fact that he ran the tag itself and it didn't show  
3 then that it was stolen was the problem.

4 And you put, again, any information that you  
5 want. I've pulled many vehicles over that the information  
6 was completely bogus. We have done undercover operations  
7 where we have purchased tags and put all false  
8 information.

9 When you ran it in TLETS, again, the officer  
10 run it on the street, it's going to be false information.

11 They can mask anything they want, they can do anything  
12 they want with the system, and it is a clear and present  
13 danger to all law enforcement not only in this state but  
14 outside of the state of Texas.

15 And also we are working with various agencies,  
16 including New York -- which they really love us now --  
17 because we have our tags everywhere in that state and it's  
18 a huge problem, they're doing robberies and everything  
19 else. Just a stone's throw away from here in Austin the  
20 same thing, crews are robbing and they're using these to  
21 mask.

22 MR. BACARISSE: Member Scott.

23 MR. SCOTT: Just a clarification. In the  
24 process of getting a GDN, we don't require fingerprints?

25 MS. JOHNSTON: No. The agency doesn't have



1 statutory authority to fingerprint their applicants.

2 MR. SCOTT: That's a little confusing, because  
3 I know many of us have multiple licenses, so we don't know  
4 what we -- like you say, our fingerprints are everywhere.

5 MS. GILLMAN: I have to go get fingerprinted  
6 every year.

7 MR. SCOTT: Me too.

8 MS. GILLMAN: So what license is that, OCCC?

9 MR. SCOTT: OCCC, I think.

10 MS. JOHNSTON: Yes. We would need statutory  
11 authority for DPS to allow us access to the FBI database  
12 in order for us to start fingerprinting applicants and  
13 receiving the results of those fingerprints.

14 MR. SCOTT: Question for the constable.

15 MR. BACARISSE: Yes, Member Scott.

16 MR. SCOTT: So in response to that we have to  
17 have legislative authority.

18 SGT. ESCRIBANO: Glad you asked that question.

19 I have here, did a little bit of research -- and again, I  
20 am not an attorney at law, don't claim to be one; I'm sure  
21 there's plenty of attorneys here.

22 But the Texas Government Code, Title 4,  
23 Subtitle B, Chapter 411, Subchapter A addresses again the  
24 way that you can go ahead and obtain this, and it has the  
25 Texas Department of Motor Vehicles and other agencies in

1       there.

2                   Now, the way we're reading it -- of course, I  
3       didn't get legal advice coming in here; we're trying to  
4       get CLEAT to do that and review it -- but we think that  
5       that might be a way that you don't need legislation to at  
6       least get this done.

7                   The problem, again, that we've had in our  
8       investigation, again, is that trying to find the person on  
9       the other end pushing the button.  When they're filling  
10      their applications -- I can show you one that I found two  
11      days ago that they have the same location and the IDs that  
12      they used for both of them that's not them, and they have  
13      photoshopped it.  I can show you example after example  
14      after example of an application that's photoshopped.

15                  I teach it in a class that we put together from  
16      scratch; I've been teaching to law enforcement for the  
17      last three years.  Of course I haven't gotten to  
18      everybody, obviously, because we have 2,800 agencies, but  
19      we're trying to do the best we can.

20                  But you can do that, you can mask.  Like I have  
21      one individual that we know for a fact has over 300 GDNs,  
22      and all he's going to do is activate the next one,  
23      activate the next one, you cut me off at 900, great, I'll  
24      just activate the next one and keep on going.  Who is  
25      going to monitor it?

1 MS. BREWSTER: Mr. Chairman, if I may?

2 MR. BACARISSE: Yes, Ms. Brewster.

3 MS. BREWSTER: Thank you.

4 Just to inform the board and those listening, I  
5 did receive a petition for rulemaking from Sgt. Escribano.

6 That process includes review, and so that has been  
7 received, we will be looking at that, and we'll provide a  
8 response to both Sgt. Escribano as well as the board.

9 MR. BACARISSE: Great.

10 We appreciate what you do every day out there,  
11 sir, you and your colleagues, and we want to be a partner  
12 in all these efforts, and it's all about closing the  
13 loopholes or closing the challenges to the systems. So  
14 you know, we appreciate your remarks to day.

15 SGT. ESCRIBANO: May I make one last remark?  
16 We are here, again, to partner with the Texas Department  
17 of Motor Vehicles to fix this, that's our ultimate goal.  
18 My goal is for me to retire and not have to do this again  
19 and the system be fixed.

20 Now, are people going to go ahead and forge  
21 license plates? Yes, they are. We can see that, Ray  
22 Charles can see that a mile away. What you can't see is  
23 what's in the system right now that's the biggest threat,  
24 the FBI already said it's the biggest threat. That's what  
25 we're trying to do.

1 Thank you very much for your time.

2 MR. BACARISSE: Thank you for your time, sir.  
3 And to Ms. Brewster's comment, we will take the petition  
4 under advisement and study it carefully.

5 Mr. Scott.

6 MR. SCOTT: My question, Mr. Chairman, this  
7 situation that the constable talked about, is this  
8 something that we can directly refer to the advisory  
9 committee and ask them to spend some time on that process,  
10 what we might do closing that off?

11 MR. BACARISSE: Ms. Beaver can answer that, I  
12 think.

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

15 I'd just like to mention that the  
16 fingerprinting and licensing requirements for licensees of  
17 the department was not noticed on the agenda today.  
18 However, it is within the chairman's discretion in setting  
19 the agenda for future board meetings as well to consider  
20 these issues for the board to consider.

21 And as Executive Director Brewster mentioned,  
22 we did also receive some rule petitions regarding some of  
23 these issues that are under the review process for  
24 Executive Director Brewster to decide whether the  
25 rulemaking process should be initiated.

1 I just wanted to mention that we will be happy  
2 to bring any issues back to the board that the chairman  
3 would like to add to the agenda and also then have the  
4 board be able to refer those items, as necessary or  
5 desired, to advisory committees in the future.

6 Thank you.

7 MR. BACARISSE: Board members, do I sense your  
8 interest in doing so -- I certainly feel that way, but I  
9 want to get a sense of the board here -- to ask that you  
10 do what you just suggested by taking this into  
11 consideration and bringing it back?

12 We do have another board meeting in December,  
13 so that could be a point at which -- would it be possible  
14 to bring it back that quickly?

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

17 We'd be happy to look into that and bring it  
18 back as soon as possible to the board, under your  
19 discretion, Chairman, as desired by the board to consider  
20 these issues.

21 Thank you.

22 MR. BACARISSE: Members? Ms. Gillman?

23 MS. GILLMAN: I was just going to say before  
24 the advisory committee takes up another project, I'd love  
25 to -- I think item number one -- I don't necessarily know

1 if it's priority number one, but item number is this new  
2 formula and the rule --

3 MR. BACARISSE: Right. That's what's before us  
4 today.

5 MS. GILLMAN: -- and getting comments, and so I  
6 would say let's tackle one at a time.

7 MR. BACARISSE: We will, absolutely. We're not  
8 going to come off the agenda but just to talk about the  
9 next meeting.

10 MR. ALVARADO: Mr. Chairman.

11 MR. BACARISSE: Yes, Member Alvarado.

12 MR. ALVARADO: I agree with addressing,  
13 obviously, the item on the agenda, but I also believe it's  
14 incredibly important to make sure we're doing everything  
15 we can to support law enforcement's safety on the streets  
16 as they do their jobs. Safety is top priority, I think,  
17 so I'd definitely be supportive of moving quickly on those  
18 issues as well.

19 MR. BACARISSE: Great. Okay. Well, we will  
20 take that up at the next meeting for sure by then. I  
21 think we have the time to do that. But we do have an  
22 agenda item that we're considering today.

23 And Sgt. Escribano, thank you for your  
24 testimony. Appreciate it very much.

25 SGT. ESCRIBANO: Yes, sir.

1 MR. BACARISSE: So we are still on agenda item  
2 6. Staff, do you have any other comments or presentation  
3 you want to inform us on? Any further questions for the  
4 staff, members?

5 (No response.)

6 MR. BACARISSE: Certainly, hearing now no other  
7 questions and no other comments, I'll entertain a motion  
8 on agenda item 6.

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

11 MR. BACARISSE: Member Omumu.

12 MS. OMUMU: I think we heard from the sergeant  
13 the crux of the issue, but I move that the board not  
14 approve the proposed amendments to Sections 215.152 and  
15 215.158 for publication in the *Texas Register* for public  
16 comment.

17 House Bill 3927 specifically states in Section  
18 503.0632 the maximum number of temp tags the department  
19 determines a dealer or converter may obtain must be based  
20 on the dealer's anticipated need, taking into  
21 consideration time in operation, sales data, expected  
22 growth, changes in market, temporary conditions which may  
23 affect sales, and any other information the department  
24 considers relevant.

25 Based upon the recent shortages in the global

1 supply chain, coupled with the uncertainty in demand, the  
2 rule should be amended not to harm or place undue burden  
3 on dealers, converters, distributors and manufacturers.

4 That's my motion, Mr. Chairman.

5 MR. BACARISSE: That is your motion.

6 Is there a second to this motion?

7 MS. GILLMAN: I'll second.

8 MR. BACARISSE: Okay. It's seconded by Member  
9 Gillman. Now we can have discussion on this motion.

10 MS. OMUMU: I do have further comment.

11 MR. BACARISSE: Yes, ma'am, Member Omumu.

12 MS. OMUMU: This has been a spirited  
13 conversation here, and I do want to add some color to it.

14 It is definitely critical that we support the department  
15 in its efforts to prevent temp tag misuse and fraud, and  
16 we certainly have to protect our law enforcement, but it's  
17 also our duty to ensure the rules we set do not penalize  
18 or place undue burden on those dealers that diligently  
19 adhere to the law and the rules that are set forth by this  
20 board.

21 The proposed rule's intent is to provide  
22 license holders with enough temporary tags to handle a  
23 significant increase in sales over the best of three  
24 fiscal years.

25 This is what gives me great pause. For nearly



1 two years the automotive industry has been operating under  
2 a cloud of supply chain shortages and this has crippled  
3 dealer inventories. Demand for new and used vehicles have  
4 reached heights not seen in many decades. The need for  
5 temporary tags will increase if the SAR is as forecasted  
6 over the next few years.

7 We must also consider how starved the fleet  
8 companies have been during this same time period. If you  
9 guys go the airport and try to rent a vehicle, you see how  
10 difficult it is today. Right?

11 These cars are coming back to the market  
12 probably in the next couple of years in the hundreds of  
13 thousands. Right? We just saw on the news this week that  
14 one large rental company announced that it was ordering  
15 100,000 new electric vehicles.

16 As an industry we are going to see sizable  
17 fleet orders sold through the state's franchised new car  
18 dealers, and frankly, this three-year time period look  
19 back is an imperfect approach.

20 If we believe the manufacturers' projections  
21 over the next couple of years, we will see additional  
22 output which will increase the need for temp tags for new  
23 vehicles well above any formula that was derived using the  
24 last three years.

25 Another point that should also be considered is

1 who we're targeting. Although House Bill 3927 does  
2 include all dealers, it is my understanding that law  
3 enforcement -- just as today Sgt. Escribano admitted,  
4 there have been no infractions committed by any franchised  
5 dealers.

6 He also suggested there are lack of controls in  
7 place for the licensure process. That is the real threat.

8 It is not non-franchised dealers that are guilty of 100  
9 percent of the said infractions. So we should take a  
10 proactive approach and implement items like the Identico  
11 that the sergeant mentioned and prevent these bad actors  
12 from becoming dealers to start.

13 So as mentioned, the agency should also admit  
14 those with the OCCC license, I think. That was mentioned,  
15 you know, if we could include -- or I guess leave out the  
16 dealers with the OCCC since there is additional  
17 fingerprinting required, that would be an option.

