

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

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

Thursday,  
October 13, 2022  
9:00 a.m.

BOARD MEMBERS:

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

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- CLOSED SESSION
12. 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, including briefing, discussion and deliberation regarding temporary tags, the temporary tag system, fingerprinting, webDEALER Advisory Service, and the State 64

Auditor's Office Audit Regarding Temporary  
Tags:  
Section 551.071  
Section 551.074  
Section 551.076  
Section 551.089

- |     |                                  |      |
|-----|----------------------------------|------|
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P R O C E E D I N G S

1  
2 MR. BACARISSE: Good morning, everyone. My  
3 name is Charles Bacarisse, and I'm pleased to open the  
4 Board meeting of the Texas Department of Motor Vehicles.

5 It is now 9:00 a.m. on the dot, and I am  
6 calling the Board meeting for October 13, 2022 to order.  
7 I want to note for the record that the public notice of  
8 this meeting, containing all items on the agenda, was  
9 filed with the Office of Secretary of State on October 5,  
10 2022.

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

16 I want to welcome those who are with us for  
17 today's Board meeting.

18 If you wish to address the Board or speak on an  
19 agenda item during today's meeting, please complete a  
20 speaker's sheet at the registration table or send an email  
21 to GCO\_General@txdmv.gov. Once again that's  
22 GCO\_General@txdmv.gov.

23 Please identify in your email the specific item  
24 you're interested in commenting on, your name and address,  
25 and whether you are representing anyone or speaking for

1 yourself. If your comment does not pertain to a specific  
2 agenda item, we'll take your comment during the general  
3 public comment portion of the meeting.

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

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

14 There are a few things that will assist in  
15 making the meeting run smoother and assist the court  
16 reporter in getting an accurate record. First of all,  
17 please identify yourself before speaking, speak clearly  
18 and slowly, do not speak over others, and please ask the  
19 chairman for permission to speak and be sure to get  
20 recognized before speaking.

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

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

1 rule, I have the authority to supervise the conduct of  
2 these meetings, and this includes the authority to  
3 determine when a speaker is being disruptive of the  
4 meeting or is otherwise violating the timing or  
5 presentation rules that I just discussed.

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

9 Board Member Alvarado, are you present?

10 MR. ALVARADO: Here.

11 MR. BACARISSE: Member Graham?

12 MR. GRAHAM: Here.

13 MR. BACARISSE: Vice Chair McRae?

14 MS. McRAE: Here.

15 MR. BACARISSE: Board Member Scott?

16 MR. SCOTT: Here.

17 MR. BACARISSE: And Board Member Prewitt?

18 MR. PREWITT: Here.

19 MR. BACARISSE: And let the record reflect that  
20 I, Charles Bacarisse, am here too. We do have a quorum.

21 Let the record also reflect that Board Members  
22 Gillman, Omumu and Ramirez are absent today.

23 Agenda item number 2 are our pledges, so if you  
24 all will please stand and honor our country, we'll start  
25 with the Pledge of Allegiance to the United States Flag,

1 and that will be led by Vice Chair McRae.

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

3 MR. BACARISSE: And now Member Prewitt will  
4 lead us in the Texas Pledge.

5 (The Texas Pledge of Allegiance was recited.)

6 MR. BACARISSE: Thank you, members. Thank you,  
7 Vice Chair McRae and Member Prewitt, for leading those  
8 pledges.

9 At this point I'd like to move to agenda item  
10 number 3, the chair's report, and I'll keep it short, but  
11 I only have one item.

12 I really want to thank and commend all of the  
13 staff that were involved in the project to install the new  
14 equipment in this room and to refresh the room. We've  
15 been out for a long time; we need to maybe put up a  
16 concert tour T-shirt of all the places we were.

17 (General laughter.)

18 MR. BACARISSE: But I am delighted to be able  
19 to hold our Board meetings back here on the Lone Star  
20 conference room again. This looks great, and I really do  
21 want to express my personal thanks and appreciation to  
22 everyone that was involved in this project, so thank you  
23 all very much.

24 We'll now move on to agenda item number 4,  
25 which is the executive director's report, so Mr. Avitia.



1 MR. AVITIA: Chairman, thank you, and good  
2 morning, members. If it is all right with you, Chairman,  
3 I'd like to take executive director's reports out of order  
4 and start with a part of item 4.H.

5 MR. BACARISSE: Sure.

6 MR. AVITIA: Thank you, Chairman.

7 Chairman, members, I would also like to thank  
8 staff for all or the hard work and tremendous effort that  
9 it took to bring this room to the standard that it is  
10 today. This was a significant overhaul. You all didn't  
11 get to see pictures, perhaps, but this room was gutted.  
12 There was no ceiling tiles, all the carpet was refreshed,  
13 and more importantly, all of the AV equipment is new. It  
14 took a significant effort, and I want to thank certain  
15 members of our team.

16 From the Information Technology Services  
17 Division, Ms. Wendy Barron, Mr. Will Hilton, Mr. Marlin  
18 Craig, Mr. Joe Grace, Mr. Chris Durham, Mr. Lance  
19 Chambers, Mr. Jeff Templeton, and Mr. Zach Warden.

20 From the Finance and Administration Division  
21 I'd like to than Ms. Glenna Bowman, Mr. Chris Hayden, Mr.  
22 Brad Payne, Mr. Matthew Windham, Ms. Ann Pierce, Mr. John  
23 Bell, Mr. Steve Harper, and last but no least, our very  
24 own Board liaison, Ms. Carrie Fortner.

25 I appreciate all of your help. Thank you.

1 (Applause.)

2 MR. AVITIA: Chairman and members, I'd also  
3 like to thank you and our stakeholders for your patience  
4 and understanding as we worked through this project, so  
5 thank you all again.

6 MR. BACARISSE: Thank you. This AV equipment,  
7 can that get the Astros game later?

8 MR. AVITIA: There will be a watch party in  
9 here.

10 (General laughter.)

11 MR. BACARISSE: Please continue.

12 MR. AVITIA: Thank you, Chairman.

13 Agenda item 4.A can be found on page 6 of your  
14 Board materials. Chairman, members, I'm very pleased to  
15 introduce Ms. Cynthia Mendoza as our new Human Resources  
16 director, standing to the right of us this morning.

17 Ms. Mendoza joined the agency on August 17 of  
18 this year. She came to us from the Texas Department of  
19 Agriculture, where she served as the human resources  
20 director for 23 years. She focused on streamlining and  
21 audit-proofing applicant services and processes, ensuring  
22 classification of competitive compensation, and adhering  
23 to human resource laws and regulations.

24 Prior to her state service, Cynthia worked at  
25 her family's locally owned restaurant chain, where she

1 created the human resources department from the ground up.

2 Cynthia earned a bachelor's of business degree  
3 in marketing from the University of Texas at Austin -- Go  
4 Horns -- and holds a professional human resources  
5 certification.

6 Chairman, members, please join me in welcoming  
7 Ms. Cynthia Mendoza.

8 (Applause.)

9 MR. AVITIA: Chairman, if I can move on to  
10 agenda item 4.B?

11 MR. BACARISSE: Please.

12 MR. AVITIA: Thank you, sir.

13 Again, Chairman, members, I'm happy to  
14 introduce Mr. Marlin Craig, standing to the right of me  
15 this morning as the new chief information security officer  
16 for the department. Mr. Craig started with the department  
17 on August 1 of this year.

18 As the chief information security officer,  
19 Marlin's mission is to enhance the department's  
20 information security program. His responsibilities  
21 include ensuring the confidentiality, integrity, and  
22 availability of the TxDMV's data and information systems.

23 He is working with the department staff to  
24 identify and remediate risks to our information resources,  
25 while supporting business functions.

1 Marlin has worked for the State of Texas for  
2 nine years, most recently as the CISO for the Office of  
3 the Secretary of State.

4 Marlin earned a bachelor's of science degree in  
5 computer science from Southwest Texas State University.  
6 He is also a certified information security professional.

7 Marlin is passionate about cybersecurity, and members,  
8 you'll see that passion come out in closed session today.

9

10 Please join me in welcoming Marlin Craig to the  
11 team.

12 (Applause.)

13 MR. AVITIA: Chairman, if I may continue to  
14 item 4.C?

15 MR. BACARISSE: Sure.

16 MR. AVITIA: Thank you.

17 Chairman, members, the Consumer Relations  
18 Division has a new deputy director, Ms. Veronica Whitaker,  
19 standing to the right of me as well. She began her new  
20 position with the CRD department back on August 15, 2022.

