

TEXAS DEPARTMENT OF MOTOR VEHICLES
LEGISLATIVE AND PUBLIC AFFAIRS COMMITTEE
MEETING

William B. Travis Building
1701 N. Congress Avenue
Room 1-111
Austin, Texas 78701

Wednesday,
August 10, 2022
2:30 p.m.

COMMITTEE MEMBERS:

Paul Scott, Chair
Christian Alvarado
Tammy McRae (absent)
Manuel "Manny" Ramirez

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	5
2. Pledges of Allegiance - U.S. and Texas	5
3. Comments and Announcements from Committee Chair, Committee Members, and Executive Director	--
BRIEFING AND ACTION ITEMS	
4. Consideration and Possible Recommendation for Action to the Full Board and Briefings:	
Review of Draft Legislative Recommendations for the 88th Regular Legislative Session (BRIEFING ONLY)	6
CLOSED SESSION	
5. The Committee may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551:	--
• Section 551.071	
• Section 551.074	
• Section 551.076	
• Section 551.089	
6. Action Items from Closed Session	--
7. Public Comment	none
8. Adjournment	24

1 anyone or speaking for yourself. If your comment does not
2 pertain to a specific agenda item, we will take your
3 comment during the general public comment portion of the
4 meeting.

5 In accordance with the Department's
6 administrative rule, comments to the Board will be limited
7 to three minutes. To assist each speaker, a timer has
8 been provided. The timer light will be green for the
9 first two minutes, yellow for one minute, and then red
10 when your time is up.

11 Individuals cannot accumulate time from other
12 speakers. Comments should be pertinent to the issues
13 stated on the comment sheet. When addressing the Board,
14 please state your name and affiliation for the record.

15 There are a few things that will assist us in
16 making the meeting run smoother and assist the court
17 reporter in getting an accurate record. Please identify
18 yourself when speaking. Speak clearly and slowly. Do not
19 speak over others. And please ask the Chairman to
20 proceed, and be sure to get recognized before speaking.

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

23 Before we begin today, I would like to remind
24 all presenters and those in attendance of the rules of
25 conduct at our Board meetings. In the Department's rule,

1 I have the authority to supervise the conduct of meetings.

2 This includes the authority to determine when a speaker
3 is being disruptive of the meeting or is otherwise
4 violating the timing or presentation rules I just
5 discussed.

6 The posted agenda stated that a quorum of the
7 Board may be present at this meeting. However, Board
8 members who are not members of the Legislative and Public
9 Affairs Committee will not vote on any agenda item that
10 appears today, nor will any Board action be taken.

11 And I see that Board Member Prewitt is present
12 for discussion and gathering information. Welcome.

13 And now I would like to have a roll call of the
14 Committee members. Please respond verbally when I call
15 your name.

16 Member Alvarado, are you here?

17 MR. ALVARADO: Here.

18 MR. SCOTT: Member Ramirez.

19 MR. RAMIREZ: Here.

20 MR. SCOTT: And let the record reflect that I,
21 Paul Scott, am here too. We have a quorum. Let the
22 record reflect that Member McRae is absent today.

23 The next item is the Pledge of Allegiance to
24 the United States and Texas. Member Alvarado will lead
25 the U.S. Pledge.

1 (Whereupon, the Pledge of Allegiance was
2 recited.)

3 MR. SCOTT: And Member Ramirez will do the
4 Texas flag.

5 (Whereupon, a pledge to the Texas flag was
6 recited.)

7 MR. SCOTT: Thank you Members Alvarado and
8 Ramirez for leading us in the pledges. Okay.

9 Agenda Item 3, comments and announcements from
10 Committee Chair, Committee members and Executive Director.

11 We do not have any comments or announcements today, so we
12 are not taking up Agenda Item 3.

13 We will move to Agenda Item 4. Agenda Item 4
14 is review of draft recommendations, legislative
15 recommendations for the 88th Regular Legislative Session.