18 So again, I appreciate the work that the  
19 department has done, along with the Motor Vehicle  
20 Regulatory Advisory Committee, because I know they spent a  
21 lot of time and effort to navigate through the potential  
22 exceptions.

23 The great work and research that you guys have  
24 done is not diminished here. However, on behalf of  
25 franchised dealers and manufacturers and distributors, by

1 targeting and potentially disrupting the business of those  
2 operators that are committed, no violation, we should  
3 update these rules to protect the very ones that we have  
4 committed to serve.

5 Thank you, Mr. Chairman.

6 MR. BACARISSE: Thank you.

7 Members, any other comments or questions on the  
8 motion that's before us, which is to approve -- or  
9 actually disapprove, the motion is to disapprove.

10 MS. GILLMAN: I have a comment.

11 MR. BACARISSE: Yes, Ms. Gillman.

12 MS. GILLMAN: Sharla, I agree with you. I'm  
13 very worried about the undue burden on dealers. I am  
14 worried that the formula -- although I completely  
15 understand that you tried really, really hard, it's a  
16 great first draft -- I mean, I appreciate it -- but I'm  
17 concerned that we just haven't -- that the advisory  
18 committee, stakeholders, industry experts, law enforcement  
19 need more time to vet this formula.

20 And I am a little bit -- I'm thankful that it's  
21 been published in the board book and able to be reviewed,  
22 and I strongly encourage another meeting of the minds to  
23 come together and review, modify if necessary, make  
24 adjustments in a collaborative effort with all parties  
25 able to see and view and come back together.

1 I know that the formula in its final form, if I  
2 am in a growth mode and I'm cut off, then I have to stop  
3 doing business until the appeals process takes place. I  
4 personally am not in the system every day but my sales  
5 managers are, and I appreciate the live look and you can  
6 appeal for more at 50 percent, but it's just a worry of  
7 mine that we have barriers to do business. And I know  
8 that you're trying very hard to address each one of those.

9 So anyway, I'm in favor of more vetting, more  
10 eyes on it to review and tear it up or raise it up,  
11 whichever one, before -- and a meeting of the minds so  
12 that the stakeholders can provide more input, can come  
13 back to you and you all try your best using input to come  
14 up with the best formula possible.

15 MR. BACARISSE: I'm sorry; just a moment.

16 Member McRae, did you have a question that you  
17 wanted to ask?

18 MS. McRAE: I can wait till after.

19 MR. BACARISSE: Okay, great. I'm sorry. I saw  
20 hands up over here too.

21 MR. ALVARADO: Mr. Chairman.

22 MR. BACARISSE: Yes, Member Alvarado.

23 MR. ALVARADO: Thank you, Mr. Chairman.

24 I appreciate all the perspectives, all the  
25 input here, but just for my benefit, if I may ask a

1 question to counsel?

2 MR. BACARISSE: Sure.

3 MR. ALVARADO: Ms. Beaver, can you please  
4 refresh my memory on the process from the Texas  
5 Administrative Code standpoint, and also the added layer  
6 of the Regulatory Compliance Division of the Governor's  
7 Office, of what we're actually being asked to do here?

8 MS. BEAVER: Yes. Thank you.

9 Tracey Beaver, general counsel, for the record.

10 At the proposal stage where the board is asked  
11 to approve the proposed rules, the next step is that it  
12 gets published in the *Texas Register* if the board does  
13 approve the rules to move forward.

14 Then there's 30 days in which the public,  
15 stakeholders, law enforcement, interested parties, anybody  
16 who is affected or impacted by the rule may provide  
17 written comment to the department on the rules.

18 The department considers that written comment  
19 and is able to make changes to the rules based on that  
20 comment from anybody who is an interested stakeholder.  
21 And then the rule is brought back to the board with those  
22 amendments and changes at the adoption stage, which is  
23 after that 30-day comment period where we receive that  
24 additional comment and input from stakeholders.

25 In addition, there's a Regulatory Compliance

1 Division review from the Governor's Office, which is an  
2 independent review to see if any of the rule would impact  
3 market competition for business that is licensed by the  
4 agency, which would, of course, be those franchised  
5 dealers, converters and independent dealers.

6 The Regulatory Compliance Division review does  
7 also have its own independent comment period in which the  
8 public and interested stakeholders are able to provide  
9 comment to the division about whether it impacts business  
10 that is licensed by the department.

11 The Regulatory Compliance Division of the  
12 Governor's Office does then provide written feedback,  
13 which is also posted on the website of the Governor's  
14 Office, as to whether or not the rule affects market  
15 competition.

16 If it does in a way that the Regulatory  
17 Compliance Division finds is against state policy, they  
18 are then in the position to tell the department they can't  
19 move forward with proposing the rules.

20 If the Regulatory Compliance Division finds  
21 that it doesn't impact market competition in a way that's  
22 against state policy, then they give approval for the rule  
23 to move forward for adoption consideration by the board.

24 So there's two additional comment periods: one  
25 on the rule from all interested stakeholders for the

1 department to consider any changes to the rule text, and  
2 the second is regarding market competition from the  
3 Governor's Office Regulatory Compliance Division.

4 MR. ALVARADO: Thank you.

5 So essentially what I'm hearing is right now  
6 we're being asked to consider a rule proposal, then it  
7 will be open to everyone for public comment, then several  
8 layers on top of that to make a determination of what is  
9 then finally considered for actual rule adoption.

10 So it might be safe to say that without  
11 approving item number 6, we don't even have a benchmark to  
12 start making changes we want to see or pushing back on  
13 things we don't like.

14 By approving item 6 today, we could have  
15 something to work off of, whether it's good or bad, then  
16 several opportunities for everyone, any interested party  
17 to comment and make those changes before anything is ever  
18 adopted. If we don't move forward on item 6, it's kind of  
19 just up in the air.

20 Is that a fair accurate statement?

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

23 Yes, that's an accurate statement, that if you  
24 approve the proposal to move forward, that would then  
25 provide a benchmark to give that transparency and

1 inclusivity to achieve that additional input from  
2 interested stakeholders.

3 If the board decides not to move the proposal  
4 forward today, then the department can go back and, based  
5 on the direction of the board, take any other steps that  
6 you desire for us to then bring the proposal back at a  
7 future board meeting.

8 MR. ALVARADO: Which would be at the same point  
9 as we are today. What you bring back could be different  
10 than what we're asked to vote on today but it would still  
11 be the same process, Texas Administrative Code process,  
12 Regulatory Compliance Division process, public comment,  
13 all the things required by Texas Administrative Code.

14 That's all I have. I just wanted to make sure  
15 we're on the same page.

16 MR. BACARISSE: It helps us.

17 Member Ramirez.

18 MR. RAMIREZ: Thank you. Thank you for the  
19 lively discussion.

20 Again, thank you for your work in putting all  
21 this together. I do agree with my colleague here that if  
22 we were to adopt -- if were to vote to move this today,  
23 there are ample opportunities for folks to contribute to  
24 the final product.

25 I believe that in the text that you've given us



1 that there's ample room for policy direction based upon  
2 market conditions, et cetera, et cetera, that might  
3 satisfy some of the concerns of the industry. Obviously  
4 I'm not in the industry but those that are, like I said,  
5 should be interested in making sure that we stem the tide  
6 of this.

7 Finally, I think the Texas Legislature was very  
8 clear. They want us to take action here, they want us to  
9 move and make sure that we can stem this problem, and so I  
10 think that we owe it to the citizens of Texas to move  
11 forward in the process and try to develop these rules that  
12 we've been asking for for so long.

13 MR. BACARISSE: Thank you, Member Ramirez.

14 I might remind the board that the legislature  
15 passed this law, and it took effect September 1, so we are  
16 operating in a law that needs regulation.

17 Am I correct in that, Ms. Beaver, in that  
18 timing?

19 MS. BEAVER: Tracey Beaver, general counsel,  
20 for the record.

21 Yes, the legislature passed HB 3927, giving the  
22 authority for the department to pass rules implementing  
23 the max tag limits, and the timeline is correct.

24 MR. BACARISSE: The law took effect September  
25 1.

1 MS. BEAVER: That is correct.

2 MR. BACARISSE: So we're already behind the  
3 curve, you would say, in promulgating rules, perhaps? Is  
4 that fair to say, or not? Tell me no if I'm wrong.

5 MS. BEAVER: I would say the legislature gave  
6 us an implementation for rulemaking September 1. Having  
7 that being effective does show the importance of having  
8 this being implemented as quickly as possible, and for  
9 today the proposal at the October board meeting was the  
10 quickest that we were able to move a rule proposal forward  
11 for consideration.

12 MR. BACARISSE: Good. Thank you.

13 MS. GILLMAN: Mr. Chairman, one more comment.

14 MR. BACARISSE: Yes, Member Gillman.

15 MS. GILLMAN: I think maybe the -- and maybe  
16 it's a bit of language; it hurts me to say approve the  
17 rule because I don't want to approve the formula  
18 without --

19 MR. BACARISSE: We're approving putting it out  
20 for public comment; that's all we're doing today. That's  
21 the item on the agenda. We're not approving the rule.

22 MS. GILLMAN: We're not approving the rule.

23 MR. BACARISSE: Not today, not today. We're  
24 putting it out for public comment. That's what that says.

25 I'm sorry. Ms. Brewster, did you have

1 something you wanted to say?

2 MS. BREWSTER: No, Mr. Chairman. You actually  
3 made the comment about the September 1 effective date.

4 Thank you.

5 MR. BACARISSE: Well, the point, though, is  
6 really we are just voting to put a proposed rule out for  
7 public comment.

8 Member Alvarado got on the record clearly the  
9 process. So that's all we're doing today, and that takes  
10 30 days of published time for anybody in the public to  
11 provide comment to the agency, which then gets taken into  
12 consideration. I mean, it was laid out, so I don't need  
13 to repeat, but that's the task before us today.

14 MS. GILLMAN: Can I make an amendment, Mr.  
15 Chairman?

16 MR. BACARISSE: Just a moment. I'm sorry.

17 Member Scott, you have a question?

18 MR. SCOTT: No, just the same thing what you're  
19 saying. I think our goal here, what we're trying to do  
20 here, is put this out for public comment.

21 I agree with some of the others that there will  
22 be ample opportunity to make changes to the formula and so  
23 forth as we go forward. I can remember actually making a  
24 change just at the last minute, putting a change in  
25 language in the motion that we voted on, so there's plenty

1 of room, plenty opportunity to make changes.

2 MR. BACARISSE: Thank you.

3 We have a motion and a second on the floor. We  
4 are discussing Member Omumu's motion, so are there any  
5 other questions or comments at this moment?

6 (No response.)

7 MR. BACARISSE: Member Gillman, if you wanted  
8 to make an amendment, Member Omumu would have to accept it  
9 as a friendly amendment, so go ahead and lay it out, and  
10 then it's up to Member Omumu as to whether or not she  
11 accepts it as a friendly amendment.

12 MS. GILLMAN: As a friendly amendment, would it  
13 be --

14 MR. BACARISSE: Am I correct, Ms. Beaver? I'm  
15 sorry.

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

18 It depends what the amendment is, and then if  
19 Member Omumu would like to accept it as a friendly  
20 amendment, that's fine, and then if Member Omumu would not  
21 like to accept it, you can put it up for a vote for the  
22 board as whether to not to accept the amendment to the  
23 original motion if it's an actually an amendment that's  
24 germane to the original motion, but it depends what the  
25 motion is. So I'm happy to help.

1 Thank you.

2 MR. BACARISSE: All right. Very good.

3 All right. I'm sorry, I just want to make sure  
4 we were doing it right, so go ahead. You can put it out  
5 there and it's up to Member Omumu.