21 Veronica has served the State of Texas since  
22 2006 in the customer service field. She started her  
23 career with the Texas Department of Public Safety, where  
24 she processed driver's license and identification cards.

25 She joined TxDMV in 2013 as a customer service

1 representative within CRD and was promoted to quality  
2 assurance manager in 2018. In that role, Veronica  
3 transitioned and integrated the IT service for CRD, built  
4 the quality assurance program with a focus on customer  
5 experience and quality of service provided.

6 Members, please join me in welcoming Ms.  
7 Veronica Whitaker.

8 (Applause.)

9 MR. AVITIA: Chairman, members, agenda item 4.D  
10 can be found on page 9 of your board materials.

11 On September 28, 2022, Chief Financial Officer  
12 Ms. Glenna Bowman and I presented the department's budget  
13 needs for the next biennium at a Joint Budget hearing.  
14 Staff from the Office of the Governor and the Legislative  
15 Budget Board co-chaired the hearing, with staff from the  
16 Lieutenant Governor's Office and the Senate Finance  
17 Committee also participating.

18 Ms. Bowman and I summarized the department's  
19 baseline funding request and five exceptional items for  
20 the participants and answered questions to clarify their  
21 understanding of the request for certain items, including  
22 financing options for Camp Hubbard renewal project and  
23 requesting staff increases to address workload demands and  
24 new temporary tag processes.

25 Following our presentation, the Texas Public

1 Employee Association executive director offered public  
2 comments on general state workforce recruitment and  
3 retention issues. The organization has been speaking at  
4 many of the hearings to support state agencies' requests  
5 for staffing, salary increases, as well as requests  
6 consideration of across-the-board pay raises for state  
7 employees.

8 It was a very positive hearing, and we believe  
9 that staff of the leadership offices responsible for  
10 drafting the introduced budget have a strong understanding  
11 of our requests and the justification for each.

12 Members, this concludes my remarks on this  
13 agenda item. I'm happy to answer any questions.

14 MR. BACARISSE: Members, any questions for Mr.  
15 Avitia on this item?

16 (No response.)

17 MR. BACARISSE: Thank you. Please continue.

18 MR. AVITIA: Thank you, Chairman.

19 Agenda item 4.E can be found on page 10 of you  
20 board materials.

21 On June 30, 2022 the Texas Department of Motor  
22 Vehicles Board adopted rules requiring certain new  
23 applicants and existing dealer license holders to be  
24 fingerprinted effective September 1, 2022.

25 The new rule was implemented successfully on

1 September 1 of this year. The fingerprint requirement is  
2 a onetime requirement if an active license is maintained  
3 and affects new applicants, renewal applicants, and a  
4 change to an existing license due to a change in ownership  
5 or representative status.

6 As an update, Chairman and members, as of  
7 September 27 the Motor Vehicle Division has sent notices  
8 to 1,520 applicants and has received the result for about  
9 71 percent of those applicants. Additionally, the TxDMV  
10 website has been updated to provide dealer applicants and  
11 license holders with detailed information about the  
12 fingerprinting process.

13 I want to thank franchised and independent  
14 dealers for their cooperation on this new requirement.

15 Members, this concludes my update on this item.

16 I'm happy to answer any questions.

17 MR. BACARISSE: Members, any questions on this  
18 item for Mr. Avitia?

19 (No response.)

20 MR. BACARISSE: Hearing none, please continue.

21 MR. AVITIA: Thank you, Chairman.

22 The briefing document for agenda item 4.F can  
23 be found on page 11 of your board materials.

24 The Texas Department of Motor Vehicles  
25 participated in the American Association of Motor Vehicle

1 Administrators, or otherwise called AAMVA, Annual  
2 International Conference that was held in Baltimore,  
3 Maryland on September 12-16 of this year. The AAMVA  
4 Annual International Conference is the premier annual  
5 conference hosted by the AAMVA Board of Directors.

6 Deputy Executive Director Roland Luna and  
7 myself, as well as staff members from the Consumer  
8 Relations Division, the Information Technology Services  
9 Division, and the Vehicle Titles and Registration Division  
10 represented the TxDMV in Baltimore, along with about 1,000  
11 additional attendees or new friends that we made.

12 The variety of sessions provided a platform for  
13 staff to engage and learn about ongoing national on  
14 processes and developments to compare those in other  
15 jurisdictions. The sessions TxDMV participated in were  
16 title and registration related topics, fraud, and  
17 leadership.

18 The VTR Division deputy director, Mr. Clint  
19 Thompson, also presented very well at the session on  
20 electronic title and vehicle record management. Thank you  
21 to Clint Thompson for that.

22 The most impactful sessions identified by staff  
23 were peer-to-peer roundtables, innovation in government  
24 services, immersive learning tour of the port, fraud  
25 sessions, contact centers, and electronic title and



1 vehicle registration management.

2 AAMVA provided a unique opportunity for  
3 networking and allowed staff to discuss best practices and  
4 ideas and how to address trends that are being seen  
5 nationwide.

6 The department was also honored to have  
7 received the AAMVA Fraud Prevention and Detection Award  
8 for programming enhancements to the Motor Carrier  
9 Division's oversize/overweight process.

10 Congratulations goes to Director Archer and his  
11 team from the Motor Carrier Division.

12 One other thing that I would add, Chairman, is  
13 that we had a unique opportunity for fun in the evening to  
14 throw axes. I'm not going to call anybody's name out  
15 today, but you don't want to get crosswise with Ms.  
16 Whitaker -- Veronica Whitaker, or Ms. Wendy Barron; they  
17 are experts at it.

18 (General laughter.)

19 MR. AVITIA: Chairman, members, that concludes  
20 my remarks on this item.

21 MR. BACARISSE: Any questions on the axe  
22 throwing?

23 (General laughter.)

24 MR. BACARISSE: Thank you.

25 MR. AVITIA: Indeed. Thank you, Chairman.

1           Agenda item 4.G is yet about another conference  
2 that we attended just recently, and these materials can be  
3 found on page 12 of your board materials.

4           The TxDMV participated in the National  
5 Association of Motor Vehicle Boards and Commissions, or  
6 otherwise called NAMVBC, Annual Fall Workshop from  
7 SEPTEMBER 21-24 in Nashville, Tennessee.

8           Deputy Directors Roland Luna and Shelly Mellot,  
9 along with representatives from the Motor Vehicle  
10 Division, Monique Johnston and Brittany Cruz, as well as  
11 Enforcement Division Director Corrie Thompson, represented  
12 the TxDMV.

13           The workshop had more than 100 attendees from  
14 across the country, including representatives of state  
15 regulators, manufacturers, industry trade associations,  
16 and dealers. The three-day workshop featured panel  
17 discussion about electric vehicles, digital retailing, and  
18 other emerging issues facing regulators and the motor  
19 vehicle industry. The workshop also included an update  
20 from the Federal Trade Commission concerning the proposed  
21 motor vehicle dealer trade regulation rule.

22           TxDMV again participated in a variety of  
23 sessions including on matters impacting the motor vehicle  
24 industry and the outlook of the industry, electronic  
25 titling and eLiens, the topic of electronic vehicle

1 infrastructure, distribution of dealer laws and warranty  
2 repair compensation. There were also several  
3 opportunities to engage in roundtable discussion. The  
4 workshop proved to be an excellent opportunity for our  
5 department to participate.

6 Chairman, members, this concludes my remarks on  
7 item 4.G. I'm happy to answer any questions.

8 MR. BACARISSE: Members, any questions for Mr.  
9 Avitia on any of these items he covered? He had a pretty  
10 long list today. That's good, you've been busy.

11 MR. AVITIA: One more to go.

12 MR. BACARISSE: Yeah, keep going.

13 MR. AVITIA: Thank you, Chairman.

14 Chairman and members, I'll close out executive  
15 director's reports with item 4.H, and 4.H can be found on  
16 page 13 of your board materials.

17 Chairman, members, at this time I would like to  
18 recognize our employees who have reached a state service  
19 milestone. We celebrate these employees as a show of our  
20 appreciation for their years of service to the citizens of  
21 Texas.

22 First, Jesse Velasco in the Motor Carrier  
23 Division reached a milestone of 20 years of state service;  
24 Kristeaufer Phillips in the Enforcement Division reached a  
25 25-year milestone for state service; and Mary Sedillo-

1 Chacon in the Information Technology Services Division  
2 reached 30 years of state service.

3 Congratulations to these three individuals.

4 (Applause.)