16 This is a briefing only.

17 And now we will hear from Keith Yawn on Agenda
18 Item 4.

19 MR. YAWN: Chair Scott, Members, good
20 afternoon. My name is Keith Yawn. I am the Director of
21 Government and Strategic Communications for the
22 Department.

23 Agenda Item 4 is an overview of draft statutory
24 recommendations for a potential recommendation to the
25 upcoming 88th Texas Legislature. Department staff began

1 this work earlier in the year when GSC requested input
2 from subject matter divisions throughout the Department to
3 identify potential statutory changes needed to improve
4 Department operations and the regulatory processes we
5 administer.

6 At the same time, Department leadership was
7 holding a series of stakeholder outreach meetings during
8 the spring. While these meetings were principally focused
9 on temporary tag administration and resetting
10 relationships with our primary stakeholder partners, we
11 also asked stakeholder representatives to discuss
12 legislative ideas of interest to them.

13 After reviewing the results of these internal
14 and external efforts, GSC staff worked with the Executive
15 Director's office to craft an initial slate of legislative
16 recommendation drafts. We also consulted subject matter
17 experts in the impacted divisions to develop specific
18 language to implement the general policy proposals.

19 The results of that work was further reviewed
20 by subject matter divisions and the Office of the General
21 Counsel to produce the draft documents included in your
22 materials today. As staff worked through this process, we
23 did not identify statutory needs critically limiting or
24 impeding department operations. This is likely the result
25 of the Department and Legislature's work during the last

1 several sessions, throughout Sunset and other major
2 legislation.

3 The items I am presenting today are relatively
4 minor and primarily focused on cleanup or conforming
5 items, and clarifications to the transparency of
6 regulations. The identification for many of these items
7 came from questions we routinely receive from customers,
8 stakeholders, and other state agencies or regulatory
9 entities that are seeking to understand why our operations
10 and processes work the way they do.

11 Some are simple wording changes that clarify
12 the statutory requirement of regulations without changing
13 legislative intent or existing Department operations,
14 while others provide improvements to either the
15 administration or processing of Department programs to
16 better serve our customers. We do not anticipate these
17 will be objectionable to the Legislature or public
18 stakeholders.

19 This presentation is intended to continue the
20 vetting process on these ideas, by seeking the Board's
21 input. It will also provide public transparency of the
22 recommendations, allowing stakeholders an additional
23 opportunity to reach out to us with relevant concerns and
24 additional input.

25 Based on the feedback we receive over the next

1 month, we will finalize the proposal packets and return to
2 the full Board in October for approval of the
3 recommendations. Once approved, GSC staff will begin
4 communicating the Department's policy recommendations to
5 legislative offices.

6 So before I move on to the specific proposals,
7 are there any questions or comments on the process or
8 general strategy?

9 MR. SCOTT: Any questions or comments from the
10 Board?

11 (No response.)

12 MR. YAWN: Your Board books contain a document
13 beginning on page 7 with the specific legislative
14 proposals divided into four sections: Title Act
15 amendments, registration and license plate amendments,
16 oversized/overweight permitting processes, and Motor
17 Vehicle Crime Prevention Authority amendments.

18 Each section contains a listing of the
19 contents, followed by a summary of each item and the red
20 line statutory language changes drafted for the
21 recommendation. Many of the items in the first two
22 packets may look familiar to you, as items the Board
23 approved for recommendation to the Legislature during the
24 last legislative session.

25 These items were filed as part of House Bill

1 3531. That bill failed to pass, due to procedural issues
2 at the end of session, but there was not publicly
3 expressed opposition to the bill's contents during
4 committee and floor debates. We are proposing to
5 recommend these clean-up items again in the upcoming
6 session.

