

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

OPEN MEETING VIA TELEPHONE CONFERENCE CALL
IN ACCORDANCE WITH TEXAS GOVERNMENT CODE
CHAPTER 551.125

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

Thursday,
September 9, 2021
9:02 a.m.

COMMITTEE MEMBERS:

David Blassingame
Michael Bradburn
Mark Brown
Christopher Donnelly
Laird Doran
Rita Edwards (absent)
Buddy Ferguson
Joshua Greenlaw (absent)
Russell Hayter
Jeff Martin
William Murphy
Steve Prather
Franklin Sims (absent)
Trey Sralla
Scott Stark
Kalien Thomas
Jimmy Vitela (absent)
Greg Zak

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

1
2 MR. RICHARDS: Good morning. My name is David
3 Richards. I am pleased to open the very first meeting of
4 the Motor Vehicle Industry Regulation Advisory Committee.

5 I'm an associate general counsel at the Texas Department
6 of Motor Vehicles, and for ease of reference, I will refer
7 to this committee as MVIRAC, which is the acronym for the
8 committee.

9 I have 9:02 a.m., and I am now calling the
10 MVIRAC meeting for September 9, 2021 to order. I want to
11 note for the record that the public notice of this
12 meeting, containing all items on the agenda, was filed
13 with the Office of the Secretary of State on August 31,
14 2021.

15 This meeting is being held by telephone
16 conference call, in accordance with Texas Government Code
17 Chapter 551.125. Members of the public may physically
18 attend this meeting in person at the headquarters location
19 at 4000 Jackson Avenue, Building 1, Lone Star Room,
20 Austin, Texas 78731, or they can attend this meeting by
21 calling the toll-free number, which is both posted in our
22 agenda which was filed with the Office of the Secretary of
23 State on August 31.

24 We have two advisory committee members that
25 have appeared and are attending in person. The majority

1 of the advisory committee members, including myself, will
2 be participating remotely via telephone conference call.

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

10 Once again I would kindly like to remind
11 everyone this is a telephone conference call meeting,
12 which presents unique factors. Because this meeting is
13 being held by telephone conference call, there are a few
14 things that the department thinks will assist in making
15 the meeting run smoother and assist the court reporter in
16 getting an accurate record.

17 Such things are: please identify yourself
18 before speaking; speak clearly; remember there may be a
19 slight delay due to the telephone conference call meeting,
20 so please wait a little bit longer than usual before
21 responding to participants; please also do not speak over
22 others; and finally, please ask the presiding officer --
23 which is me today for this meeting -- to proceed and be
24 sure to get recognized by me before you speak.

25 In particular, I'd also like to thank the court

1 reporter who is transcribing the meeting for us today. To
2 make sure that we have an accurate record and recording of
3 this meeting, it's very important that committee members
4 and anyone presenting today identify themselves before
5 speaking and speak clearly and slowly.

6 If you wish to address the advisory committee
7 or speak on an agenda item during today's meeting, please
8 send an email to the following email address:
9 GCO_general@TxDMV.gov. Please identify yourself in the
10 email and identify the specific item you're interested in
11 commenting upon, your name and address, and whether or not
12 you're representing anyone in particular or you're just
13 speaking for yourself. If your comment does not pertain
14 to a specific agenda item, we will take your comment
15 during the general public comment portion of the meeting,
16 which is listed on the agenda.

17 Comments should be pertinent to the issues
18 stated in your email, and we ask that you stick to what
19 you placed in the email. When addressing the advisory
20 committee, please state your name and affiliation for the
21 record.

22 And also, let me say before we begin today I'd
23 like to remind all presenters and those in attendance of
24 the rules of conduct at our committee meetings and our
25 board meetings.

1 In the department's rules under 43 Texas
2 Administrative Code, Section 206.22, the presiding officer
3 is given authority to supervise the conduct of meetings.
4 This includes the authority to determine when a speaker is
5 being disruptive of the meeting or is otherwise violating
6 the timing or presentation rules I just discussed.
7 Disruptive speakers will be muted, given a warning about
8 disruptive behavior, then removed from the meeting for any
9 continued disruption.

10 Moving on, advisory committee members, please
11 let us know immediately if you no longer are able to
12 participate for any reason. If your phone call drops or
13 you're disconnected, TxDMV staff will interrupt the
14 meeting to let us know how to get you back on the line
15 before we proceed with the agenda.

16 Let's get into the agenda itself. I'm going to
17 move on to agenda item number 1, the roll call and
18 establishment of quorum. And now I'd like to have a roll
19 call of the members.

20 Please respond verbally when I call your name,
21 please indicate that you are present. And also, my
22 apologies in advance, if I mispronounce your name, please
23 state it for the record correctly so that I can do so for
24 the rest of the meeting.