5 MR. AVITIA: Finally, Chairman, we did have a  
6 couple of retirees, and I'm pleased to announce that they  
7 are enjoying their retirement efforts and looking at this  
8 Board meeting, I'm sure, from afar.

9 First we have Mr. Bryan Wilson, director of the  
10 Motor Vehicle Crime Prevention Authority; he has retired  
11 from the department with 25 years of state service. And  
12 second, we have Mr. Kevin Butts, who worked with us in the  
13 Information Technology Services Division, and he had 27  
14 years of state service.

15 Chairman, members, please join me in  
16 congratulating these individuals for their years of  
17 service and their retirement.

18 (Applause.)

19 MR. AVITIA: Chairman, members, that concludes  
20 the executive director's report for this morning. I'm  
21 happy to answer any questions you may have on any of the  
22 items.

23 MR. BACARISSE: Members, any questions on this  
24 item?

25 (No response.)

1 MR. BACARISSE: Hearing none, I would propose  
2 we move to agenda item number 5, which is our contested  
3 case hearing. Before we go into that directly, Associate  
4 General Counsel Rob Blech will present the procedural  
5 history and summary of this contested case.

6 And so, Mr. Blech, the floor is yours.

7 MR. BLECH: Good morning, Board members. For  
8 the record, my name is Rob Blech, and I'm an attorney in  
9 the Office of General Counsel. I'm here this morning to  
10 present the procedural history on the proposal for  
11 decision that is before you today for your consideration.

12 This proposal for decision involves a case  
13 brought by the Enforcement Division of the department  
14 against LVB Automotive, Inc., a Houston based motor  
15 vehicle dealer which holds the General Distinguishing  
16 Number P137494.

17 After receiving complaints, the Enforcement  
18 Division opened an investigation against LVB. Following  
19 the investigation, the department's Enforcement Division  
20 sent a Notice of Department Decision, or NODD, on November  
21 16, 2021. Department staff followed this up with a first  
22 amended NODD on March 30, 2022, alleging several  
23 violations of statute and rule.

24 These included violations of the misuse of  
25 2,653 buyer's temporary tags issued through LVB's eTAG

1 account. The allegations of misuse included failure to  
2 comply with the requirements for issuing, recordkeeping  
3 and/or safekeeping and distribution of buyer's temporary  
4 tags.

5 The NODD also contained two separate  
6 allegations regarding misuse of buyer's tags related to  
7 tags issued to a 2014 Dodge Ram pickup that was reported  
8 as stolen, and a 2006 Volvo Tractor.

9 The NODD also alleged that LVB failed to  
10 complete a record of all vehicles purchased or sold  
11 related to the sale or purchase of the 2014 Dodge Ram  
12 pickup just mentioned and the 2006 Volvo Tractor.  
13 Finally, the department alleged LVB failed to maintain the  
14 requirements for a dealer's established and permanent  
15 place of business in violation of department rules.

16 The first amended NODD recommended assessments  
17 of civil penalties of \$15,000 and that LVB's GDN be  
18 revoked. The department referred the matter to the State  
19 Office of Administrative Hearings, or SOAH, on or about  
20 December 22, 2021.

21 The SOAH administrative law judge, or ALJ,  
22 conducted the contested hearing in this case on June 1 and  
23 June 3 of this year. The department was represented by  
24 Enforcement Division Attorney Karen Meisel -- who will be  
25 speaking with you later this morning -- and LVB was

1 represented by its owner, Mr. Azuka Omesiete.

2 The administrative law judge issued a proposal  
3 for decision on August 2, 2022. The ALJ found that LVB  
4 committed numerous violations, including a finding that  
5 LVB issued over 2,700 buyer's temporary tags without  
6 corresponding vehicle sales.

7 The ALJ recommended civil penalties of \$15,000  
8 and revocation of LVB's GDN, the sanctions that were  
9 recommended in the first amended NODD. Neither party to  
10 the case filed exceptions to the PFD.

11 LVB has not requested permission to make an  
12 oral presentation in front of the Board this morning,  
13 however, Karen Meisel, on behalf of the Enforcement  
14 Division, did make a timely request to make an oral  
15 presentation and will be making that presentation in a  
16 moment as soon as I finish.

17 Once Ms. Meisel's presentation is concluded,  
18 you'll be discussing the PFD and making motions regarding  
19 the PFD and an applicable order.

20 Thank you for your time this morning, and I'm  
21 available if you have any questions about the procedural  
22 background of this proposal for decision.

23 MR. BACARISSE: Thank you, Mr. Blech.

24 Members, any questions for Mr. Blech?

25 (No response.)

1 MR. BACARISSE: Very good. Thank you.

2 Let me mention that a party that has timely  
3 submitted a request to make an oral presentation will be  
4 allowed up to 15 minutes to make an oral presentation.  
5 The timer light will be green for the first 14 minutes,  
6 then yellow for one minute left, and then red when the  
7 time is up.

8 I'd also like to remind the Board members and  
9 the parties that the Board's final decision must be based  
10 solely on evidence contained within the administrative  
11 record from SOAH. Also, members must consider this case  
12 based on the statutes and rules that were in effect at the  
13 time of the alleged violations.

14 So Karen Meisel, with the department's  
15 Enforcement Division, will now make her oral presentation  
16 on agenda item 5, the contested case.

17 Ms. Meisel, the floor is yours.

18 MS. MEISEL: Thank you, Mr. Chairman, Board  
19 members, Mr. Executive Director. I appreciate the  
20 opportunity to come speak before you today. I won't take  
21 15 minutes; it will be pretty brief.

22 I just wanted to let you know that the  
23 proceeding was borne out of two complaints that were filed  
24 by law enforcement personnel: one law enforcement officer  
25 in New Jersey and one in New Hampshire. Those officers



1 also testified at hearing, so it was a very collaborative  
2 effort in bringing justice to this matter.

3 The ALJ, in his findings of fact, stated that  
4 the respondent issued 2,998 buyer's tags between January 1  
5 of 2021 and April 30 of 2022. That number is corrected,  
6 so it was upwards of 3,000 that the respondent issued in  
7 that time frame. During that same time frame he reported  
8 approximately one sale. He later entered evidence showing  
9 that he had more sales but nothing close to the 3,000 tags  
10 that were printed. On multiple occasions he issued tags  
11 to the same vehicle over and over again.

12 The ALJ also agreed that the department  
13 presented evidence showing that the respondent  
14 substantially abused the eTAG system. He also  
15 substantially abused his premises requirements.

16 He abandoned his licensed location. His  
17 testimony was that it was about 18 months that he was not  
18 there. When our investigators went out -- the last  
19 investigation visit was in February of 2022 -- we were  
20 well underway into these proceedings and he still was not  
21 present at his licensed location, he had no permanent  
22 business sign, no hours posted, no employees present, no  
23 inventory.

24 So at the end of all this, the ALJ also agreed  
25 that the tag abuse and the premises violations -- and

1 there were some records violations as well -- warranted  
2 the \$15,000 penalty that we were seeking, and he also  
3 agreed that revocation was warranted in this case.

4 So I'm here to ask you to adopt the PFD as  
5 presented and accept the ALJ's findings of fact and  
6 conclusions of law, and I'm here to answer any questions.

7 MR. BACARISSE: Thank you, Ms. Meisel.

8 Members, do you have any questions for Ms.  
9 Meisel?

10 (No response.)

11 MR. BACARISSE: Seeing none, I would certainly  
12 entertain a motion from the Board regarding agenda item 5.

13 MR. PREWITT: Mr. Chairman?

14 MR. BACARISSE: Member Prewitt.

15 MR. PREWITT: I'd like to move that the Board  
16 adopt findings of fact 1 through 28 and conclusions of law  
17 1 through 12 in the proposal for decision for the Texas  
18 Department of Motor Vehicles v. LVB Automotive, Inc. I  
19 also move that the Board direct department staff to draft  
20 an order consistent with this motion and applicable law.

21 MR. BACARISSE: Is there a second for this  
22 motion?

23 MR. SCOTT: I'll second.

24 MR. BACARISSE: Member Scott, thank you.

25 Board Member Prewitt, as the maker of this

1 motion, would you like to deliberate further on this, or  
2 do I sense that we are ready to call a vote on this  
3 matter, Member Prewitt?

4 MR. PREWITT: I think all the parties for the  
5 State of Texas did a great job on this case, and thank you  
6 for your efforts and continued efforts to stop this kind  
7 of abuse and violation of law. So thank you for your  
8 efforts, appreciate it.