7 The first section, beginning on page 7,
8 contains four recommendations related to vehicle titling.

9 All were recommended by the Board last session, and
10 included in House Bill 3531.

11 On page 8, Recommendation 1 clarifies the equal
12 use of printed and electronic titles throughout the Title
13 Act. While electronic titles are already in use in Texas,
14 these clarifications are useful, as digital processes
15 become more common and expected by customers and
16 businesses.

17 Recommendation 2 defines the term "auction
18 sales receipt" and allows that document to be used when
19 salvage dealers report a vehicle to be scrapped,
20 dismantled or destroyed, eliminating the need to obtain a
21 title for a vehicle set to be scrapped.

22 Recommendation 3 clarifies that evidence of
23 ownership outside of a title can be used by insurance
24 companies, in certain circumstances, to retitle vehicles
25 acquired through the payment of a claim.

1 And finally, Recommendation 4 allows the use of
2 out-of-state ownership documents to obtain a Texas rebuilt
3 title without first having to obtain a Texas salvage
4 title. This streamlines the current required process.

5 Are there any questions on the items in the
6 first section?

7 MR. SCOTT: None.

8 MR. YAWN: The second section begins on page
9 16, and contains nine recommendations related to vehicle
10 registration and license plates. Recommendation 1 allows
11 all military-related license plate designs to be issued as
12 Disabled Veteran plates for approved applicants.

13 Recommendation 2 clarifies that a first set of
14 Legion of Honor plates are issued without a registration
15 fee. The third recommendation clarifies that truck
16 tractors would be exempt from the two plate requirement,
17 but subject to the one plate requirement.

18 On page 19, Recommendation 4 contains three
19 individual items related to temporary registration
20 permits. Item 1 requires carrying 72- and 144-hour
21 permits in the vehicle. Item 2 clarifies the inspection
22 requirement for 30-day permits, as well as adjusts the
23 required placement of both one-trip and 30-day permits for
24 clear identification by law enforcement. And Item 3 makes
25 a minor wording change to clarify that one-trip permits

1 are registration permits and not temporary tags.

2 These first four items were recommended by
3 the -- the first four recommendations were recommended by
4 the Board last session, and included in House Bill 3531.
5 The remaining five recommendations are new for
6 consideration this session.

7 Recommendation 5 on page 22 contains five items
8 that update the names of state agencies referenced in
9 specialty license plate statutes. For example, the
10 Department of Aging and Disability Services was merged
11 into the Texas Health and Human Services Commission a
12 number of years ago, and HHSC now has authority for legacy
13 DADS programs.

14 Recommendation 6 contains five items updating
15 specialty license plate fees to reflect intended practice.
16 The first item clarifies a \$30 fee for the professional
17 firefighters plate. Items 2, 3, and 4 clarify that the
18 Gold Star, volunteer firefighters, and travel trailer
19 license plates are issued at no fee.

20 Item 3 also updates a reference to the state
21 firefighters association, whose name has changed since the
22 statute was enacted. And finally, Item 5 corrects a
23 reference to collection of county-imposed fees, so readers
24 are directed to the appropriate statute for those
25 requirements.

1 Recommendation 7 at the bottom of page 24
2 repeals the honorary consul license plate. The State
3 Department is working with a number of states on this
4 issue. Repealing the plate would eliminate the misuse of
5 consular immunity by individuals who are not eligible due
6 to temporary consular status or a change in consular
7 status.

8 At this time, there are 85 honorary consul
9 plates. Colorado, Oklahoma, and Louisiana have or soon
10 will remove similar plates in their states. And other
11 states are reviewing this request as well.

12 Recommendation 8 on page 25 is a clarification
13 related to the designation of fees for speciality license
14 plates. These for many license plates are explicitly
15 defined in statute, while fees for plates administered by
16 private vendor My Plates are set by rule. Since some
17 plates with statutorily-defined fees have been moved over
18 time to the My Plates platform, this recommendation
19 clarifies that license plates with specific statutory fees
20 do not require the fee to be reset in rule.