6 MS. GILLMAN: My friendly amendment would be to  
7 approve for publication the rule, the proposed rule, the  
8 formula, with a caveat that after comments are received  
9 within that 30-day period that the advisory committee meet  
10 again and that before a final formula is derived and  
11 brought to the board -- before the next meeting that not  
12 only have the comments been received but there's been  
13 another advisory committee meeting allowing the staff to  
14 share the final or any modified version before coming to  
15 the board.

16 That's my friendly amendment, is before coming  
17 to this board again once that the comments received and  
18 that another advisory committee meeting to formulate a  
19 formula that everyone has seen before this board meets  
20 again.

21 MR. BACARISSE: Member Omumu, are you  
22 comfortable with all that?

23 MS. OMUMU: Mr. Chairman, yes, I accept the  
24 friendly amendment. Thank you.

25 MR. BACARISSE: Okay. So now what we're

1 suggesting -- I just want to make sure that I'm going to  
2 say this right -- and you need to correct me if I'm not  
3 saying it correctly, okay, Member Omumu and Member  
4 Gillman.

5 The newly restated motion would be to approve  
6 agenda 6 with the instruction that in this comment period  
7 of 30 days the advisory must meet in some way,  
8 electronically, or in person --

9 MS. GILLMAN: After the 30 days.

10 MR. BACARISSE: -- after the 30 days, and have  
11 input into this process? Am I stating things correctly,  
12 members?

13 MS. OMUMU: Yes, Mr. Chairman, you are. And  
14 along that same vein, the proposal would now be to approve  
15 both sections, 215.152 and 215.158 with those conditions  
16 that they will be brought back to the advisory committee  
17 for approval before the issue came back -- or the rule  
18 proposal came back to the board.

19 MR. BACARISSE: Okay. Did you get that, Ms.  
20 Beaver?

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

23 Yes, the motion was amended for the proposal to  
24 be published in the *Texas Register* for a 30-day comment  
25 period, and then after the comments are received at the

1 close of the comment period, it would go before the  
2 advisory committee for consideration and then back to the  
3 board for adoption consideration.

4 And if the board would like to second that new  
5 motion, then that would be the next thing.

6 MR. BACARISSE: Did she restate it correctly,  
7 Member Omumu? Was that satisfactory to you?

8 MS. OMUMU: Yes, Mr. Chairman, it's  
9 satisfactory. Thank you.

10 MR. BACARISSE: Is there a second to this  
11 motion.

12 MR. SCOTT: Second.

13 MR. BACARISSE: Member Scott seconds.

14 Any discussion on this new motion?

15 MR. ALVARADO: Just to confirm.

16 MR. BACARISSE: Yes, sir, Member Alvarado.

17 MR. ALVARADO: We are now approving agenda item  
18 6 with the additional layer of the advisory committee  
19 meeting after the 30-day period to give additional input  
20 of the comments.

21 MR. BACARISSE: That's what we now have before  
22 us, yes.

23 MR. ALVARADO: I second that.

24 MR. BACARISSE: Okay. That's been seconded,  
25 Member Scott seconded.

1 MR. ALVARADO: Okay.

2 MR. BACARISSE: So may I call the question then  
3 on this agenda item? I'd like to vote on this agenda item  
4 6. All in favor -- I'll call the roll or you just tell me  
5 how you vote.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member McRae?

11 MS. McRAE: Aye.

12 MR. BACARISSE: Member Omumu?

13 MS. OMUMU: Aye.

14 MR. BACARISSE: Member Ramirez?

15 MR. RAMIREZ: Aye.

16 MR. BACARISSE: Member Scott?

17 MR. SCOTT: Aye.

18 MR. BACARISSE: And I, Chairman Bacarisse, vote  
19 aye as well. Okay, thank you.

20 May suggest we take about a five-minute break,  
21 maybe a long five, maybe seven minutes. Thank you all.

22 (Whereupon, a brief recess was taken.)

23 MR. BACARISSE: It is 10:20 in the morning, and  
24 I'm calling the meeting back to order. We are on agenda  
25 item number 7, and if I may turn it over to Corrie



1 Thompson again for a presentation on agenda item number 7.

2 Ms. Thompson.

3 MS. THOMPSON: Yes. Good morning, Chairman,  
4 members of the board, Executive Director Brewster. Once  
5 again, Corrie Thompson, director of the Enforcement  
6 Division, and today I'm presenting agenda item 7, which  
7 starts on page 38 in your board books.

8 Before you is a recommendation to approve the  
9 publishing of proposed amendments to Rules 215.150,  
10 215.151, 215.153, 215.154, 215.155, and New Rule 215.505  
11 in the *Texas Register* for public comment.

12 This rule proposal relates to implementation  
13 efforts associated with House Bill 3927, namely allowing  
14 the department to deny access to the temp tag database to  
15 address temporary tag misuse and fraud, also to impose  
16 some requirements for management of the temporary tag  
17 database, and then also to address issuance of temporary  
18 tags to certain vehicles without inspections.

19 So I will start with the biggest change, which  
20 is new 215.505, the language of which begins on page 54 in  
21 your board books. Per the new requirements of  
22 Transportation Code 503.0632(f), the department is  
23 defining in new 215.505 the conduct that may result in a  
24 determination that a dealer or converter has fraudulently  
25 obtained temporary tags from the database.

1           So that would be tags issued not aligning with  
2 sales, vehicles sold not from the dealer's inventory, or  
3 allowing a fictitious person access to the system or  
4 somebody with a fraudulent identity access to the system.

5           215.505 also sets out the notice and appeal  
6 process for access denials by the department to the State  
7 Office of Administrative Hearings. The department would,  
8 under this process, deny access after ten days upon  
9 issuing a notice to a dealer, both electronically and by  
10 certified mail, and then the dealer would have an  
11 opportunity to request a hearing within 26 days or that  
12 decision would become final.

13           The department met twice with the Motor Vehicle  
14 Industry Regulatory Advisory Committee on this proposal.  
15 We appreciated the membership's comments and consideration  
16 of both that definition and the notice and appeal process.

17           In Rules 215.150, .151, .153, and 215.154, we  
18 set out language to limit unauthorized use and access to  
19 temporary tags with these amendments.

20           In amendments to 215.150 we are stating that a  
21 dealer or converter may issue temporary tags only for an  
22 authorized purpose up to the point at which they are  
23 either denied or they reach their maximum limit.

24           Under this rule a dealer or converter is  
25 responsible for both use and access to the system by

1 ensuring that they monitor temp tag usage, they manage  
2 their account access, and that they take timely and  
3 appropriate action to maintain system security by doing  
4 things like establishing and following reasonable password  
5 policies and preventing sharing of passwords, limiting  
6 authorized users to both the owner of the dealership and  
7 to bona fide employees, removing users when necessary who  
8 have previously had access to the system, securing  
9 temporary tags that have been printed, and destroying  
10 expired tags, also securing access to equipment that's  
11 used to print those temporary tags as well.

12           Amendments to 215.151 simply add "or converter"  
13 to the general use requirements that state how tags are to  
14 be placed on vehicles.

15           Under amendments to 215.153 we're removing the  
16 sample copies of the various types of tags where pictures  
17 are currently in the rule, and that's to ensure that if we  
18 need to make amendments or changes to those tags, we're  
19 able to do so without rulemaking, also to prevent any  
20 possible misuse that may occur by people having access to  
21 those images.

22           And then as a subpart outside of 3927  
23 implementation under 215.154 we are also clarifying that  
24 the use of dealer tags may not be for off-highway vehicles  
25 which are not eligible for registration.

1           Then finally, House Bill 3927 also authorized  
2 temporary tags be issued to vehicles without an inspection  
3 in certain transactions that involve out-of-state vehicles  
4 purchased by out-of-state residents that are not going to  
5 be titled and registered in Texas and to vehicles  
6 purchased at public auctions that are antique vehicles or  
7 special interest vehicles.

8           There are no significant fiscal impacts  
9 associated with the proposed amendments or with New Rule  
10 215.505 that's being proposed, and if there are comments,  
11 I'm happy to address them or any questions you may have.

12           But other than that, I would ask that the board  
13 approve publication of the proposed amendments as well as  
14 New Rule 215.505 for publication in the *Texas Register* so  
15 that we can allow for public comment.

16           MR. BACARISSE: Thank you, Ms. Thompson.

17           Are there any questions for Ms. Thompson from  
18 the board members?

19           Yes, Member Ramirez.

20           MR. RAMIREZ: If there are no questions, Chair,  
21 I'd like to move

22           MR. BACARISSE: Hold on one second. Just a  
23 question for Ms. Beaver procedurally. Are there any  
24 public comments on this?

25           MS. BEAVER: Tracey Beaver, general counsel.

1           There is one public commenter on this agenda  
2 item: Mr. Kohler.

3           MR. BACARISSE: Should we do this?

4           MS. BEAVER: If there are no questions from the  
5 board for staff, then the public comment for this agenda  
6 item would be next before the motion.

7           Thank you.

8           MR. BACARISSE: Okay. Hold your motion,  
9 please, Mr. Ramirez.

10          Mr. Alvarado.

11          MR. ALVARADO: I just want to clarify. Thank  
12 you, Mr. Chairman.

13          This is also, since it's under the heading of  
14 rule proposals, similar as the previous item, it will go  
15 through the whole Texas Administrative Code process? This  
16 is merely a proposal for comment and consideration?

17          MR. BACARISSE: Right. We're in the same  
18 process, absolutely.

19          MR. ALVARADO: Okay. Thank you.

20          MR. BACARISSE: So we do have someone to speak  
21 on this agenda item.

22          Mr. Kohler, I'm sorry. Are you here? Yes,  
23 sir. Would you come, please, to the podium and speak with  
24 us?

25          Just to remind you there's a three-minute

1 limit, you'll see the little green light, and you just  
2 start when you're ready.

3 MR. KOHLER: Three hours in three minutes.

4 (General laughter.)

5 MR. BACARISSE: No problem. Huh? Thanks for  
6 your time today.

7 MR. KOHLER: Thank you, Mr. Chairman and board  
8 members, for allowing me to speak here today. My name is  
9 David Kohler from Elgin, Texas. I'm a law enforcement  
10 officer in Travis County, but I'm representing myself  
11 today.

12 Why are we here today? December of '19 I sat  
13 right there on this side of the room with law enforcement  
14 and DMV trying to work on this problem with the fraudulent  
15 tags that are being sold online. Not doing my homework  
16 two years ago, was there an opportunity to create an  
17 emergency rule instead of waiting for session to have HB  
18 3927 enacted.

19 So to give you some background. January 2018  
20 the top 50 dealers in the state of Texas, only 17 of them  
21 are legitimate. The other 33 dealers sold over an  
22 estimate 1.8 million fraudulent buyer's tags, and they're  
23 still being sold as we sit here today.

24 Most of those submitting GDNs were fraudulent,  
25 and the applications were never verified such as using

1 Identico or fingerprinting to verify who actually applied  
2 for the GDN.

3 September 10, 2021 the MVIRAC committee met and  
4 debated implementation of 3927 by Representative Hefner  
5 that went into effect September 1. During that three-hour  
6 meeting on September 10, two of the known fraudulent  
7 dealers sold over 744 buyer's tags in three hours.

8 During that meeting -- or correction -- to  
9 date, one of those GDN holders has been revoked, the other  
10 one continues to sell buyer's tags, over 136,000 in two  
11 months without impunity.

12 I, along with my law enforcement colleagues,  
13 have stressed for two years this has nothing to do with  
14 franchised dealers, this has nothing to do with legitimate  
15 used car dealers that make mistakes, this is about known,  
16 identified criminal fraudulent dealers who are violating  
17 the system, and we were trying to help.

18 The intent of the original bill of 3927, which  
19 was a law enforcement bill, was to give DMV the statutory  
20 authority to turn off somebody who is violating your  
21 system, and yet we're still here today instead of flipping  
22 the switch and turning them off.