25 Member Blassingame, are you here?

1 MR. BLASSINGAME: I am here.

2 MR. RICHARDS: Member Bradburn?

3 MR. BRADBURN: I am here, yes.

4 MR. RICHARDS: Member Brown? Member Brown?

5 (No response.)

6 MR. RICHARDS: Member Donnelly?

7 MR. DONNELLY: Here.

8 MR. RICHARDS: Member Doran?

9 MR. DORAN: Here.

10 MR. RICHARDS: Member Edwards?

11 (No response.)

12 MR. RICHARDS: Member Ferguson?

13 MR. DORAN: David, this is Laird Doran. Mr.

14 Ferguson is trying to dial in, but he's not having any

15 success at the moment, so I think he's going to contact

16 DMV staff to see about getting into the meeting.

17 MR. RICHARDS: Okay. Thank you, Laird.

18 Member Greenlaw? Member Greenlaw?

19 (No response.)

20 MR. RICHARDS: Member Hayter?

21 MR. HAYTER: This is Russell Hayter.

22 MR. RICHARDS: Hayter.

23 MR. HAYTER: I'm here.

24 MR. RICHARDS: Thank you very much.

25 Member Martin?

1 MR. MARTIN: Present.

2 MR. RICHARDS: Member Murphy? Member Murphy?

3 SPEAKER: Let me just tell you, I'm on the
4 phone with Murphy right now, he's trying to dial in right
5 now.

6 MR. RICHARDS: Okay, great. Thank you.

7 Member Prather? Did I pronounce that
8 correctly?

9 MR. PRATHER: Right. Steve Prather. I'm here.

10 MR. RICHARDS: Thank you, sir.

11 Member Sims? Member Sims?

12 (No response.)

13 MR. RICHARDS: Member Sralla?

14 MR. SRALLA: Here.

15 MR. RICHARDS: Thank you.

16 Member Stark?

17 MR. STARK: Good morning. Present.

18 MR. RICHARDS: Member Thomas?

19 MS. THOMAS: Present.

20 MR. RICHARDS: Thank you.

21 Member Vitela? Member Vitela?

22 (No response.)

23 MR. RICHARDS: Member Zak?

24 MR. ZAK: Present.

25 MR. RICHARDS: Members, we do have a quorum.

1 We're going to continue with the agenda.

2 The next agenda item, members, is agenda item
3 1.B. Welcoming remarks and introduction of advisory
4 committee members. At this time I'm going to turn the
5 meeting over to our TxDMV executive director, Whitney
6 Brewster.

7 Whitney.

8 MS. BREWSTER: Thank you, David. Good morning,
9 everyone.

10 Thank you for volunteering your time to join us
11 for the first meeting of the Motor Vehicle Industry
12 Regulation Advisory Committee.

13 I'm Whitney Brewster, I'm the executive
14 director of the department, and I just wanted to welcome
15 you and greet you and thank you very much for lending your
16 time and talents to the advisory committee.

17 Before we continue with your introductions and
18 then on to the agenda, I wanted to just provide the
19 members with some background on the formation and some of
20 the discussion items that the committee is going to
21 consider today.

22 All of you were selected by the TxDMV Board to
23 assist the department in policy-making in this area and
24 specifically for these first two meetings to assist us
25 with adoption of rules regarding a law that was passed

1 during the last legislative session, and that was House
2 Bill 3927.

3 And the legislature gave the department the
4 authority in that bill, in HB 3927, to draft rules setting
5 the criteria to curb temporary tags from being issued
6 fraudulently and also to be able to set limits on the
7 number of tags issued from the eTAG database.

8 Department staff will give you an overview of
9 what types of tags we're talking about as well as a brief
10 history on some of the uses of those tags here shortly,
11 but I just wanted to talk to all of the advisory committee
12 members, because you have a very important role on this
13 committee to provide the department your expertise and
14 your ideas on our implementation of this important piece
15 of legislation, and it's very important that we ensure
16 Inclusivity and transparency in our policy-making, and
17 you're certainly assisting the department with that.

18 I know we come from all different sectors,
19 different parts of the state, different life experiences,
20 but I think we can all agree that curbing temp tag abuse
21 will help greatly with public safety as well as fraudulent
22 activity.

23 We'll be asking for this committee, and other
24 committees established by the board, to provide additional
25 policy-making items in the future. I don't want to take

1 those things off the table, but for these first two
2 meetings we're really focusing on the implementation of HB
3 3927. We value your input, and we encourage you to
4 provide ideas and open dialogue.

5 I just want everybody to know that we will have
6 additional meetings to gather any additional ideas and
7 input we have on future policy-making; I just wanted to
8 assure the committee of that.

9 We know that there are other policy
10 considerations, but again, we're focusing our attention in
11 the first couple of meetings on temporary tags. So while
12 we're focused on the in-depth deliberation in that area,
13 we will have opportunities to hear your ideas regarding
14 other policy-making functions of the department in the
15 future.