21 And Recommendation 9 clarifies registration
22 requirements for farm trailers that are less than 4,000
23 pounds and other farm equipment. Statute provides
24 specific requirements for farm trailers over 4,000 pounds,
25 but is unclear about requirements for similar trailers of

1 lesser weight. The recommendation clarifies that these
2 smaller trailers are not required to be registered if used
3 only temporarily on highways, but allows owners to obtain
4 plates if desired.

5 Any questions on this second section?

6 (No response.)

7 MR. YAWN: Okay. The third section, beginning
8 on page 27, contains two recommendations related to
9 certain oversize and overweight permitting processes.
10 These are both new recommendations for consideration this
11 session.

12 Recommendation 1 on page 28 contains three
13 items that clarify certain fees for oversize/overweight
14 permits. The first item clarifies the allocation of
15 weight tolerance fee revenue to counties. The second item
16 clarifies that both types of annual envelope permits are
17 exempt from the highway maintenance fee. And the third
18 item clarifies that the Department may waive fees by rule
19 for permits issued to governmental entities.

20 Recommendation two clarifies that both
21 self-propelled and trailer-mounted equipment are eligible
22 for unladen lift equipment permits.

23 And that concludes the third section. Are
24 there any questions on those items?

25 (No response.)

1 MR. SCOTT: No.

2 MR. YAWN: Okay. The final section begins on
3 page 30 and contains one recommendation related to funding
4 policy for the Motor Vehicle Crime Prevention Authority.
5 The MVCPA Board requested the creation of a dedicated
6 account for the deposit of program revenue.

7 This recommendation creates a dedicated
8 subaccount within the Texas DMV Fund 10, where MVCPA
9 revenue would be deposited, and from which it could only
10 be appropriated for use by the program. This change
11 supports the MVCPA-related Legislative Appropriations
12 Request items. The creation of the dedicated subaccount
13 would further support full program funding of these
14 grants.

15 That is the fourth section. So, we moved
16 through that more quickly than I had expected. I do have
17 one other policy item, unless there are any questions on
18 any of the items in those sections. And we do have
19 resources here, from several of the divisions if there are
20 questions more detailed than I could answer.

21 MR. SCOTT: None. Go ahead.

22 MR. YAWN: Okay. The final item I have for you
23 today is that I was asked to provide some additional
24 information related to the replacement of the RTS system,
25 which the Board has been discussing in previous meetings.

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As you know, this project is a priority exceptional item request of the Department's Legislative Appropriations Request. But as the backbone of many of our operations, the project carries potential significant impact to Department operations and policies as well.

While the system is not currently in danger of collapse, it is time to actively begin the process of replacement. The planning, design, and preparation referred to as Phase One in the previous discussions contains elements of both project planning and initial implementation.

This is a complex ecosystem of applications that require detailed attention to interconnections and system relationships. We will be seeking the assistance of expert information technology consultants in addition to leveraging the subject matter expertise of both internal Department staff, and importantly, the stakeholder communities who use these systems daily.

The procurement of expert resources must be handled deliberately, and involves the participation of several state partners. A project of this size requires the State's Quality Assurance Team, or QAT, to approve the project plan, including designs, budget, anticipated contracting, and operational impacts. The QAT is

1 comprised of technology resources from the Department of
2 Information Resources, the Legislative Budget Board, and
3 the State Auditors Office.

4 The documentation submitted for this required
5 review is extremely detailed and rigorously reviewed.
6 These foundational documents are required to be submitted
7 at the same time as the LAR and are intended to help
8 mitigate risk associated with complex IT projects.

9 For the reasons of timing, we are unable to
10 request full funding for the project in the upcoming
11 legislative session, because of those requirements.
12 However, this will not materially slow the implementation
13 of this project.

14 Planning and design work in Phase One of the
15 project is expected to take a minimum of 18 to 24 months.

16 As this effort is underway, Department staff will also be
17 preparing existing systems for the transition itself, work
18 that has to occur before the transition can begin.