23 Please note that the Texas Automobile Dealers  
24 Association has continued to oppose the initial intent of  
25 3927 but would not offer evidence as to why.

1           Thank you for your time. I'll be happy to try  
2 to answer any questions you may have as best I can.

3           MR. BACARISSE: Members, any questions here?

4           (No response.)

5           MR. BACARISSE: Okay. Thank you for what you  
6 do every day.

7           MR. KOHLER: Thank you.

8           MR. BACARISSE: Yes, sir. We appreciate it.  
9 Thank you.

10           I think, Member Ramirez, did you wish to make a  
11 motion?

12           MR. RAMIREZ: Yes. Thank you, Chairman. I  
13 move that the board approve the proposed amendments to  
14 Sections 215.150, 215.151, 215.153, 215.154 and 215.155,  
15 and New Section 215.505 for publication in the *Texas*  
16 *Register* for public comment.

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

19           MR. SCOTT: I'll second.

20           MR. BACARISSE: Mr. Scott seconds.

21           MS. GILLMAN: Mr. Chairman.

22           MR. BACARISSE: Yes, Member Gillman.

23           MS. GILLMAN: When it's appropriate, I'd like  
24 to make a friendly amendment.

25           MR. BACARISSE: All right. Let's see if



1 there's any other questions or comments on this now that  
2 we have a motion and a second, and then we would entertain  
3 that.

4 Mr. Alvarado.

5 MR. ALVARADO: It may be similar to Ms.  
6 Gillman's question, but does the process that we currently  
7 have within the Texas Administrative Code review allow for  
8 the advisory committees to comment post 30-day so that we  
9 don't need to make an amendment, or how does that play  
10 out?

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

13 If the board would like the advisory committee  
14 to consider this proposal after the comment period, that  
15 is an option for the board as well.

16 The board or the department may refer any  
17 matter to the advisory committee, and also, any  
18 stakeholder or interested party may comment on the rule  
19 whether or not they're on the advisory committee, but also  
20 individuals on the advisory committee could also just  
21 provide public comment during the public comment period.  
22 That is an option for the board to request this go to the  
23 advisory committee after the public comment period if you  
24 would like, as well.

25 MR. ALVARADO: Thank you.

1 MR. BACARISSE: Thank you.

2 Ms. Gillman.

3 Is there any other question or comment on this  
4 motion that we have?

5 Yes, Member McRae.

6 MS. McRAE: I would just like to remind the  
7 board, as we just heard from law enforcement, that this is  
8 a problem, and the longer we delay publishing this rule,  
9 the more fraud that can occur and will occur.

10 And I think it's important that we move  
11 forward -- and Ms. Beaver can correct me if I misstate  
12 this, but I think the Governor's Office, they review these  
13 proposed rules prior to them coming to the board, and I  
14 think it's important to note that we have got to move on  
15 this quickly.

16 The effective date was September 1, and the  
17 only way we can move quickly is to start this process of  
18 approving this rule to get published.

19 That's all I have, Chairman. Thank you.

20 MR. BACARISSE: Thank you.

21 We have a motion and a second, and I sense  
22 discussion has perhaps stopped. Member Gillman, did you  
23 have an item you wish to bring?

24 MS. GILLMAN: Yes, Mr. Chairman, I'd just like  
25 to state once again for the record that I strongly

1 encourage the feedback from stakeholders and advisory  
2 committee now that these rules have been -- not just the  
3 metrics but also the rules, Corrie, as you have outlined  
4 with regard to denial. May I try and state a friendly  
5 amendment at this time?

6 MR. BACARISSE: If Member Ramirez will accept,  
7 go ahead, lay it out.

8 MS. GILLMAN: I'll lay it out.

9 It is exactly the same as the previous motion  
10 and amendment, friendly amendment, and that is that once  
11 these rules have been published and 30-day comment period,  
12 I'd like to see the advisory committee reconvene, perhaps  
13 at the exact same time, to review, modify, collaborate to  
14 create a better work product and a final work product  
15 including the committee, and that before it is brought  
16 before the board again that there has been that  
17 collaboration. We can state it the same way, Tracey.

18 MS. McRAE: Chairman, I have a comment.

19 MR. BACARISSE: I'm sorry. Just one moment.  
20 Mr. Ramirez, will you accept that amendment?

21 MR. RAMIREZ: I do understand, and thank you  
22 very much for offering your amendment. I look at this  
23 item on the agenda as a bit different than the previous,  
24 in that there's no formula, and I believe the advisory  
25 committee has met twice over this to discuss it with

1 stakeholders, so I'd like to stick with the original  
2 motion.

3 MR. BACARISSE: Okay. The amendment is  
4 rejected, the friendly amendment is rejected.

5 Member McRae, you had something?

6 MS. McRAE: And Corrie, you can either confirm  
7 this or not, but I believe the advisory committee gave the  
8 agency -- they saw the urgency behind this and asked the  
9 agency to move forward with this without it coming back to  
10 them. Is that correct?

11 MS. THOMPSON: Corrie Thompson, director of the  
12 Enforcement Division.

13 There was a motion during one of the MVIRAC  
14 committees for, yes, the rules related to 3927 to be  
15 brought at the most recent board meeting to come, which is  
16 the one that we are now in.

17 And yes, unlike the rules related to temporary  
18 tag limits, this was presented as a briefing item during  
19 the first MVIRAC committee meeting, and so those committee  
20 members were aware of the fact that we were looking at the  
21 ten-day limit with the 26-day time period to request a  
22 hearing.

23 MS. McRAE: Thank you.

24 MR. BACARISSE: So we have a motion and a  
25 second. Any other questions?

1 (No response.)

2 MR. BACARISSE: Let's call the vote, please.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Gillman?

6 MS. GILLMAN: Nay.

7 MR. BACARISSE: Member McRae?

8 MS. McRAE: Aye.

9 MR. BACARISSE: Member Omumu?

10 MS. OMUMU: Aye.

11 MR. BACARISSE: Member Ramirez?

12 MR. RAMIREZ: Aye.

13 MR. BACARISSE: Member Scott?

14 MR. SCOTT: Aye.

15 MR. BACARISSE: And I, Chairman Bacarisse, vote  
16 aye, so it is six ayes, one nay, the vote passes.

17 We'll now move to agenda item 8, and I will  
18 turn it over to -- thank you all very much, appreciate it.

19 MS. JOHNSTON: Thank you.

20 MR. BACARISSE: I'll turn it over to Mr. Jimmy  
21 Archer for his presentation on a rule proposal for Chapter  
22 217.

23 MR. ARCHER: Good morning, Chair Bacarisse and  
24 members of the board, Executive Director Brewster.

25 For the record, my name is Jimmy Archer, and

1 I'm the director of the Motor Carrier Division.

2 This item is number 8 on today's agenda and  
3 it's found beginning at page 57 of your board books.

4 For the board's consideration, I'm presenting  
5 these proposed rule amendments to Texas Administrative  
6 Code, Section 217.56 for publication in the *Texas Register*  
7 for public comment.

8 These rule amendments are necessary to  
9 implement Transportation Code Section 509.091(b) by  
10 requiring an application for vehicle registration under  
11 the International Registration Plan to register under the  
12 Unified Carrier Registration System Plan and Agreement  
13 under federal law before applying for IRP registration if  
14 the applicant is required to register under UCR.

15 This proposal would also delete certain  
16 definitions because of the relevant terms that are defined  
17 in the International Registration Plan, which is  
18 incorporated by reference into the Texas Administrative  
19 Code and incorporated by reference in the current edition  
20 of the International Registration Plan dated January 1,  
21 2021.

22 By way of background, the amendments are  
23 necessary to implement the Transportation Code which  
24 authorized the department to require an applicant to  
25 register under Unified Carrier Registration before

1 applying for vehicle registration under IRP.

2 Both of these programs have interstate movement  
3 of motor carriers. Texas participates in both the Unified  
4 Carrier Registration Program and the International  
5 Registration Plan. The Unified Carrier Registration is a  
6 federal registration program and is administered by 41  
7 states in the United States.

8 Motor carriers and certain transportation  
9 service providers that provide interstate transportation  
10 services are required to register under the Unified  
11 Carrier Registration and pay the fees that are required  
12 under federal law.

13 The department believes that implementing  
14 Section 502.091(b) will help Texas comply with the 85  
15 percent UCR compliance rate, as required by UCR state  
16 performance standards.

17 And just for your information, our compliance  
18 rate for the 2019 registration period was over 88 percent  
19 and for 2020 -- which isn't over yet for the registration  
20 period -- is over 85 percent, so we're on a good track to  
21 be in compliance.

22 The department also believes that implementing  
23 this will help Texas increase its compliance rate, because  
24 many of the owners of commercial vehicles that travel  
25 through more than one International Registration Plan

1 jurisdiction want to get IRP registration.

2 This is because they can travel between  
3 different jurisdictions if they have international  
4 registration without having to register in each individual  
5 state or get trip permits, so it's kind of a win-win.

6 There is no financial impact to state or local  
7 governments as a result of enforcing or administering  
8 this, and at this time the department can implement this  
9 amendment without programming any changes to our automated  
10 system.

11 What we would do, we would put an indicator on  
12 our IRP application checklist to check the UCR receipt, so  
13 it won't require any programming of our systems. There  
14 are no economic costs for persons required to comply with  
15 this proposed amendment.

16 If the board approves the proposed amendments,  
17 this proposal will be published in the *Texas Register* for  
18 public comment. I ask the board approve these amendments  
19 for publication. I'm happy to answer any questions.

20 MR. BACARISSE: Thank you, Mr. Archer.

21 Any questions from the board on this item?

22 (No response.)

23 MR. BACARISSE: Seeing none, hearing none, I  
24 will entertain a motion on this item.

25 MS. OMUMU: Mr. Chairman, I would like to make



1 a motion, please.

2 MR. BACARISSE: Yes, Member Omumu.

3 MS. OMUMU: I move that the board approve the  
4 proposed amendments to Section 217.56 for publication in  
5 the *Texas Register* for public comment.

6 Thank you.

7 MR. BACARISSE: Is there a second?

8 MR. RAMIREZ: Second.

9 MR. BACARISSE: Member Ramirez seconds.

10 Any questions on that motion?

11 (No response.)

12 MR. BACARISSE: If not, I'll call the vote for  
13 this, please.

14 Member Alvarado?

15 MR. ALVARADO: Aye.

16 MR. BACARISSE: Member Gillman?

17 MS. GILLMAN: Aye.

18 MR. BACARISSE: Member McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Ramirez?

23 MR. RAMIREZ: Aye.

24 MR. BACARISSE: Member Scott?

25 MR. SCOTT: Aye.

1 MR. BACARISSE: And I, Chairman Bacarisse, vote  
2 aye as well. The vote is unanimous. Thank you.

3 Thank you, Mr. Archer.

4 I forgot to ask, Tracey, was there anybody to  
5 speak on this?

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

8 There are no other public commenters for the  
9 remainder of the agenda items. If there are, I'll let you  
10 know.

11 Thank you.

12 MR. BACARISSE: Great. Thank you.

13 So we now move to agenda item 9. It's a rule  
14 proposal for Chapter 217, and we'll hear from Mr. Luna  
15 when you get set.

16 MR. LUNA: Good morning, Chairman Bacarisse,  
17 board members, Executive Director Brewster. Roland Luna,  
18 Vehicle Titles and Registration director.

19 This agenda item can be found on page 75 of  
20 your board book. The action item before you is a request  
21 from the Vehicle Titles and Registration Division for  
22 board approval to publish the proposed amended sections of  
23 Chapter 217.4, 217.23, 217.28 and 217.45, 217.46 and  
24 217.89 in the *Texas Register*.