9 MR. BACARISSE: Member Graham.

10 MR. GRAHAM: Just a comment. It seemed pretty  
11 clear to me, after reviewing this contested case, that LVB  
12 Automotive violated a multitude of agency rules, and I  
13 hope this case sends a very strong message to GDN holders  
14 in this state that should they choose to operate outside  
15 the scope of what they're allowed to do, there will be  
16 significant consequences for their actions.

17 And this has been a painful thing for many  
18 folks in this room and I'm glad to see that we're finally  
19 getting some traction and making a point.

20 So anyway, that's it, Mr. Chairman. Thank you.

21 MR. BACARISSE: Thank you, Member Graham.

22 Members, any other questions or comments on  
23 this motion that is before us right now?

24 (No response.)

25 MR. BACARISSE: Seeing none, hearing none, I

1 will call for the vote, so please respond when I call your  
2 name for the record.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Graham?

6 MR. GRAHAM: Aye.

7 MR. BACARISSE: Vice Chair McRae?

8 MS. McRAE: Aye.

9 MR. BACARISSE: Member Prewitt?

10 MR. PREWITT: Aye.

11 MR. BACARISSE: Member Scott?

12 MR. SCOTT: Aye.

13 MR. BACARISSE: And I, Chairman Bacarisse, vote  
14 aye as well. Let the record reflect it is unanimous.

15 And I will just comment, as well, that I do  
16 appreciate the work being done on this issue, particularly  
17 the staff in Enforcement. And this is an important and  
18 respected way of life and work, selling automobiles and  
19 other vehicles in the State of Texas. It is a huge part  
20 of our economy, and we are proud to serve our state in  
21 this way, so we've got to uphold the professionalism of  
22 this work, and I believe our Board feels very much the  
23 same in that way. That's my opinion, and I appreciate all  
24 those that are out there every day doing it right, so  
25 thank you.

1           We can now move to agenda item number 6, which  
2 is rule adoption of Chapter 217 related to personalized  
3 license plates. And I will be prepared to turn it over to  
4 Clint Thompson for him to lay these out for us, so, Mr.  
5 Thompson, are you ready?

6           MR. THOMPSON: Yes, sir.

7           MR. BACARISSE: All right. Please proceed.

8           MR. THOMPSON: Thank you.

9           Chairman, members, executive director, Clint  
10 Thompson, deputy director of the Vehicle Titles and  
11 Registration Division.

12           Agenda item 6 can be found on page 56 of your  
13 board book. This is an action item to adopt amendments to  
14 Rule 217.27 related to personalized license plates.

15           The amendments modify the criteria used to  
16 determine whether or not a plate pattern is considered  
17 objectionable, and what this will do is provide more  
18 flexibility to staff when making such a determination.

19           The main changes for the rules is we will now  
20 allow military references, allow benign gender references,  
21 but we're still going to restrict indecent, vulgar,  
22 derogatory, violent or illegal, or drugs or intoxicated  
23 state references. This is not going to change the process  
24 that these plates are reviewed by today. Staff will  
25 continue the stringent review to make sure that we are not

1 allow objectionable plates but also moving to a more  
2 customer-centric model to ensure that we can approve  
3 plates that are not objectionable.

4 In fiscal year '21 we had approximately 66,000  
5 special plate applications that were reviewed; 90 percent  
6 of those were approved. In fiscal year '22 we had  
7 approximately 92,000 plate applications reviewed, with 92  
8 percent of those approved. Again, we expect this to be  
9 more customer-centric and move to a larger approval  
10 percentage with the modification of this rule.

11 The amendments also automate the refund  
12 process. When folks do not appeal within a 20-day window  
13 allowed by the rule, we will automatically initiate a  
14 refund.

15 These were approved for public comment at the  
16 June Board meeting. The comment period was July 15  
17 through August 15, and we received no public comments, and  
18 as a result, we have not made any changes to the rules  
19 proposed.

20 That concludes my presentation, and I'm glad to  
21 answer any questions.

22 MR. BACARISSE: Members, any questions for Mr.  
23 Thompson on this item? Member Graham.

24 MR. GRAHAM: I was kind of battling my board  
25 book here while you were reading. So would you walk

1 through for me one more time kind of what the intent here  
2 was? I think I heard you say it's to basically provide  
3 more clarification on what personalized plates we allow or  
4 don't allow.

5 MR. THOMPSON: Correct. This section of the  
6 rule that we're amending really deals with the criteria  
7 that we use to determine whether or not a plate pattern is  
8 considered objectionable, and the modifications that we  
9 are making will now allow references to military, whereas  
10 today that is strictly prohibited: United States Marine  
11 Corps, United States Air Force, et cetera.

12 One of the other larger modifications is today  
13 we do not allow for this criteria references to gender,  
14 national origin, sexual orientation, whether derogatory or  
15 not. So BOY-MOM is an example that we've denied a plate  
16 previously based on the existing criteria.

17 We are amending this to allow references to  
18 gender, such as BOY-MOM, as long as they are benign and  
19 not derogatory, which would fall under other criteria.  
20 But we're still maintaining the indecent, the vulgar, the  
21 derogatory, illegal activities, and intoxicated state,  
22 references to controlled substances.

23 MR. GRAHAM: Okay. I appreciate that, and I  
24 appreciate y'all looking at this. It's kind of ironic;  
25 one of the things as being on this Board -- and I catch

1 this, I don't know if y'all do. I catch this a lot from  
2 people really upset about, you know, what is going on?

3 MR. BACARISSE: Are they Cowboys fans?

4 (General laughter.)

5 MR. BACARISSE: You can't say Cowboys, can you  
6 not? Is that one of those?

7 MR. THOMPSON: That was one of the restrictions  
8 as a reference to gender, whether derogatory or not.

9 MR. GRAHAM: Yeah, there was a lot of them.

10 MR. BACARISSE: We're going to free the Cowboys  
11 fans.

12 MR. GRAHAM: Got some good rear-end chewings  
13 over this, so I really appreciate it.

14 MR. THOMPSON: Yes, sir, absolutely. Make  
15 things a little smoother.

16 MR. BACARISSE: Members, any other discussion  
17 on this item?

18 (No response.)

19 MR. BACARISSE: This was generated by a member  
20 of the state legislature. Is that correct?

21 MR. THOMPSON: We've received some inquiries  
22 regarding plates that have been denied by members of the  
23 legislature, but this is really a byproduct of an  
24 initiative that we undertook, the staff undertook to  
25 evaluate processes within the special plates unit to make



1 sure that we're operating efficiently and we have criteria  
2 that are truly deemed objectionable as opposed to  
3 something that otherwise would not be objectionable, and  
4 then to your point, you know, we've got folks that are  
5 upset.

6 This process, again, we've got multiple staff  
7 members, multiple members of management who review these,  
8 and it's a conversation every day that I have with our  
9 section director of Registration Services, Stefan Krisch.  
10 If we're going to deny a plate, we're going to talk about  
11 it. We're not just going to check a box and say, hey, it  
12 meets this criteria, we're going to deny it.

13 We have conversations daily. We may not enjoy  
14 them all the time, we do have some interesting  
15 conversations on some of the plates that are submitted to  
16 us, but it's something that we take very seriously as the  
17 staff to make sure that we're making the correct  
18 determination, are they truly objectionable or not.

19 MR. BACARISSE: Good.

20 MR. GRAHAM: There was a little while the  
21 Houston Chronicle was running, they would do a batch of  
22 all the rejected plates and publish that, and that was  
23 kind of interesting reading. But you know, the first  
24 thing that happens when somebody is denied a plate is they  
25 call their state rep, and that kind of gets things teed up

1 pretty quickly.

2 So anyway, thank you.

3 MR. BACARISSE: Anything else, members? Any  
4 other questions for Mr. Thompson?

5 (No response.)

6 MR. BACARISSE: If not, I would entertain a  
7 motion regarding agenda item 6.

8 MS. McRAE: Chairman, I would like to make a  
9 motion.

10 MR. BACARISSE: Vice Chair McRae.

11 MS. McRAE: First of all, thank you for all  
12 your work, you and your department.

13 MR. THOMPSON: Thank you.

14 MS. McRAE: I move that the Board approve the  
15 adoption of amendments to Section 217.27 concerning  
16 personalized license plates, as recommended by staff.  
17 I'll also move that the Board grant the department the  
18 authority to make technical corrections and revisions  
19 approved by the department's general counsel that are  
20 necessary for compliance with state or federal law or for  
21 acceptance by the Secretary of State for filing and  
22 publication in the *Texas Register*.