19 Such preparation includes insuring software
20 platforms, support applications, and reporting functions
21 are fully updated to their latest versions for efficient
22 operation and adequate security. Beginning the process of
23 replacing or adding new hardware to Department networks to
24 support an upgraded RTS environment, and engaging primary
25 system users, notably tax assessor collectors offices and

1 auto dealers in the verification of system needs, and
2 identification of potential operational impacts of various
3 design decisions.

4 There has been a change in the Phase One
5 funding request since the project was first introduced in
6 June: a \$1.25 million increase in the project costs, to a
7 total of \$6.75 million. This change was made following
8 consultation with the Department of Information Resources
9 on the procurement processes, and resources required. The
10 advice we received indicated additional external resources
11 are needed to assist with the management and oversight of
12 this complex procurement process.

13 There will be more discussion of this item
14 during tomorrow's agenda item on the LAR. That concludes
15 my presentation, but I can take any questions you have on
16 any of the items I have discussed.

17 MR. SCOTT: Do we have any comments about this?

18 MR. RAMIREZ: Keith, you have done a great job
19 of putting this all together and briefing us beforehand.
20 And I understand the pace and shifting of the time limit
21 of the RTS. Everybody is very ready to get that underway.

22 So if it doesn't slow the project down, I don't think it
23 is material.

24 Thank you for your work.

25 MR. YAWN: Thank you.

1 MR. SCOTT: Member Alvarado?

2 MR. ALVARADO: No questions.

3 MR. SCOTT: Okay. Keith, if you would for us,
4 give us a little brief discussion about what we are doing
5 currently. You know, there is some concern about the
6 stability of our current system, but I understand that we
7 are doing some things to make it perform better, and to
8 beef it up while we continue on this process of
9 replacement.

10 MR. YAWN: Absolutely. As has been discussed,
11 the RTS system is a very old legacy system of more than 30
12 years now. But the issues related to its replacement, and
13 bringing forward a modernized system are unique to other
14 issues that exist related to the RTS system, as far as
15 interconnection, hardware issues, and things that the
16 Agency not only is currently engaged in, but has been
17 engaged in for some time.

18 These include hardware replacements at the
19 county offices, the T-1 project that is currently getting
20 underway to improve the network connections and speed of
21 the access to those systems. So there is, as you note, a
22 large amount of work being done on a regular basis to
23 ensure that the current system, while we work on the
24 transition and replacement and design of that new
25 modernized system, remains stable and effective for the

1 partners that do use it.

2 We do have a resource here from the Information
3 Technology Services Division, if you would like some more
4 detail on any of those projects.

5 MR. SCOTT: Anybody need any more detail?

6 (No response.)

7 MR. SCOTT: I think that -- yes. I appreciate
8 that, Keith. The point of that was just to emphasize the
9 fact that, you know, while we need to replace our current
10 system, we are doing everything we can to support and
11 maintain the system we have, increase its effectiveness
12 and efficiency.

13 So, we are not in any -- as you said, it needs
14 to be replaced. But there doesn't appear to be any, like,
15 imminent danger that we are going to wake up tomorrow and
16 we are out of business or anything.

17 MR. AVITIA: Chairman, if I may?

18 MR. SCOTT: Yes. Please.

19 MR. AVITIA: All the key statements, 100
20 percent accurate. And no, the system is not in dire
21 straits to the point where it will shut down today or
22 tomorrow, hopefully. I say that fingers crossed.

23 But we are working diligently within the
24 Agency, especially in our IT shop. We have Will, our
25 Deputy CIO here. And we have been working diligently to

1 stabilize the system and make sure that when we do have
2 regular releases, that those releases have minimal to no
3 impact, other than positive things.