25 The proposed amended sections are to implement

1 Senate Bill 876, which allows any willing county to  
2 process title and registration transactions in addition to  
3 the counties designated by statute.

4 Senate Bill 876 is effective March 1 of 2022.  
5 Under Senate Bill 876, title and registration services  
6 provided by tax assessor-collectors expands beyond those  
7 counties required to accept the title and registration in  
8 statute to any tax assessor-collector willing to accept  
9 the application.

10 Previously the applicant's county of residence  
11 was required to be closed before any county tax assessor-  
12 collector could be willing to accept the application.  
13 Senate Bill 876 also specifies a dealer or private party  
14 transaction must be processed in the buyer, seller, or  
15 lien holder county or any willing county.

16 Implementation of Senate Bill 876 requires  
17 significant programming changes to the registration and  
18 title system for acceptance and determination of fees. A  
19 title and registration transaction processed by a willing  
20 county will be based on the applicant's county of  
21 residence, and the county of residence will be credited  
22 fees in accordance with statute.

23 The agency requests approval to publish the  
24 proposed amended rules in the *Texas Register*.

25 This concludes my presentation, and I'm happy

1 to answer any questions if have about Senate Bill 876.

2 MR. BACARISSE: Members, any questions for Mr.  
3 Luna?

4 MS. McRAE: I have a comment.

5 MR. BACARISSE: Yes, Member McRae.

6 MS. McRAE: Mr. Luna, I would just like to  
7 thank you and the agency. While this was not a popular  
8 bill during session, we certainly appreciate all of the  
9 work y'all have done with the tax assessor-collectors  
10 community to make this as workable as it can be.

11 And this is a comment more for the ones that  
12 may be watching the board meeting, but as I understand,  
13 the agency is going to have programming in place for the  
14 fees if there's a willing county so there would not be any  
15 interruption as far as counties paying each other.

16 And so I again commend you and your agency for  
17 working closely with the tax assessor-collector community  
18 on this.

19 MR. LUNA: Thank you, Member McRae.

20 MR. BACARISSE: Any other comments or questions  
21 from members?

22 (No response.)

23 MR. BACARISSE: Hearing none, I'll entertain a  
24 motion on this item.

25 MR. ALVARADO: Mr. Chairman, I'd make a motion.

1 MR. BACARISSE: Member Alvarado.

2 MR. RAMIREZ: Mr. Chairman, I move that the  
3 board approve the proposal of amendments to Sections  
4 217.2, 217.4, 217.23, 217.28, 217.36, 217.45, 217.46 and  
5 217.89 for publication in the *Texas Register* for public  
6 comment.

7 MR. BACARISSE: Thank you.

8 Is there a second on that motion?

9 MS. OMUMU: I second.

10 MR. BACARISSE: Member Omumu seconds. Great.

11 We'll now call for the vote.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Gillman?

15 MS. GILLMAN: Aye.

16 MR. BACARISSE: Member McRae?

17 MS. McRAE: Aye.

18 MR. BACARISSE: Member Omumu?

19 MS. OMUMU: Aye.

20 MR. BACARISSE: Member Ramirez?

21 MR. RAMIREZ: Aye.

22 MR. BACARISSE: Member Scott?

23 MR. SCOTT: Aye.

24 MR. BACARISSE: And I, Chairman Bacarisse, vote  
25 aye. The vote is unanimous. Thank you.

1           Now agenda item 10 is rule adoption for Chapter  
2 217, and so Mr. Luna, please continue.

3           MR. LUNA: Thank you, Chairman Bacarisse.  
4 Roland Luna, Vehicle Titles and Registration director.

5           The action item before you is a request from  
6 VTR for board approval to publish the adopted amended  
7 section of 217.41 in the *Texas Register*. The adopted  
8 section is to implement Senate Bill 792 related to  
9 specialty license plates and placards for vehicles of  
10 certain disabled veterans.

11           Under Senate Bill 792, which is effective  
12 January 1, 2022, access to disabled parking spaces will be  
13 limited to persons, including disabled veterans, who are  
14 eligible for a disabled persons license plate bearing the  
15 international symbol of access under Transportation Code  
16 504.201.

17           The proposed rule was published in the *Texas*  
18 *Register* on August 20, 2021 and closed on September 20,  
19 2021. The department received written comment that was  
20 addressed in the preamble sections and rule text.

21           Senate Bill 792 requires the department to  
22 adopt rules by December 1, 2021. The agency requests  
23 approval to adopt the amended rule in the *Texas Register*.

24           This concludes my presentation, and I'm happy  
25 to take any questions you have regarding Senate Bill 792.

1 MR. BACARISSE: Members, any questions for Mr.  
2 Luna on this item?

3 (No response.)

4 MR. BACARISSE: Hearing none, I will ask for a  
5 motion. Is there a motion on this item?

6 MR. SCOTT: I will try to put one up.

7 MR. BACARISSE: Go ahead, Mr. Scott.

8 MR. SCOTT: Counsel, could you help me with a  
9 motion, please? I would like to write a motion to advance  
10 this item.

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

13 The motion could state that you move that the  
14 board approve the adoption of the rules as presented by  
15 staff.

16 MR. SCOTT: Mr. Chairman.

17 MR. BACARISSE: Yes, Mr. Scott.

18 MR. SCOTT: I move that the board --

19 MS. BEAVER: Approve the rules as presented by  
20 staff for adoption, if you'd like them to move forward.

21 MR. SCOTT: -- approve the rules as presented  
22 by staff for adoption.

23 MR. BACARISSE: This refers to Chapter 217.  
24 Right?

25 MR. SCOTT: Yes, sir.

1 MR. BACARISSE: Great. Is there a second to  
2 that motion?

3 MS. McRAE: I would like to second it,  
4 Chairman.

5 MR. BACARISSE: There's a motion and a second.  
6 Ms. Gillman, did you have a question?

7 MS. GILLMAN: I was going to second, but Tammy  
8 beat me to it.

9 MR. BACARISSE: All right. Thank you very  
10 much.

11 There is a motion and second on the table. Any  
12 discussion on this agenda item?

13 (No response.)

14 MR. BACARISSE: If not, I'll call the roll.  
15 Member Alvarado?

16 MR. ALVARADO: Aye.

17 MR. BACARISSE: Member Gillman?

18 MS. GILLMAN: Aye.

19 MR. BACARISSE: Member McRae?

20 MS. McRAE: Aye.

21 MR. BACARISSE: Member Omumu?

22 MS. OMUMU: Aye.

23 MR. BACARISSE: Member Ramirez?

24 MR. RAMIREZ: Aye.

25 MR. BACARISSE: Member Scott?



1 MR. SCOTT: Aye.

2 MR. BACARISSE: And I, Chairman Bacarisse, vote  
3 aye, and that vote is unanimous. Thank you.

4 And so now we'll move to agenda item 11, which  
5 is a series of briefings and action items as well from Mr.  
6 Luna, so continue, sir. Thank you.

7 MR. LUNA: Chairman Bacarisse, Roland Luna,  
8 Sr., Vehicle Titles and Registration Division.

9 The action item before you is a request from  
10 VTR for board approval or denial in accordance with the  
11 board's statutory authority.

12 The three plate designs submitted for your  
13 consideration can be referenced on 117 of you board book,  
14 or you can see right -- to my left, to your right, you can  
15 see the displayed plates. Each plate design is from the  
16 state's specialty license plate marketing vendor, My  
17 Plates.

18 The first plate design is from My Plates, who  
19 seeks approval for design and issuance of a new  
20 Southwestern Baptist Theological Seminary plate proposed  
21 under Transportation Code 504.851. The department posted  
22 the proposed design for public comment in August 2021 in  
23 our eVIEW; 780 liked the design, 278 did not.

24 The second plate is from My Plates as well, who  
25 seeks approval for the redesign and issuance of a San

1 Antonio Spurs new plate proposed under Transportation Code  
2 504.851. The department posted the proposed design in  
3 eVIEW for public comment in August of 2021; 515 people  
4 liked the design and 168 did not.

5 The third plate and final plate, which is also  
6 from My Plates, seeks approval for the design and issuance  
7 of a new Tulane University plate proposed under  
8 Transportation Code 504.851. The department posted the  
9 proposed design for public comment in eVIEW in September  
10 of 2021; 173 people liked the design, 202 did not.

11 This concludes my presentation, and the agency  
12 requests your consideration for approval of these plate  
13 designs.

14 MR. BACARISSE: Thank you, Mr. Luna.

15 Members, any questions on the plates?

16 (No response.)

17 MR. BACARISSE: Seeing none, I'll entertain a  
18 motion, and I would suggest you can make the motion to  
19 approve all three plates, if that is kosher with Ms.  
20 Beaver -- I think it is -- rather than take them up  
21 separately. Is there a motion?

22 MS. McRAE: I'll make a motion, Chairman.

23 MR. BACARISSE: Member McRae.

24 MS. McRAE: I would like to make a motion to  
25 approve all three plates as presented by Director Luna.

1 MR. BACARISSE: Thank you.

2 Is there a second?

3 MS. GILLMAN: Second.

4 MR. BACARISSE: Member Gillman seconds. Let's  
5 call the roll.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member McRae?

11 MS. McRAE: Aye.

12 MR. BACARISSE: Member Omumu?

13 MS. OMUMU: Aye.

14 MR. BACARISSE: Member Ramirez?

15 MR. RAMIREZ: Aye.

16 MR. BACARISSE: Member Scott?

17 MR. SCOTT: Aye.

18 MR. BACARISSE: And I, Chairman Bacarisse, vote  
19 aye as well. It is unanimous. Thank you.

20 And we'll move to agenda item 12 at this point,  
21 advisory committee appointments, and I will now turn it  
22 over to Whitney.

23 Ms. Brewster.

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

25 Members, for the record, Whitney Brewster,

1 executive director.

2 As you know, the board considered names for  
3 advisory committees in the last meeting. Since then we  
4 received a number of additional applications, and so I'm  
5 bringing forward names for your consideration today.

6 As you know, under Transportation Code  
7 1001.031, the board established five advisory committees.

8 I am bringing forward names for three of those today.  
9 The board is required to appoint members to an advisory  
10 committee by selecting them from a list of potential  
11 members provided by the executive director.

12 The board is required to look at the industries  
13 or occupations regulated also indirectly by the board,  
14 consumers of services provided by the board, and different  
15 geographic regions of the state to the extent possible.

16 So in your board books, starting on page 125,  
17 you can start seeing the appointments, so on 125 is the  
18 appointment of the individuals on the Consumer Protection  
19 Advisory Committee, you'll see those names there.

20 This would present two additional individuals  
21 who are consumers of services -- that's insurance and law  
22 enforcement -- to the committee. Neither category is  
23 currently represented on the committee, and so I would ask  
24 for your consideration for the Consumer Protection  
25 Advisory Committee.

1           The appointment of the individuals on the  
2 Customer Service Advisory Committee, that list of  
3 potential members presented today would add two additional  
4 individuals who are franchised dealers to that committee,  
5 and it would add geographic diversity by having  
6 representation in Hidalgo and Victoria counties.

7           The appointment of the individuals to the Motor  
8 Vehicle Industry Regulation Advisory Committee list  
9 presented today would add a consumer of services, which  
10 would be law enforcement -- Mr. Kohler you saw presented  
11 earlier today -- a recreational vehicle representative  
12 focusing on franchised dealers, and a franchised dealer to  
13 that committee.

14           And Mr. Chairman, I respectfully request  
15 consideration of these names.

16           MR. BACARISSE: Okay. Thank you, Ms. Brewster.

17           Is there any question for Ms. Brewster on this  
18 recommendation?

19           (No response.)

20           MR. BACARISSE: Okay. Don't hear any, so good.  
21 Ladies, you good?

22           MS. GILLMAN: We're good.

23           MR. BACARISSE: Do we have a motion to approve  
24 agenda item 12?

25           MS. OMUMU: Mr. Chairman, I'd like to make a

1 motion, please.