23 MR. BACARISSE: Thank you.

24 Is there a second for this motion?

25 MR. GRAHAM: I'll second.

1 MR. BACARISSE: Member Graham seconds, and is  
2 there any further discussion, members?

3 (No response.)

4 MR. BACARISSE: Seeing none, I would move to  
5 call the vote.

6 Well, actually before I do that, Liz, are there  
7 any public commenters on this item?

8 MS. FORE: Elizabeth Fore. There are no  
9 commenters on this item.

10 MR. BACARISSE: Okay. Thank you.

11 So now I would move to call the vote.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Graham?

15 MR. GRAHAM: Aye.

16 MR. BACARISSE: Vice Chair McRae?

17 MS. McRAE: Aye.

18 MR. BACARISSE: Board Member Prewitt?

19 MR. PREWITT: Aye.

20 MR. BACARISSE: Board Member Scott?

21 MR. SCOTT: Aye.

22 MR. BACARISSE: And I, Chairman Bacarisse, vote  
23 aye as well. That is unanimous.

24 MR. THOMPSON: Thank y'all.

25 MR. BACARISSE: Thank you, Mr. Thompson,

1 appreciate that.

2 Agenda item number 7 is rule adoption, again in  
3 Chapter 217, relating to Senate Bill 15, the moto vehicle  
4 records issue, and we'll now turn it over to Ms. Ueckert  
5 for her presentation. So please, good morning.

6 MS. UECKERT: Good morning, Chairman, members,  
7 Director Avitia. My name is Patricia Ueckert, and I'm the  
8 director of the Operations Section in the Vehicle Titles  
9 and Registration Division.

10 I'm covering agenda item 7, found on page 65 of  
11 your board book, which is for adoption of Amended Texas  
12 Administrative Code Sections 217.122 through 217.130, and  
13 New Sections 217.131 and 217.133.

14 These rules are necessary to implement the  
15 statutory changes resulting from the passage of Senate  
16 Bill 15 from the 87th Legislature, also known as the Texas  
17 Consumer Privacy Act Phase 1. SB 15 amended Chapter 730  
18 of the Transportation Code, or the Motor Vehicle Records  
19 Disclosure Act. Substantive rule changes were made to  
20 ensure compliance with statute, and non-substantive  
21 changes were also made to revise for consistency, clarity,  
22 and readability.

23 For context, the statutory provisions of the  
24 Motor Vehicle Records Disclosure Act apply to both the  
25 Department of Motor Vehicles and the Department of Public

1 Safety, so DPS is also having to go through the process of  
2 implementing SB 15 as well.

3 In summary, SB 15 established requirements that  
4 must be met when motor vehicle records are disclosed in  
5 bulk under a contract. These requirements are designed to  
6 enhance protection of personal information by creating  
7 obligations that must be met when bulk disclosures are  
8 made, including a performance bonded insurance,  
9 prohibition on re-disclosures for marketing extended  
10 warranties, notifications to the department within 48  
11 hours of any security breach, and the provision of an  
12 annual report that lists all re-disclosures of personal  
13 information.

14 In addition to implementation of SB 15, these  
15 rule sections also address the methods by which requests  
16 are made to access motor vehicle records, including  
17 requests from law enforcement.

18 We saw this as an opportunity to expand the  
19 means by which law enforcement can prove a request for  
20 motor vehicle records is for use by a law enforcement  
21 agency, and the new options also address concerns  
22 expressed by federal law enforcement and also establish a  
23 means for law enforcement to make requests through the  
24 newly created unit in the Enforcement Division.

25 Given the importance of data privacy, we

1 included all internal stakeholders in the development of  
2 these rules over the course of many months, and to solicit  
3 public feedback before bringing the proposed rules to the  
4 Board in June, we conducted an informal posting that  
5 concluded in January of this year.

6 After the June Board meeting the proposed rules  
7 were published in the *Texas Register*, and we received four  
8 comments. Each of the commenters was contacted to discuss  
9 their submissions, and the comments were all resolved to  
10 their satisfaction. The issues involved misinterpretation  
11 of the rule requirements, request to change a requirement  
12 that's in our current rule, and a request to include  
13 something in rule that was covered by statute. No changes  
14 were made to the rule text presented for adoption today as  
15 a result of those comments.

16 That concludes my presentation, and I'm happy  
17 to answer any questions.

18 MR. BACARISSE: Members, any questions for Ms.  
19 Ueckert on this item?

20 MR. GRAHAM: Mr. Chairman?

21 MR. BACARISSE: Member Graham.

22 MR. GRAHAM: This may be just a generic  
23 question. Is there any time that we sell data for  
24 monetary purposes that doesn't have a tie to it that's a  
25 benefit to the public?

1 MS. UECKERT: No.

2 MR. GRAHAM: That was my understanding, and so  
3 there's nothing in here that would change that.

4 MS. UECKERT: Correct.

5 MR. GRAHAM: Because it often gets misconstrued  
6 that we sell public data for monetary benefit, which  
7 there's a true component to that because we charge because  
8 there is a cost to the agency to provide that data, but  
9 it's going to companies, tow truck companies, there's  
10 reasons that they need that, as an example.

11 So as it stands today, we do not just sell to  
12 make money, nor do we intend to do that. Correct?

13 MS. UECKERT: Patricia Ueckert. That is  
14 correct.

15 MR. GRAHAM: Thank you.

16 MR. BACARISSE: Good question. Thank you.

17 Members, any other questions for Ms. Ueckert on  
18 this item?

19 (No response.)

20 MR. BACARISSE: Seeing none, I would entertain  
21 a motion regarding agenda item 7.

22 MR. GRAHAM: I'll make a motion, Mr. Chairman.

23 MR. BACARISSE: Member Graham.

24 MR. GRAHAM: I move that the Board approve the  
25 adoption of amendments to Section 217.122 through 217.130

1 and the new Sections 217.131 through 217.133, concerning  
2 motor vehicle records and Senate Bill 15. I also move  
3 that the Board grant the department the authority to make  
4 technical corrections and revisions approved by the  
5 department's general counsel that are necessary for  
6 compliance with state or federal law or for acceptance by  
7 the Secretary of State for filing and publication in the  
8 *Texas Register*.

9 MR. BACARISSE: Thank you, Member Graham.

10 Is there a second for this motion?

11 MS. McRAE: I'll second that.

12 MR. BACARISSE: Vice Chair McRae, thank you.

13 Any further discussion of the motion at this  
14 point?

15 (No response.)

16 MR. BACARISSE: Liz, are there any public  
17 commenters on this item?

18 MS. FORE: Elizabeth Fore. There are no public  
19 commenters on this item.

20 MR. BACARISSE: Thank you.

21 In that case, I will call for the vote.

22 Member Alvarado?

23 MR. ALVARADO: Aye.

24 MR. BACARISSE: Member Graham?

25 MR. GRAHAM: Aye.



1 MR. BACARISSE: Vice Chair McRae?

2 MS. McRAE: Aye.

3 MR. BACARISSE: Member Prewitt?

4 MR. PREWITT: Aye.

5 MR. BACARISSE: Member Scott?

6 MR. SCOTT: Aye.

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

9 We'll now move to agenda item number 8, which  
10 actually I'll just turn it back over to Ms. Ueckert, so  
11 keep going.

12 MS. UECKERT: Thank you. Good morning again,  
13 Chairman, members, Director Avitia. My name is Patricia  
14 Ueckert. I'm the director of the Operations Section of  
15 the Vehicle Titles and Registration Division.

16 This is agenda item 8, which can be found on  
17 page 132 of your board book. The action item before you  
18 is a request for Board approval or denial of specialty  
19 plate designs in accordance with the Board's statutory  
20 authority.

21 The following proposed plate designs are from  
22 My Plates, the state's specialty license plate marketing  
23 vendor and were posted for public comment in September of  
24 2022.

25 The first plate is Louisiana Tech University,

1 which is a redesign of an existing plate. It's proposed  
2 under Transportation Code 504.851. There were 358 people  
3 who liked the design and 443 did not.

4 Arizona State University is also a redesign of  
5 an existing plate, and it's proposed under Transportation  
6 Code 504.851. 344 people liked the design and 405 did  
7 not.

8 Oklahoma State University is also a redesign of  
9 an existing plate, and it's proposed under Transportation  
10 Code 504.851. 371 people liked the design and 388 did  
11 not.

12 University of Nebraska is another redesign of  
13 an existing plate, and it's proposed under Transportation  
14 Code 504.851. 254 people liked this design and 428 did  
15 not.

16 Tarleton State University is a new plate  
17 design, and it's proposed under Transportation Code  
18 504.851. 778 people liked this design and 173 did not.