4 For the system, we fully understand that when
5 RTS is down, it is down in our Regional Service Centers.
6 It is also down for our TAC partners, which makes customer
7 service very uncomfortable. So, to that end, Will and his
8 team, and Wendy, are working diligently behind the scenes
9 to make sure that any changes, and any updates that we
10 make to the system have minimal impact on operations
11 throughout the state.

12 MR. SCOTT: Thank you, sir. And Keith, as I
13 understand it, the additional \$1.5 million that was added
14 to the -- that came about as we saw that as a need to
15 enhance our ability to move as quickly as possible on the
16 replacement?

17 MR. YAWN: To move appropriately and
18 deliberately.

19 MR. SCOTT: Okay.

20 MR. YAWN: So, in our consultation with the
21 Department of Information Resources, who advises on large
22 IT processes for all state agencies, they advised us that
23 it would be useful, and our team agreed, to have
24 additional resources -- professional resources to assist
25 us with the procurement processes.

1 And some of those technical activities that we
2 had not previously built into the project. And so, that
3 is the reason. It is a \$1.25 million increase.

4 MR. SCOTT: Okay. Thank you. All right.

5 Any other questions or comments?

6 MR. RAMIREZ: I know this meeting is about the
7 legislative ask and what we need in the ADA. But I guess,
8 are you familiar with any of the major transformation
9 projects around the country of these systems? And are we
10 modeling ourselves after any of them? And I guess that is
11 how we come up with the estimate.

12 MR. AVITIA: Chairman, if I may?

13 MR. SCOTT: Please.

14 MR. AVITIA: Member Ramirez, that is a really
15 good question -- very timely, in fact. California is
16 about to replace their RTS. I believe they are about a
17 couple of weeks away from signing contracts. So, they are
18 going to engage before we will.

19 Any lessons learned there, I will be sure to
20 glean any so that it helps our process, as we move through
21 our replacements as well.

22 MR. RAMIREZ: Thank you.

23 MR. AVITIA: Yes, sir.

24 MR. SCOTT: Okay. Member Alvarado, anything?

25 MR. ALVARADO: No, sir.

1 MR. SCOTT: Okay. I think you are free to go.

2 MR. YAWN: Thank you.

3 MR. SCOTT: Thank you. Appreciate it very
4 much.

5 Do we have any public comment on this issue?

6 MS. FORE: Elizabeth Fore. There are no
7 commenters on Agenda Item 4.

8 MR. SCOTT: Okay. Agenda Item 5 is closed
9 session. But we will not have a closed session today, so
10 we are not taking up any agenda items for 5 or 6.

11 We now move to 7 for any general public
12 comment.

13 MS. FORE: Elizabeth Fore. There are no
14 commenters.

15 MR. SCOTT: Okay. We will move to Agenda Item
16 8, which is adjournment. Unless there is further
17 business, I would like to entertain a motion to adjourn.

18 MR. RAMIREZ: Motion.

19 MR. SCOTT: Okay. We have a motion from Member
20 Ramirez. Second, from Committee Member Alvarado.

21 MR. ALVARADO: Second.

22 MR. SCOTT: Okay. Committee Members, when I
23 call your name, please state your vote for the record.

24 Member Alvarado.

25 MR. ALVARADO: Aye.

1 MR. SCOTT: Member Ramirez.

2 MR. RAMIREZ: Aye.

3 MR. SCOTT: And I, Chairman Scott, vote aye.

4 Let the record reflect the vote is unanimous. The meeting
5 is adjourned.

6 (Whereupon, at 2:58 p.m., the meeting was
7 concluded.)

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C E R T I F I C A T E

MEETING OF: TxDMV Legislative & Public Affairs
Committee

LOCATION: Austin, Texas

DATE: August 10, 2022

I do hereby certify that the foregoing pages,
numbers 1 through 25, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas Department of Motor Vehicles.

DATE: August 15, 2022

/s/ Carol Bourgeois
(Transcriber)

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Transcription, Inc.
7703 N. Lamar Blvd., Ste 515
Austin, Texas 78752