2 MR. BACARISSE: Member Omumu.

3 MS. OMUMU: I move that the board appoint the  
4 list of people to serve as advisory committee members on  
5 the advisory committees as presented by the department's  
6 executive director in the board book materials dated  
7 10/29/21.

8 Thank you.

9 MR. BACARISSE: Thank you.

10 Is there a second?

11 MS. GILLMAN: I'll second.

12 MR. BACARISSE: Ms. Gillman seconds.

13 Let's call the roll.

14 Member Alvarado?

15 MR. ALVARADO: Aye.

16 MR. BACARISSE: Member Gillman?

17 MS. GILLMAN: Aye.

18 MR. BACARISSE: Member McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Ramirez?

23 MR. RAMIREZ: Aye.

24 MR. BACARISSE: Member Scott?

25 MR. SCOTT: Aye.

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

3 Ms. Brewster, do you have others?

4 MS. BREWSTER: No, sir, that is all. Thank you  
5 very much.

6 MR. BACARISSE: We're now moving to agenda item  
7 13, Finance and Audit, so welcome, Glenna. Is this your  
8 first presentation in your position?

9 MS. BOWMAN: Yes, sir.

10 MR. BACARISSE: All right. Congratulations  
11 officially.

12 MS. BOWMAN: I hope you can hear me. It's good  
13 to be here this morning.

14 MR. BACARISSE: Turn that thing on and pull it  
15 close to your mouth.

16 MS. BOWMAN: Can you hear me?

17 MR. BACARISSE: Can she be heard? Yes. The  
18 official stenographer gives me the thumbs up.

19 MS. BOWMAN: Wonderful. So good morning,  
20 Chairman Bacarisse, board members. For the record, my  
21 name is Glenna Bowman, and I'm the chief financial officer  
22 for the TxDMV.

23 If you'll refer to section 13.A in your board  
24 materials, you will find the 2021 financial report. This  
25 is a briefing item only. This report contains information

1 on revenue and expenditures and outstanding obligations,  
2 or what we accountants call encumbrances -- there will be  
3 a separate training session on our accounting lingo after  
4 the board meeting, if you're interested -- it's for fiscal  
5 year 2021. We do have slides of the material that you can  
6 refer to as I make my comments.

7 I'm pleased this morning to have with me Sergio  
8 Rey, our deputy CFO, who served ably in this position  
9 before I came in. We also have John Ralston from our  
10 budget team and Brian Klein with revenue forecasting. If  
11 you have questions I can't answer, we will call upon their  
12 expertise.

13 So as a number of you already know -- maybe  
14 some of you do not -- TxDMV is self-supporting and funds  
15 most of its expenditures through revenues that are  
16 deposited to the TxDMV Fund 0010, and I'll just refer to  
17 that as Fund 0010. The Motor Vehicle Crime Prevention  
18 Authority, the MVCPA, is fully funded through fees  
19 deposited to general revenue, Fund 0001.

20 The first slide that we have is our revenues  
21 for all funds for fiscal years 2020 and 2021. In FY21 we  
22 collected a total of \$1.96 billion in revenue in all  
23 funds. Collections increased 6.3 percent from 2020 to  
24 2021. You do see a decrease in the motor carrier  
25 oversize/overweight category. That's mostly due to



1 decreased activity in the oil and gas sector and the  
2 shortage of drivers in the industry.

3 The good news is that revenues in the second  
4 half of 2021 are trending upward, and that's from the lows  
5 of 2020, as well as early in 2021. Miscellaneous revenue  
6 is also down. That's primarily due to a significant  
7 reduction in interest rates. We went from 2.28 percent to  
8 0.22 percent. We're hoping that that will go up, but  
9 that's where we are right now.

10 Next slide, please. This is our FY 2021  
11 projected versus actual revenues. As you can see, general  
12 revenues for 2021 exceeded our projections by 2.2 percent.

13 Our motor vehicle certificates of title was 7.3 percent  
14 below our projections. That was mostly due to lower  
15 revenue from delinquent title transfer penalties.

16 This was, of course, due to the fees being  
17 waived beginning in mid March of 2020 and continuing  
18 through mid April of 2021.

19 Again, the motor carrier oversize/overweight,  
20 we mentioned that, it is down due to decreased activity in  
21 oil and gas and the shortage of drivers.

22 Next slide. Now we're going to focus on Fund  
23 0010, which is what supports our expenditures. In FY 2021  
24 you can see at the bottom of the second column that our  
25 total collections were \$158.8 million. They did increase

1 1.7 percent over 2020.

2           Again, we have that decrease in motor vehicle  
3 title revenue due to the waiver of delinquent title  
4 transfer penalties. We actually had an increase in our  
5 motor vehicle registration revenue. That's for two  
6 primary reasons.

7           The first is that our FY21 collections included  
8 revenue from customers who chose to defer their FY20  
9 renewal into 2021, so they paid the FY20 and then they  
10 went ahead and paid FY21, so we had actually had a little  
11 bit of doubling up of revenues in '21 compared to '20.

12           Also, we did have strong vendor plate sales, so  
13 that drove that number up a little bit. Same thing on  
14 motor carrier oversize/overweight, and our miscellaneous  
15 again had to do with interest.

16           Next slide. These are our expenditures and  
17 encumbrances or obligations, so this is everything that  
18 we've actually paid as well as anything else outstanding  
19 that will be paid out of our 2021 revenue.

20           Our largest expenditures, a total of 90  
21 percent, were in several categories which you can see in  
22 the pie chart: Salaries and related costs were about 33  
23 percent; we have some contract services that are 19  
24 percent of our budget; professional fees are at 15  
25 percent, and the largest portion of that is for our data

1 center services at \$13.6 million; our freight, postage and  
2 printing costs is another 12 percent, the largest piece of  
3 that is for postage; and I'll also mention grants for the  
4 MVCPA division, that's another 7 percent, we have \$12.4  
5 million for 25 grant recipients and the average grant is  
6 approximately \$500,000.

7 Next slide. This is information on our capital  
8 budget and projects. The FY 2021 capital project budget  
9 included expenditures of \$20.4 million and another amount  
10 for encumbrances and obligations of \$8.2 million, for a  
11 total of \$28.6-.

12 In our TxDMV automation system we spent \$5.9  
13 million for automation projects. Other information  
14 resource projects \$22.5-, and we'll have some detail on  
15 that on the next slide. And then we do have other capital  
16 projects, which includes maintenance for our regional  
17 service centers as well as headquarters and some  
18 replacement vehicle money.

19 I will mention that we have an available budget  
20 after the end of 2021. Of that amount on the TxDMV  
21 automation system, that \$10.2 million we actually are  
22 carrying forward to 2022 because we have a rider that  
23 allows us to carry that forward between biennia, so we  
24 will be utilizing that money going forward.

25 Some of the larger expenses will be \$4.9

1 million for the motor carrier credentialing system  
2 rewrite, \$2.4 million for webLIEN and \$1.3- for statewide  
3 dealer adoption.

4           Next slide. These are our other information  
5 resources capital projects, I mentioned the \$13.6 million  
6 for the data center services and \$17.1- for county  
7 technology, which we had a county equipment refresh. We  
8 have the printers, monitors and paper and so forth that  
9 support the county tax assessor-collector offices.

10           Next slide. This is the last slide that I have  
11 in my formal presentation; this is the My Plates contract.

12           The current specialty plates marketing contract was  
13 executed with License Plates of Texas, LLC. It started in  
14 November of 2019 and it runs through December 31 of 2025,  
15 with an option to renew the contract for an additional  
16 six-year term.

17           And the contract, as I'm sure most of you know,  
18 has a minimum guarantee of \$25 million into the general  
19 revenue fund and another 5 percent of the revenue from the  
20 renewal of these plates.

21           General revenue deposits beginning in November  
22 of 2019 through August 31 of 2021 totaled \$33.3 million,  
23 and of that amount, \$15.4- counted toward the \$25 million  
24 contract guarantee.

25           This concludes my remarks, and I'll be happy to

1 answer any questions or call on one of my colleagues if I  
2 can't.

3 MR. BACARISSE: Thank you, Ms. Bowman.

4 Members, are there any questions on this  
5 presentation for Ms. Bowman?

6 MS. GILLMAN: I have one question, Mr.  
7 Chairman.

8 MR. BACARISSE: Yes, Member Gillman.

9 MS. GILLMAN: I don't know, you may have said  
10 it and I missed it. The new receivables software  
11 implementation, is that called a capital project?

12 MS. BOWMAN: It is a capital project. Those  
13 funds are being carried forward from '21 into '22. We are  
14 in the process of contracting with Gartner Group to do the  
15 consulting piece of that, where we look at what it is we  
16 actually need to do with the 18 systems that we have.

17 We actually met with legal yesterday and went  
18 over some terms and conditions which the vendor is asking  
19 about, and we are making progress, and we expect to be  
20 moving forward with that any day now.

21 MS. GILLMAN: Great. I know that's a huge  
22 project, and I'm glad you're tackling it and moving  
23 forward. It's a big one. I'm excited for you.

24 MS. BOWMAN: Thank you.

25 MR. BACARISSE: Members, anything else?

1 Member Ramirez.

2 MR. RAMIREZ: First of all, thank you and  
3 welcome, and thank you for the incredible team you've  
4 fielded. I'm very impressed, you know, just annually with  
5 how lean we operate.

6 One question: It was striking that the  
7 overweight vehicles, the truckers, and the shortages that  
8 we're seeing across the nation -- have you guys made any  
9 type of changes to your projections in the next year or so  
10 to anticipate what's happening in the market?

11 MS. BOWMAN: Yes. So we are actually  
12 projecting an increase in the motor carrier  
13 oversize/overweight of about 7.5 percent. The permit  
14 issuances increased in the last several months of FY 2021,  
15 and we're expecting that to continue as the economy  
16 continues to recover.

17 MR. RAMIREZ: Thank you very much.

18 MR. BACARISSE: The impacts of COVID in many  
19 different ways. Right?

20 Members, anything else?

21 (No response.)

22 MR. BACARISSE: Ms. Bowman, thank you and  
23 welcome, and we're really looking forward to working with  
24 you.

25 MS. BOWMAN: Thank you all. Same here.

1 MR. BACARISSE: Good. Thank you.

2 We now want to move to item B under this  
3 section, the Internal Audit Division status update from  
4 Sandra Menjivar-Suddeath.

5 Welcome, good morning. It's still morning --  
6 yeah, it's still morning for a bit.

7 MS. MENJIVAR-SUDDEATH: Good morning, board  
8 members. Can everyone hear me?

9 MR. BACARISSE: Yes.

10 MS. MENJIVAR-SUDDEATH: Good morning. For the  
11 record, Sandra Menjivar-Suddeath, Internal Audit director,  
12 and I'm presenting the Internal Audit Division status  
13 report, which is on page 144 of your board materials.  
14 This is a briefing item only.

15 The Internal Audit Division status includes  
16 seven engagements that Internal Audit has been working on  
17 since the beginning of the fiscal year, including two that  
18 were from last year's fiscal year, as well as external  
19 engagements.

20 On page 145 you will see all the engagements  
21 listed based on their progress. The first item listed is  
22 the Texas Comptroller of Public Accounts, the post-payment  
23 audit.

24 The Texas Comptroller of Public Accounts has  
25 concluded their field work, we're just waiting for the

1 report. They anticipate the report being sent to us, at  
2 least the draft, hopefully by December, so we will  
3 hopefully have an update at the next board meeting on  
4 that.

5 Moving on to internal engagements, we have two  
6 engagements that are currently in the planning phase.  
7 Both of these engagements will actually be moving to field  
8 work either this week or by the end of next week.