19 Texas Elks is a new plate design, and it's  
20 proposed under Transportation Code 504.851. 772 people  
21 liked this design and 237 did not.

22 Folds of Honor is a new plate design, and it's  
23 proposed under Transportation Code 504.851. 738 people  
24 liked this design and 81 did not.

25 And finally, the Black/Silver State of the Arts

1 is a crossover design, and it's proposed under  
2 Transportation Code Section 504.851 and Section 504.6011.  
3 975 people liked this design and 98 did not.

4 This concludes my presentation on this action  
5 item. I'm happy to take any questions you may have.

6 MR. BACARISSE: Thank you, Ms. Ueckert.

7 Members, any questions regarding agenda item 8?

8 MR. SCOTT: Paul Scott, for the record.

9 MR. BACARISSE: Member Scott.

10 MR. SCOTT: My question is when we have an  
11 update, say of the Oklahoma State design, does that  
12 replace the old one or is it in addition to?

13 MS. UECKERT: It does, it replaces the old one.

14 So as soon as this one is approved, if it's approved,  
15 then the old one will be taken down and the new one  
16 replaces it.

17 MR. SCOTT: Okay. So if someone has the old  
18 design, they can just retain it?

19 MS. UECKERT: They can up until, I believe, its  
20 renewal. So once their plate term expires, then they  
21 switch to the new plate design.

22 MR. SCOTT: Thank you.

23 MR. BACARISSE: Any other questions, members,  
24 for Ms. Ueckert?

25 (No response.)

1 MR. BACARISSE: If not, I would entertain a  
2 motion regarding agenda item 8.

3 MR. ALVARADO: Mr. Chairman, I'd like to make a  
4 motion.

5 MR. BACARISSE: Member Alvarado.

6 MR. ALVARADO: Mr. Chairman, I move that the  
7 Board approve the eight specialty plate designs, as  
8 presented by staff.

9 MR. BACARISSE: Thank you.

10 Is there a second for that motion?

11 MS. McRAE: I'll second.

12 MR. BACARISSE: Vice Chair McRae. Great.  
13 And is there any further discussion on this  
14 motion?

15 (No response.)

16 MR. BACARISSE: Liz, any public comments?

17 MS. FORE: Elizabeth Fore. There are no  
18 commenters on agenda item number 8.

19 MR. BACARISSE: Thank you.

20 I will now call for the vote.

21 Member Alvarado?

22 MR. ALVARADO: Aye.

23 MR. BACARISSE: Member Graham?

24 MR. GRAHAM: Aye.

25 MR. BACARISSE: Member McRae?

1 MS. McRAE: Aye.

2 MR. BACARISSE: Member Prewitt?

3 MR. PREWITT: Aye.

4 MR. BACARISSE: Member Scott?

5 MR. SCOTT: Aye.

6 MR. BACARISSE: And I, Charles Bacarisse, vote  
7 aye as well. Unanimous. Thank you.

8 We'll now move to agenda item number 9, and I  
9 would call Keith Yawn up for a briefing on legislative and  
10 public affairs recommended changes for the 88th  
11 Legislature under the Transportation Code. So, Mr. Yawn,  
12 you have the podium.

13 MR. YAWN: Thank you. Chairman, Board members,  
14 good morning. My name is Keith Yawn, director of  
15 Government and Strategic Communications Division.

16 MR. BACARISSE: Turn your mic on; I think it's  
17 off. Get that green light going.

18 MR. YAWN: There we go. Thank you.

19 I'll start over. Mr. Chairman, Board members,  
20 good morning. My name is Keith Yawn, director of the  
21 Government and Strategic Communications Division.

22 Agenda item 9 is a request for the Board's  
23 approval of final recommendations for statutory changes to  
24 be proposed to the legislature during the 88th Legislative  
25 Session that begins in January. The recommendation detail

1 begins on page 141 of your board books.

2           During the last meeting of the Board's  
3 Legislative and Public Affairs Committee in August, I  
4 presented a series of draft recommendations that covered  
5 title transactions, registration and license plate  
6 operations, oversize/overweight permitting, and a  
7 structural budgeting change to benefit the Motor Vehicle  
8 Crime Prevention Authority. The drafts were also provided  
9 to the full Board as part of the August meeting board  
10 books.

11           I'd like to thank a moment to thank Member  
12 Scott and the Legislative and Public Affairs Committee for  
13 their leadership and participation this year helping us  
14 develop these recommendations.

15           Department staff have discussed, since the  
16 August meeting, the recommendations with our stakeholders,  
17 answering questions and further clarifying the intended  
18 operational and communication improvements we believe they  
19 represent. And I'd like to also take a moment to thank  
20 our stakeholders for their participation in this process.

21           It was incredibly helpful to us in understanding their  
22 needs.

23           Those discussions have not resulted in any  
24 changes to the recommendations as they were presented in  
25 August. If approved by the Board, we will move forward

1 communicating these recommendations to the legislature for  
2 their consideration.

3 That concludes my prepared presentation, and  
4 I'm available for any questions you may have.

5 MR. BACARISSE: Members, are there any  
6 questions of Mr. Yawn on this?

7 Member Scott, do you have any additional  
8 comments you'd like to share? Thank you for your and your  
9 committee's work, for sure.

10 MR. SCOTT: Thank you, Mr. Chairman. I have  
11 nothing further to add.

12 MR. BACARISSE: Great. Thanks.

13 Anything else, members?

14 (No response.)

15 MR. BACARISSE: I would then make sure that we  
16 don't have someone to make public comment on this item.

17 MS. FORE: Elizabeth Fore. There are no  
18 commenters on this item.

19 MR. BACARISSE: Okay. Then I would entertain a  
20 motion.

21 MR. PREWITT: Mr. Chairman?

22 MR. BACARISSE: Yes, Mr. Scott.

23 MR. SCOTT: I move the Board approve the  
24 recommended statutory changes for the 88th Legislative  
25 Session under Transportation Code Section 1001.025,

1 subject to the department's determination that the  
2 recommended statutory changes will improve the operations  
3 of the department.

4 MR. BACARISSE: Very good. Is there a second  
5 to that motion?

6 MR. ALVARADO: I'll second.

7 MR. BACARISSE: There is a second from whom?  
8 Member Alvarado. Thank you.

9 Okay. Any further discussion, members, on this  
10 motion?

11 (No response.)

12 MR. BACARISSE: If not, then I would call the  
13 vote, please.

14 Member Alvarado?

15 MR. ALVARADO: Aye.

16 MR. BACARISSE: Member Graham?

17 MR. GRAHAM: Did you all the vote?

18 MR. BACARISSE: I did.

19 MR. GRAHAM: Yea.

20 MR. BACARISSE: Yea. Okay, very good.

21 Vice Chair McRae?

22 MR. GRAHAM: That's a yea, and they're asking  
23 us to make sure we speak into the microphones because  
24 they're having trouble hearing us.

25 MR. BACARISSE: Very good.



1 Vice Chair McRae?

2 MS. McRAE: Aye.

3 MR. BACARISSE: Member Prewitt?

4 MR. PREWITT: Aye.

5 MR. BACARISSE: Member Scott?

6 MR. SCOTT: Aye.

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

9 We will now hear agenda item 10.A from Finance  
10 and Audit, and I'd like to turn it over to Glenna Bowman  
11 for her presentation to us, as she gets settled in to the  
12 podium. Good morning and thank you, and I will give you  
13 the floor.

14 MS. BOWMAN: Good morning, Chairman, Board  
15 members. For the record, my name is Glenna Bowman. I'm  
16 the chief financial officer for the Texas Department of  
17 Motor Vehicles.

18 In your board materials starting on page 165  
19 are the TxDMV financial report for FY 2022 which covers  
20 September 1 of 2021 through August 31 of 2022. This  
21 report contains information on projected and actual  
22 revenues, as well as budgeted and actual expenditures for  
23 the fiscal year. It includes a standalone report for  
24 TxDMV Fund 10 and information on selected statistics that  
25 may have an impact on revenues.

1           Some highlights include we collected  
2           \$2.03 billion in revenue in all funds. That's a 3.7  
3           percent increase over FY 2021. Our revenue collections in  
4           Fund 10 total \$180.1 million, which is a 13.4 percent  
5           increase compared to FY 2021.

6           We did collect sufficient revenues in FY 2022  
7           to support our annual expenditures and outstanding  
8           obligations, and the adjusted balance in Fund 10 as of  
9           August 31, 2022 is \$174.1 million.