9 The first is the dealer licensing process  
10 audit. This is an audit to evaluate processes to verify  
11 dealer applicant identity. The second engagement is the  
12 access management advisory services. This is an advisory  
13 service with the Information Technology Services Division  
14 to help evaluate how we manage our access for internal  
15 systems.

16 Moving on to field work items, in field work we  
17 have our Internal Audit follow-up. Right now we're  
18 looking at audit recommendations that are due or being  
19 implemented in the first quarter. The first quarter ends  
20 November 30. Currently we have at least two that have  
21 been implemented.

22 Then we'll move on to the reporting phase,  
23 which is the quality assurance and improvement program.  
24 This is an annual required report where we assess our  
25 compliance with audit standards as well as how effective



1 we are as a function.

2 That report is being reviewed by staff right  
3 now and will be sent to the Finance and Audit Committee  
4 within the next couple of weeks, and then will be  
5 presented to the entire board in December.

6 Finally, we get to the issued items. The first  
7 item that has been issued is the annual activities report,  
8 and this report is on page 146 of your board material.  
9 The information in the report is actually prescribed by  
10 the State Auditor's Office, and we must submit the report  
11 to the State Auditor's Office, the Legislative Budget  
12 Board and the Governor's Office by November 1, so I'll be  
13 sending it after this board meeting.

14 The report provides information on the audit  
15 services, advisory services, and other activities that we  
16 conducted in fiscal year 2021.

17 In summary, Internal Audit completed actually  
18 ten audit, advisory service, follow-up or compliance  
19 engagements, including six audits, one advisory service,  
20 one follow-up engagement, and two compliance engagements.

21 The division also conducted divisional  
22 initiatives to improve the function itself, and we did  
23 added value services for the department such as fraud,  
24 waste and abuse.

25 The report also includes a summary of the

1 co-sourced and contract audit services that we used last  
2 year, and we provide information on how the department  
3 complies with fraud reporting and the investigation  
4 coordination requirements.

5           The next item that was issued was the fourth  
6 quarter results for Internal Audit follow-up for the last  
7 quarter year of fiscal year 2021, and this item is on page  
8 160 of your material. There were four audit  
9 recommendations that were implemented. The department  
10 fully implemented all four audit recommendations for 100  
11 percent implementation rate.

12           The next item listed is the internal  
13 communications audit. This audit was looking at how we  
14 communicate internally with staff. We found that  
15 communication with staff varied in method and timing,  
16 which resulted in a perceived lack of transparency by  
17 staff. We issued two recommendations, both  
18 recommendations were accepted by management, and we rated  
19 the internal communication process as a two.

20           The final item on issued is the payment card  
21 industry requirement one firewalls audit. This audit was  
22 looking at our firewall network configuration. We issued  
23 two recommendations and one recommendation has been  
24 implemented. This is a confidential audit, so we won't  
25 get into the results of that, but we did give it a

1 maturity rating of two.

2 That concludes my Internal Audit Division  
3 status. I'm open to any questions.

4 MR. BACARISSE: Members, any questions?

5 MS. McRAE: I just have a comment, Chairman.

6 MR. BACARISSE: Yes, Member McRae.

7 MS. McRAE: Sandra, I just want to thank you  
8 and your team. Y'all have done a tremendous job, and I  
9 don't think I fully appreciated that until serving on this  
10 board, and from the bottom of my heart I thank you and  
11 your team for all that you do for this agency and for  
12 Texas. So thank you.

13 MR. BACARISSE: I will second that.

14 (General talking and laughter.)

15 MR. BACARISSE: It might be unanimous. Thank  
16 you, Sandra.

17 MS. GILLMAN: I have one question.

18 MR. BACARISSE: Yes, ma'am, Ms. Gillman.

19 MS. GILLMAN: On the internal communications  
20 audit two recommendations were issued. What were those  
21 two recommendations? And you probably directed us to the  
22 page.

23 MS. MENJIVAR-SUDDEATH: There is a link in the  
24 item.

25 MS. GILLMAN: That's okay. What are the two

1 recommendations?

2 MS. MENJIVAR-SUDDEATH: So for big initiatives  
3 or anything that was significant that impacted the entire  
4 agency, we wanted to see more coordination of  
5 communication, kind of having a strategy for that  
6 communication.

7 So the first was actually developing criteria  
8 for the department for what is considered a significant  
9 communication. You know, it could be something like  
10 salary adjustments, it could be an initiative for health,  
11 wellness, anything that is considered a significant item  
12 that all staff should be aware of. So that was the first  
13 thing, set up that criteria.

14 The second one was actually set up the guidance  
15 to give to division directors and divisional staff on how  
16 to communicate, because what we found in the audit was  
17 that, depending on the division, some of the information  
18 would be discussed multiple times and provided updates,  
19 sometimes the information would only be provided once  
20 right before the initiative occurred, and so that created  
21 this perceived lack of transparency in staff, and staff  
22 were getting different communications at different times.

23 And so by having these recommendations we're  
24 hoping to more standardize the communications and make  
25 sure that the important things that the staff need to be

1 aware of are communicated in a consistent manner.

2 MS. GILLMAN: Okay.

3 MR. BACARISSE: Fantastic.

4 Member Scott.

5 MR. SCOTT: Yes, Mr. Chairman. Thank you.

6 Sandra, I'm looking at the Internal Audit  
7 Division status chart, and one of the things that's here  
8 is this planning phase dealer license process audit to  
9 evaluate process design to verify a dealer applicant's  
10 identity and to review criminal history. This is  
11 something that we're planning to do?

12 MS. MENJIVAR-SUDDEATH: We are in the planning  
13 process, so actually after this meeting I'm going to meet  
14 with the team that they're going to propose their testing  
15 for us.

16 So what we've been doing in planning is  
17 understanding Motor Vehicle Division's processes for  
18 dealer identification validation, as well as what  
19 information they take into consideration when an applicant  
20 applies for a dealer's license.

21 We've also looked at Enforcement and how  
22 Enforcement plays into that. So right now we're in the  
23 phase where we've collected all this information, we've  
24 identified the risks, and we're going into actually  
25 testing and identifying what is working, what is

1 potentially not working when it comes to the  
2 identification process.

3 MR. SCOTT: Thank you for that.

4 I bring that up because we had testimony twice  
5 this morning from law enforcement. I think the first, the  
6 constable was saying about the top 50 dealers in the state  
7 issuing temp tags, only seven of them were real. And one  
8 of the guys testified or made a statement that you've got  
9 these guys that have -- maybe it's hyperbole -- like 90  
10 GDNs just waiting to activate, we shut one down, they  
11 click another one, activate it. And I'm surprised that we  
12 don't already have something in place to find these  
13 people.

14 MS. MENJIVAR-SUDDEATH: So there are processes  
15 in place. Part of the audit is identifying how well those  
16 processes are working and what could be done to improve  
17 them, and part of the discussion was background  
18 fingerprinting, I believe.

19 And so we're actually going to be looking at  
20 the capabilities of that from a process perspective.  
21 Legal will look at all the legal fun stuff, but we're  
22 actually going to be looking into is there anything else  
23 we could be doing to better identify whether this is a  
24 real person that wants to be a dealer or if they're trying  
25 to get into the system to access temp tags or things of

1 that regard.

2 MS. OMUMU: Sandra, I have a question.

3 If you're done?

4 MR. SCOTT: No, go ahead and I'll follow up in  
5 a minute.

6 MS. OMUMU: So do we look at other states to  
7 see what their process is for a GDN?

8 MS. MENJIVAR-SUDDEATH: So that is part of our  
9 conversation with my team later on. As part of planning  
10 I'd asked them to potentially consider that as part of  
11 field work, and so I think we've been -- Jason Gonzalez is  
12 the senior auditor on it.

13 Jason, do you mind coming up just in case I say  
14 this wrong?

15 But we are working, I think, reaching out  
16 through AAMVA to see if we can get information about how  
17 other states do their process identification.

18 Would that be an accurate statement?

19 MR. GONZALEZ: For the record, Jason Gonzalez,  
20 senior internal auditor.

21 We have taken that into consideration. I've  
22 done some preliminary review of it. There are several  
23 states that do use fingerprinting as part of their  
24 process, but it's not an overwhelming majority, so the  
25 focus that we've currently had is looking at the current

1 processes we have in place to see if there's any process  
2 gaps that necessarily would enhance that, because just on  
3 our preliminary research it doesn't seem that like  
4 fingerprinting is the end-all and be-all of correcting  
5 processes, so we want to make sure that the processes that  
6 we have in place are sound and that if people decide on  
7 fingerprinting it's an enhancement, not necessarily like a  
8 cure.

9 MS. MENJIVAR-SUDDEATH: So those are all things  
10 we're going to be testing in field work and we plan to  
11 have this audit done in January. There may be some delays  
12 with the changes that are going on in the division, but  
13 the goal is to get this out as soon as possible to help  
14 the board and the agency understand what is working in the  
15 processes now, what potential future process improvements  
16 are being considered, how well they may work, and what  
17 could be done in addition to help with the dealer  
18 identification.

19 MR. BACARISSE: Member Gillman.

20 MS. GILLMAN: Mr. Chairman, thank you.

21 I just think that your work is probably really  
22 valuable good info and should be shared with not just  
23 staff but as part of the posting of these new rules and  
24 coming up with solutions.

25 I'm agreeing with you that fingerprinting may



1 not be the end all -- and certainly I get fingerprinted  
2 every year for my I guess it's the OCC, I think  
3 Department of Insurance, maybe -- but getting those  
4 results may hinder my sales and we have to be cautious  
5 about dealers getting held up in more regulation, putting  
6 more barriers.

7 But I, too, want to catch the bad actors; don't  
8 misunderstand me. But I think that your finding will be  
9 really relevant and should be published ahead of time,  
10 ahead of, I guess, another advisory board meeting to come  
11 up with solutions.

12 MS. MENJIVAR-SUDDEATH: So what we do  
13 internally is we meet with MVD on a biweekly schedule, so  
14 as we're getting results, as we're getting information,  
15 we're providing that information to MVD, and then we  
16 report monthly to the Executive Director's Office about  
17 what we're finding as well, and then to the Finance and  
18 Audit Committee, so you guys have all that information.

19 MS. GILLMAN: Expand to, I guess, the advisory  
20 committee, to give the advisory committee and anyone  
21 listening in to the advisory committee, stakeholders, the  
22 same information.

23 MS. MENJIVAR-SUDDEATH: I think we would defer  
24 to legal if that's allowable. The only concern I would  
25 have with that is we are testing it, and so until we feel

1 comfortable with the quality control, I'd be very  
2 uncomfortable giving preliminary information that hasn't  
3 been reviewed to anyone to rely on. And that's just from  
4 an Internal Audit status, but I would be comfortable if --

5 MS. GILLMAN: Whose review?

6 MS. MENJIVAR-SUDDEATH: We have to review it  
7 internally, so our internal audit standards require that  
8 anything we provide to the board or to the public has to  
9 go through a quality assurance process, and so depending  
10 on the time of the advisory committee, you know, and  
11 depending on when the testing is occurring, that may be a  
12 very difficult time line for the team to meet.

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

15 I'd just like to also add that with the board  
16 considering any possible licensing provisions that could  
17 help keep out the bad actors, if there's information from  
18 other states, other processes, other changes we can do  
19 statutorily, rulemaking and internal processes, those will  
20 all come to the board.

21 So although this is going to be a process that  
22 is done through audit, there's going to be a lot of  
23 collaboration and coordination to make sure that these  
24 reviews are done in conjunction so that we're not keeping  
25 information out that could be useful for policy.

1 MS. MENJIVAR-SUDDEATH: Absolutely. Thank you,  
2 Ms. Beaver. And that brings up a point, this is one of  
3 the reasons we did this audit right off the gate as the  
4 first audit we would do is we wanted to have a  
5 collaborative relationship with, obviously, the general  
6 counsel, Motor Vehicles, and help form and improve any  
7 processes as we're going through this rulemaking process.

8 MS. GILLMAN: Can you get all that out before  
9 the next meeting?

10 MR. BACARISSE: We never know, we never know.

11 MS. GILLMAN: Get all that out before the next  
12 advisory meeting.

13 MS. MENJIVAR-SUDDEATH: We'll do what we can.

14 MR. BACARISSE: Yeah.

15 Member Ramirez.

16 MR. RAMIREZ: Mr. Chairman, thank you.

17 And thank you for everything that you're doing.

18 I know that it's a very heavy lift that folks don't  
19 really appreciate until this comes out and until we find  
20 problems, but like Member Scott said, I think that the  
21 research that you're doing and the data collection that  
22 you're doing is going to be invaluable for how we operate  
23 in the future, because obviously there are process gaps,  
24 because otherwise we wouldn't have folks with 90 GDNs, so  
25 we need to find out ways to plug those gaps and I think

1 your work is a big part of it. So thank you for what  
2 you're doing and I'm interested to find out what you find  
3 out.

4 MR. BACARISSE: Great. Thank you, members.  
5 Yes, Member Scott.

6 MR. SCOTT: And just a comment. We've been  
7 working on this temp tag thing for a couple of years, had  
8 to go through session to get where we are, to get us the  
9 authority to move, it's almost a little bit like  
10 Whack-a-Mole here. As soon as we find something, we find  
11 something else.

12 But I think that as an agency and hearing from  
13 law enforcement and everything else, we've identified that  
14 this is something that's got to be fixed. It's an  
15 embarrassment, really, in addition to the safety thing,  
16 safety for our law enforcement, safety for everyone.

17 But when you read the stories of 100,000 temp  
18 tags from Texas and all these things that are showing up  
19 in New York and New Jersey, like come on, folks, let's  
20 figure out what we need to do to get this thing knocked  
21 out.

22 So that's my comment.

23 MR. BACARISSE: Well said.

24 MS. GILLMAN: Agree.

25 MR. BACARISSE: Members, anything else, or Ms.

1 Menjivar-Suddeath?

2 (No response.)

3 MR. BACARISSE: Thank y'all, appreciate it.

4 We will now hear from Mr. Archer again. Thank  
5 you for coming back up. This will be your focus is on a  
6 software upgrade for the Texas IRP system, so very good  
7 briefing coming up here, I look forward to. And for the  
8 record, I will mention that you're wearing an Astros tie.

9 (General talking and laughter.)

10 MR. BACARISSE: The record reflects a majority  
11 of the board is for the Astros, maybe not all but a  
12 majority. I'm hearing some feedback over here. Sorry,  
13 had to do it.

14 MR. ARCHER: Appreciate that.

15 Jimmy Archer. I'm the director of the Motor  
16 Carrier Division.

17 And just as an aside, I saw on TV the other  
18 night that three states in the country are pulling for the  
19 Astros; the rest of them are pulling for the Braves.

20 MR. BACARISSE: I think we're outnumbered.

21 MR. ARCHER: Texas, Louisiana and Delaware, of  
22 all places.

23 MR. BACARISSE: Wow.

24 MR. ARCHER: This item number 13.C on today's  
25 agenda is found beginning at page 165 of your board book.

1           For the board's consideration I am providing a  
2 briefing on capital spending authority for the upgrade to  
3 the Texas IRP system and requesting the board delegate  
4 authority to Executive Director Whitney Brewster to  
5 approve and sign the contract to upgrade the Texas IRP  
6 system after consulting with the board chairman.

7           By way of background, Texas IRP is a customer-  
8 facing system for apportioned vehicle registration under  
9 the International Registration Plan, as well as several  
10 types of vehicle registration such as our extended  
11 commercial fleet registration system.

12           The Texas IRP system still functions very well,  
13 but it's based on 2005 software and needs an upgrade to  
14 add modern features.

15           The Federal Motor Carrier Administration  
16 awarded us an Innovative Technology Deployment grant to  
17 upgrade our Texas IRP system in September 2019. Just for  
18 your information, we generally don't talk about figures,  
19 but the grant has been published, and the amount of the  
20 grant was \$1.29 million, and it's an 85/15 matching grant.

21           The grant was scheduled to end on September 30  
22 of 2023, but the Congress extended all federal grants  
23 under the Innovation Technology Deployment Program by one  
24 year, so this grant actually expires on September 30 of  
25 2024.

1           The General Appropriations Act requires  
2 approval from the board, the Legislative Budget Board, and  
3 the Governor's Office for capital spending authority to  
4 spend grant funds for the Texas IRP upgrade.

5           At the April 2020 board meeting, the board  
6 approved staff's request for the capital spending  
7 authority; however, the department just received final  
8 capital spending authority approval from the Governor's  
9 Office and the Legislative Budget Board.

10           The goal is to have the work progress quickly  
11 now that we have approval to spend the funds. The grant  
12 ends, like I said, on September 30, 2024 and we estimate  
13 this project will take approximately 30 months to  
14 complete.

15           The department is requesting the board to  
16 delegate authority to the department's executive director,  
17 Whitney Brewster, to approve and sign a contract for the  
18 Texas IRP upgrade so the department has the authority to  
19 sign a contract as soon as the department is ready to  
20 award a contract.

21           I'd be happy to answer any questions you might  
22 have.

23           MR. BACARISSE: Thank you, Mr. Archer.

24           Members, any questions for Mr. Archer on this  
25 item?

1 (No response.)

2 MR. BACARISSE: If not, I will entertain a  
3 motion as was outlined to give authority to the executive  
4 director for approval and execution of a contract for this  
5 system. Is there a motion?

6 MS. GILLMAN: I'll second the motion. I  
7 thought you did the motion.

8 MR. BACARISSE: Maybe I just did it. Would  
9 that be all right? Is that acceptable, Ms. Beaver?

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

12 If there's a motion from a member to give  
13 authority for the executive director to approve and sign  
14 the contract for the software upgrade for TX IRP after  
15 consultation with the chairman and a second, then that  
16 would be acceptable, if that was the motion that Ms.  
17 Gillman seconded.

18 MR. BACARISSE: All right. So there's a motion  
19 and a second. Any discussion on that item or the motion?

20 (No response.)

21 MR. BACARISSE: Okay. Let's call the roll.  
22 Member Alvarado?

23 MR. ALVARADO: Aye.

24 MR. BACARISSE: Member Gillman?

25 MS. GILLMAN: Aye.



1 MR. BACARISSE: Member McRae?

2 MS. McRAE: Aye.

3 MR. BACARISSE: Member Omumu?

4 MS. OMUMU: Aye.

5 MR. BACARISSE: Member Ramirez?

6 MR. RAMIREZ: Aye.

7 MR. BACARISSE: Member Scott?

8 MR. SCOTT: Aye.

9 MR. BACARISSE: And I, Charles Bacarisse, vote  
10 aye as well. It's unanimous. Thank you.

11 Thank you, Jimmy, appreciate it.

12 Okay. So right now the time is 11:31, and we  
13 are moving into closed session, and we are taking up item  
14 14. It's 11:31 a.m. on October 29, 2021. We're going to  
15 go into closed session under Texas Government Code  
16 Sections 551.071, 515.074, 551.076, and 551.089.

17 For those of you in the audience, I anticipate  
18 being in executive session for approximately an hour and a  
19 half. We'll reconvene in open session after that.

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

22 (Whereupon, at 11:31 a.m., the meeting was  
23 recessed, to reconvene this same day, Friday, October 29,  
24 2021, following conclusion of the executive session.)

25 MR. BACARISSE: It is now 2:53 p.m. and the

1 board of the Texas DMV is now back in open session.

2 We will take up item 15, which were action  
3 items from executive session, and I will entertain a  
4 motion regarding agenda item 15.

5 Actually, what we need to do, members, is two  
6 motions. One is we need to approve the combined  
7 evaluation of our executive director, Ms. Whitney  
8 Brewster, from our executive session first, and then we  
9 can take any other action that may be linked to that  
10 evaluation.

11 So I would entertain a motion for that first  
12 item of approving the evaluation of the executive  
13 director.

14 MS. McRAE: Chairman, I'll make a motion.

15 MR. BACARISSE: Okay, Member McRae.

16 MS. McRAE: I make a motion that we approve the  
17 performance evaluation of Executive Director Whitney  
18 Brewster.

19 MR. BACARISSE: Is there a second.

20 MS. OMUMU: I second.

21 MR. BACARISSE: There's a second by Member  
22 Omumu. All in favor let's call the roll here.

23 Member Alvarado?

24 MR. ALVARADO: Aye.

25 MR. BACARISSE: Member Gillman?

1 MS. GILLMAN: Aye.

2 MR. BACARISSE: Member McRae?

3 MS. McRAE: Aye.

4 MS. MEN

5 MR. BACARISSE: Member Omumu?

6 MS. OMUMU: Aye.

7 MR. BACARISSE: Member Ramirez?

8 MR. RAMIREZ: Aye.

9 MR. BACARISSE: Member Scott?

10 MR. SCOTT: Aye.

11 MR. BACARISSE: And I, Charles Bacarisse, vote  
12 aye as well. That is unanimous.

13 Secondly, I would entertain a motion for this  
14 board to make which would increase the salary of the  
15 executive director by 4 percent and authorize department  
16 staff to take the necessary actions to implement the  
17 actions authorized by this decision.

18 MS. McRAE: I'll make a motion or second.

19 MR. BACARISSE: Member Scott.

20 MR. SCOTT: Thank you, Mr. Chairman.

21 I move that the board approve a 4 percent raise  
22 for its executive director of the department.

23 MR. BACARISSE: Very good. Thank you.

24 Is there a second.

25 MS. McRAE: I'll second.

1 MR. BACARISSE: Member McRae seconds. Very  
2 good.

3 And let's just call the roll on that vote too,  
4 please.

5 Member Alvarado?

6 MR. ALVARADO: Aye.

7 MR. BACARISSE: Member Gillman?

8 MS. GILLMAN: Aye.

9 MR. BACARISSE: Member McRae?

10 MS. McRAE: Aye.

11 MS. MEN

12 MR. BACARISSE: Member Omumu?

13 MS. OMUMU: Aye.

14 MR. BACARISSE: Member Ramirez?

15 MR. RAMIREZ: Aye.

16 MR. BACARISSE: Member Scott?

17 MR. SCOTT: Aye.

18 MR. BACARISSE: And I, Mr. Bacarisse, say aye  
19 as well. That is unanimous.

20 MS. BREWSTER: Thank you, members, thank you  
21 very much.

22 MS. McRAE: Good job.

23 MR. BACARISSE: Absolutely. Now you just have  
24 to perform, the easy part. Right?

25 We have no members of the public here to make

1 public comment, so I would entertain a motion to adjourn.

2 MS. McRAE: Chairman?

3 MR. BACARISSE: Yes, Ms. McRae.

4 MS. McRAE: May I say one thing?

5 MR. BACARISSE: Absolutely.

6 MS. McRAE: Come on, team.

7 MR. BACARISSE: Go Astros.

8 MS. McRAE: Go Astros.

9 (General talking and laughter.)

10 MR. BACARISSE: Is there a motion to adjourn?

11 MS. McRAE: I'll make a motion to adjourn.

12 MR. BACARISSE: Is there a second?

13 MR. SCOTT: I'll second.

14 MR. BACARISSE: Good. We're adjourned.

15 (Whereupon, at 2:57 p.m., the meeting was  
16 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Board  
LOCATION: Austin, Texas  
DATE: October 29, 2021

I do hereby certify that the foregoing pages,  
numbers 1 through 150, 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: November 8, 2021

/s/ Nancy H. King  
(Transcriber)

On the Record Reporting  
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