10           Regarding revenues in FY 2022, the department  
11           saw a steady growth pattern in almost all sectors. I will  
12           mention, as I've mentioned in prior Board meetings, that  
13           our motor vehicle business license revenue is down from  
14           '21 which, as we know, is because of the motor vehicle  
15           industry at large continuing to be impacted by the effects  
16           of supply chain issues and the global chip shortage.

17           Title revenue, on the other hand, has increased  
18           26.4 percent from FY '21 to '22, with most of the increase  
19           attributable to restarting collection of the delinquent  
20           title transfer penalty that was formerly waived by the  
21           governor due to COVID-19. Waiver of that fee ended in  
22           April of 2021.

23           Regarding our projected versus actual revenues,  
24           overall our FY '22 exceeded projections by 3.3 percent,  
25           mostly attributable to the higher than expected

1 registration collections. With regard to expenditures and  
2 encumbrances or outstanding obligations in all funds for  
3 FY 2022, those total \$171.3 million.

4 We had about \$148 million in expenditures, and  
5 as of August 31, we still have about \$22.6 million in  
6 outstanding obligations that will be paid out. The total  
7 in our expenditures and obligations does include \$14.4  
8 million in grants awarded by the Motor Vehicle Crime  
9 Prevention Authority.

10 Finally, I'll mention My Plates. The current  
11 specialty plates marketing contract began on November 19,  
12 2019 and it runs through December 31 of 2025. As of  
13 August 31, 2022, deposits to the general revenue fund  
14 related to the current My Plates contract total \$56.8  
15 million, and of that amount, \$26.3 million counts toward  
16 the \$25 million contract guarantee, which has now been  
17 met; we met that in July of this year.

18 Overall, the department is in a strong  
19 financial position, and that concludes my formal remarks,  
20 but I'll be happy to answer any questions.

21 MR. BACARISSE: Great. Thank you, Ms. Bowman.

22 Members, any questions for Ms. Bowman on her  
23 presentation?

24 (No response.)

25 MR. BACARISSE: I didn't see any, so we're now

1 moving to agenda item 10.B.

2 MS. BOWMAN: Thank you, Chairman, members.  
3 Again for the record, I'm Glenna Bowman. I'm chief  
4 financial officer for TxDMV.

5 This is an action item. If you will refer to  
6 page 179 of your board materials, you will find a memo  
7 that outlines the recommendation for this item, followed  
8 by a redlined version of the contract approval procedures  
9 that we would like to update.

10 The Board last modified these procedures in  
11 February of this year to address the transition of certain  
12 facilities maintenance responsibilities from TxDOT to  
13 TxDMV.

14 The Board approved several specific maintenance  
15 categories, including services related to recycling,  
16 elevators, heating and cooling systems, utilities and fire  
17 and safety. The list of approved changes did not include,  
18 however, a general facilities maintenance category. That  
19 would cover things like roof repair, flooring repair, the  
20 parking lot repairs, installation of carpeting, and so on.

21 I've got a comprehensive list if you'd like for  
22 me to list them all, and all of these items fall within  
23 the scope of routine operations, and those types of items  
24 are currently excluded from the Board's contract approval  
25 procedures.

1           So along with adding that one general category,  
2 we would also recommend that we change the order of the  
3 services listed so that it is alphabetical, and that would  
4 change the footnote references accordingly. That is just  
5 an administrative change; there is no substantive change  
6 to that.

7           So that concludes my formal remarks. I'm happy  
8 to answer any questions.

9           MR. BACARISSE: Members, any questions on this  
10 agenda item which we will take action on?

11           (No response.)

12           MR. BACARISSE: Seeing none, I want to make  
13 sure that there's no public comments on this. Right?  
14 We're good?

15           MS. FORE: Elizabeth Fore. There are no  
16 comments on this item.

17           MR. BACARISSE: Great. I would entertain a  
18 motion regarding agenda item 10.B.

19           MR. GRAHAM: I'll make a motion, Mr. Chairman.

20           MR. BACARISSE: Member Graham.

21           MR. GRAHAM: I move the Board approve the  
22 updates to the Board's contract approval procedures, as  
23 presented by staff.

24           MR. BACARISSE: And is there a second for that  
25 motion?

1 MS. McRAE: I'll second.

2 MR. BACARISSE: Vice Chair McRae.

3 All right. Great. Any questions on this  
4 motion and second?

5 (No response.)

6 MR. BACARISSE: Seeing none, I will call the  
7 vote, please.

8 Member Alvarado?

9 MR. ALVARADO: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Vice Chair McRae?

13 MS. McRAE: Aye.

14 MR. BACARISSE: Member Prewitt?

15 MR. PREWITT: Aye.

16 MR. BACARISSE: Member Scott?

17 MR. SCOTT: Aye.

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

20 Now we go to agenda item C, 10.C, and this is  
21 the Internal Audit Division status update, and we welcome  
22 Salem, Mr. Chuah, to the podium, so the floor is yours.

23 MR. CHUAH: Thank you. Good morning, Chairman  
24 Bacarisse, Board members, Executive Director Avitia. For  
25 the record, my name is Salem Chuah. I am the director of

1 the Internal Audit Division for the department.

2 Item 10.C is to provide you with a status  
3 update on Internal Audit Division's activities in the  
4 areas of handling fraud, waste and abuse complaints,  
5 conducting internal engagements, and coordinating external  
6 engagements.

7 Starting out with fraud, waste, and abuse  
8 complaints, page 187 of your board materials shows a  
9 summary of the complaints that we received in the fourth  
10 quarter of fiscal year 2022.

11 From June through August we received seven  
12 complaints. Six of those came to us from the State  
13 Auditor's Office, and one came directly from an external  
14 party. We've closed two complaints, as they did not  
15 pertain to DMV, and referred the other five to the  
16 Enforcement Division, as those dealt with dealers or  
17 titles, which is outside of IAD's jurisdiction.

18 We're also administering the Fraud Pulse Survey  
19 right now. The survey was sent on Monday to 721  
20 department employees. We're asking employees 14 questions  
21 to understand how we are doing in the areas of ethics,  
22 reporting misconduct, accountability and culture. We will  
23 analyze the results after the survey closes next Friday.

24 On page 188 of your board materials there's a  
25 graphic showing the status of all internal and external

1 engagements. Starting out with internal engagements, we  
2 have four that are in the field work phase.

3 The first is the business continuity and  
4 disaster recovery audit, where we have tested various  
5 sections of the continuity of operations plan and  
6 conducted a survey to determine if employees understand  
7 their roles and responsibilities.

8 The second is the contract development audit,  
9 where we have reviewed reporting requirements and tested  
10 contracts to determine if they contain required clauses.

11 The third is the webDEALER advisory, which is  
12 being performed by our vendor, Weaver. This advisory is  
13 to identify system weaknesses, including management of  
14 user accounts and system logic and security. More on this  
15 will be shared in closed session.

16 The fourth is the quality assurance and  
17 improvement program, which is an internal assessment of  
18 the Internal Audit Division and is required by auditing  
19 standards.

20 We expect all four of these engagements to be  
21 completed next month.

22 The completed engagement is the fiscal year  
23 2022 Internal Audit Annual Report, which is included in  
24 the board materials starting on page 189. This report is  
25 statutorily required to be submitted to the State



1 Auditor's Office, the Legislative Budget Board, and the  
2 Governor's Office by November 1.

3 The report was created using guidelines  
4 established by the State Auditor's Office, and overall  
5 last fiscal year we completed six engagements, consisting  
6 of two audits, one advisory service, one follow-up, and  
7 two compliance reports.

8 Moving on to external engagements, there are  
9 two that are in progress and two that were recently  
10 completed. For the in-progress engagements we have the  
11 Comptroller of Public Accounts dual employment guest  
12 audit, which is expected to be released later this month.

13 The State Auditor's Office is also conducting  
14 an audit on the department's processes and controls  
15 related to ensuring the appropriate production and use of  
16 temporary tags. The State Auditor's Office kicked off the  
17 audit last month and held an update meeting with us last  
18 week. The audit report is on target to be released in  
19 March of 2023, and I'll share additional details in closed  
20 session.

21 As to the completed external engagements, the  
22 State Office of Risk Management released its report on the  
23 site visit of a regional service center located in Pharr,  
24 Texas. There was one recommendation, which will be  
25 implemented by November.

1           Also, the Federal Highway Administration  
2 completed its tri-annual heavy vehicle use tax review.  
3 The review found that the department was in full  
4 compliance, but they offered five recommendations related  
5 to training and ongoing communication with the regional  
6 service centers.

7           One of the recommendations was to commend the  
8 department and department staff on implementing all  
9 recommendations from the last review performed in 2019.  
10 So great job to Jimmy Archer, his team, and to management  
11 for a job well done.

12           That concludes my prepared remarks, and I'm  
13 happy to take any questions.

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

15           Any questions on this item 10.C from members?

16           (No response.)

17           MR. BACARISSE: Seeing none, thank you very  
18 much. We appreciate your report. Thank you.

19           We now want to move to agenda item 11, which is  
20 delegation of authority to the executive director to  
21 approve and execute an amendment to the Innovative  
22 Technology Deployment Commercial Vehicle Information  
23 Exchange Window, CVIEW, services contract, so I want to  
24 turn it now over to Jimmy Archer for explanation.

25           Mr. Archer.

1 MR. ARCHER: Good morning, Chair Bacarisse,  
2 members of the Board, Executive Director Avitia. For the  
3 record, my name is Jimmy Archer. I'm the director of the  
4 department's Motor Carrier Division.

5 This is item 11, and it's found beginning on  
6 page 232 of your board book. This is an action item. For  
7 the Board's consideration, I'm requesting the Board  
8 delegate authority to the Executive Director Daniel Avitia  
9 to approve and sign an amendment to the Innovative  
10 Technology Deployment Commercial Vehicle Information  
11 Exchange Window, or CVIEW, services contract.

12 The contract amendment should be approved so  
13 the vendor can provide upgrades to improve the CVIEW,  
14 including augmenting existing functionality to increase  
15 safety by providing the Texas Department of Public Safety  
16 and other administrative and management users with real-  
17 time insight into electronic screening operations activity  
18 across the state from a single system log-in.

19 Part of the system, what it does is it monitors  
20 all the weigh stations and inspection stations across the  
21 state. This information is fed into the CVIEW so all law  
22 enforcement can see it.

23 Additional changes will be made to the existing  
24 dashboard functionality to enhance real-time information  
25 that is currently provided. Basically, it makes this

1 system more user-friendly for our users. There is no cost  
2 to the department.

3 The estimated cost of these enhancements is  
4 \$780,000, and the funds are obtained by the department  
5 through a no-match grant from the Federal Motor Carrier  
6 Safety Administration by way of the Innovative Technology  
7 Deployment Program. The grant will expire on September  
8 30, 2026, and we expect to complete these enhancements in  
9 the next 18 months.

10 As way of background, the Innovative Technology  
11 Deployment program, ITD, is a Federal Motor Carrier Safety  
12 program that provides grant funds to programs to implement  
13 technologies that promote motor carrier safety.

14 The ITD CVIEW tool is how Texas receives and  
15 shares motor carrier safety data with other states. This  
16 includes real-time out-of-service status for on-the-road  
17 police enforcement. Out-of-service status is when a  
18 vehicle or driver has been taken off the road for safety  
19 reasons. CVIEW is mission critical nationwide for data  
20 transfers to law enforcement 24 hours a day, seven days a  
21 week.

22 The ITD is important to the state in achieving  
23 a statewide intelligent transportation system and  
24 improving safety and security. It also improves  
25 productivity in motor carriers, commercial vehicles, and

1 their drivers, improves efficiency and effectiveness of  
2 safety programs and targeted enforcement, improves data  
3 sharing between states and the Motor Carrier Safety  
4 Administration, and finally, reduces federal, state and  
5 industry regulatory and administrative costs.

6 Texas joined the ITD program in 2001. The  
7 department is an ITD-designated lead agency for the state,  
8 and it is governed by a steering committee that is made up  
9 of our department, the Department of Public Safety, the  
10 Department of Transportation, the Comptroller's Office,  
11 Federal Motor Carrier Safety Administration, Federal  
12 Highway Administration, and Texas Trucking Association.

13 Texas has successfully achieved and maintained  
14 core ITD compliance by meeting all FMCSA requirements for  
15 safety information exchange, credentialing administration,  
16 and electronic screening.

17 The requested contract amendments for the plan  
18 enhancements will provide remote real-time insight from a  
19 single location into numerous electronic screening  
20 systems' activity and performance across Texas.

21 It will be able to pinpoint by inspection  
22 station what trucks are going through, how many permits go  
23 through, oversize/overweight permits go through, whether  
24 or not their license plate readers are working, whether or  
25 not the weigh-in-motion readers are working, all of these

1 items. It just enhances the ability for DPS and the state  
2 for law enforcement to put the resources they need where  
3 they need them to track motor carrier issues.

4 Finally, again, I'm asking the Board to  
5 delegate authority to the executive director to approve  
6 and sign an amendment to the Innovative Technology  
7 Deployment Commercial Vehicle Information Exchange Window  
8 services contract. And I'll be happy to answer any  
9 questions you might have.

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

11 Any questions, members, for Mr. Archer on this  
12 item?

13 Mr. Prewitt?

14 MR. PREWITT: If there are no questions, Mr.  
15 Chairman, I'd like to go ahead and move the Board approve  
16 the delegation of authority to the department's executive  
17 director to execute an amendment to the Innovative  
18 Technology Deployment Commercial Vehicle Information  
19 Exchange Window services contract.

20 MR. BACARISSE: And is there a second for this  
21 motion?

22 MR. SCOTT: I'll second.

23 MR. BACARISSE: Member Scott, thank you.

24 Liz, any public comments on this agenda item?

25 MS. FORE: Elizabeth Fore. There are no

1 commenters on agenda item 11.

2 MR. BACARISSE: Thank you.

3 With no comments, I would now call for the vote  
4 on agenda item 11.

5 Member Alvarado?

6 MR. ALVARADO: Aye.

7 MR. BACARISSE: Member Graham?

8 MR. GRAHAM: Aye.

9 MR. BACARISSE: Vice Chair McRae?

10 MS. McRAE: Aye.

11 MR. BACARISSE: Member Prewitt?

12 MR. PREWITT: Aye.

13 MR. BACARISSE: Member Scott?

14 MR. SCOTT: Aye.

15 MR. BACARISSE: And I, Chairman Bacarisse, vote  
16 as well. It's unanimous.

17 Thank you, Mr. Archer, appreciate that.

18 MR. ARCHER: Thank you.

19 MR. BACARISSE: We'll now move to -- actually,  
20 Liz, should we do public comment at this point? Are there  
21 any people that have signed up to comment publicly on any  
22 issue?

23 MS. FORE: Elizabeth Fore. There are no public  
24 commenters.

25 MR. BACARISSE: Okay, great. Thank you.

1           At this point we're going to move to agenda  
2 item 12, which is closed session. We're going to go into  
3 closed session. It is now ten after 10:00 in the morning  
4 on October 13, 2022. We'll go into closed session under  
5 Texas Government Code Sections 551.071, 551.074, 551.076  
6 and 551.089.

7           For those of you in the audience, I anticipate  
8 being in this closed session for approximately one hour,  
9 and we'll reconvene in open session after that.

10           With that, we're now recessed from the public  
11 meeting and we're going into closed session.

12           (Whereupon, at 10:10 a.m., the meeting was  
13 recessed, to reconvene this same day, Thursday, October  
14 13, 2022, following conclusion of the executive session.)

15           MR. BACARISSE: It is 12:11 in the afternoon on  
16 October 13, and the Board of the DMV is now back in open  
17 session.

18           No action items will be taken up from closed  
19 session, so I would now move to agenda item 15, which is  
20 adjournment. Do I have a motion to adjourn?

21           MR. PREWITT: So moved.

22           MR. BACARISSE: Member Prewitt. And is there a  
23 second?

24           MR. ALVARADO: Second.

25           MR. BACARISSE: Member Alvarado, and how do you



1 vote, Member Alvarado?

2 MR. ALVARADO: Aye.

3 MR. BACARISSE: Member Graham?

4 MR. GRAHAM: Aye.

5 MR. BACARISSE: Member McRae?

6 MS. McRAE: Aye.

7 MR. BACARISSE: Member Prewitt?

8 MR. PREWITT: Aye.

9 MR. BACARISSE: Member Scott?

10 MR. SCOTT: Aye.

11 MR. BACARISSE: And I, Bacarisse, vote aye as  
12 well. We are adjourned. Thank you very much.

13 (Whereupon, at 12:12 p.m., the meeting was  
14 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 13, 2022

I do hereby certify that the foregoing pages, numbers 1 through 66, 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: October 24, 2022

/s/ Nancy H. King  
(Transcriber)

On the Record Reporting  
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