16 Also, the board may be considering selecting
17 additional members for this committee and other committees
18 at future board meetings, so please encourage folks to
19 apply. I'm going to put a little plug in there.

20 We have received extremely, extremely valuable
21 input and ideas from our other advisory committees on some
22 pretty significant projects and implementation efforts. I
23 am certain that this committee, I have no doubt, will
24 provide the same valuable input and benefits to department
25 staff as well as the board.

1 Again, we value and we welcome your input and
2 ideas. We encourage differing viewpoints and debate, and
3 I cannot express enough how appreciative we are that you
4 have, again, lent your time and talents to help us with
5 this effort.

6 Please know that our staff and I, we're all
7 here to help you with whatever information you may need,
8 and we want to make sure that members feel like they're
9 making an informed decision.

10 We have information today from our department
11 staff to provide some more background and context on the
12 issues that we'll be discussing today, but again, I just
13 wanted to say thank you very much for your efforts, thank
14 you for bringing your expertise to the table to assist the
15 department with this extremely important issue.

16 So with that, I'll turn the time back over to
17 you, David. Thank you.

18 MR. RICHARDS: Thank you very much, Whitney.

19 Members, we're going to move right along on the
20 agenda. The next agenda item that we'll cover is agenda
21 item 2.A. Purpose, general information, and scope of the
22 advisory committee, background information, and also I'm
23 going to touch on Open Meetings and the Public Information
24 Act considerations as well.

25 The purpose of the Motor Vehicle Industry

1 Regulation Advisory Committee is to provide advice and to
2 make recommendations to the Board of the Texas Department
3 of Motor Vehicles on topics related to motor vehicle
4 industry issues.

5 You've been given the charge by the department
6 to provide advice and recommendations regarding, one,
7 temporary tag enhancements; two, House Bill 3927 tag
8 denial; and three, House Bill 3927 maximum tag limits.

9 No other topics will be discussed by the
10 committee at this time so I want to make sure that
11 everybody is laser-focused on those three items. That's
12 what we're needing your advice and recommendations on.
13 The committee provides advice and recommendations only as
14 requested the department or our board.

15 I'd also like to echo Director Brewster's
16 congratulations to each of you for your appointment to
17 this committee by the board and thank you again for
18 volunteering to assist the board and the department on
19 this committee.

20 As appointed members of this committee, you're
21 subject to both the Open Meetings Act and the Public
22 Information Act.

23 The Open Meetings Act provides that all public
24 business should be performed in public view. That means
25 that any discussions you have regarding the work you

1 perform with this committee must be done in a properly
2 scheduled and posted open meeting.

3 Members of this committee can violate state law
4 by having a series of discussions on policy issues outside
5 of advisory committee meetings with other members of the
6 advisory committee. That is what was referred to as a
7 "walking quorum" under the Open Meetings Act.

8 It's important that you refrain from discussing
9 advisory committee matters with other members outside of
10 the scheduled and posted open meetings, such as the one
11 today.

12 This includes avoiding meeting with other
13 members outside of a properly posted meeting, not calling
14 other members on the phone to discuss advisory committee
15 matters, and not using social media to discuss matters
16 that are before the advisory committee.

17 Discussion with other members, even if less
18 than a quorum, outside of a properly posted open meeting
19 for the purpose of secret deliberations can violate the
20 Open Meetings Act, which also carries with it potential
21 criminal penalties.

22 In addition, information exchanged in your role
23 as an advisory committee member can be subject to public
24 disclosure, even if that information is on your private
25 email or cell phone. This is because as an advisory

1 committee member, information you have regarding matters
2 brought before the advisory committee may also be subject
3 to open records laws.

4 Please be aware that any communications you
5 have regarding the committee may be required to be
6 disclosed in response to an open records request from the
7 public. Just keep that in mind.

8 Finally, in order to ensure that that advisory
9 committee meetings run smoothly, the advisory committee
10 will select a presiding officer. The presiding officer is
11 in charge of making sure Robert's Rules of Order are
12 followed to keep the decorum of the meeting. The
13 presiding officer will open the meeting, much as I did
14 today, and ensure that a quorum of members is present.
15 The presiding officer makes sure that members make motions
16 and seconds the motions before voting, and makes sure that
17 no one member has the floor longer than others wishing to
18 provide input. We want input from all members,
19 preferably.

20 I'll be happy to provide some overview training
21 on the mechanics of Robert's Rules of Order to anyone
22 wanting to volunteer to be the presiding officer of this
23 committee so as to ensure it runs efficiently in carrying
24 out its purpose.

25 A few examples on how Robert's Rules are used

1 to run meetings for everyone's consideration: No member
2 can speak twice to the same issue until everyone else
3 wishing to speak has spoken on it once. All remarks by
4 members must be directed to the presiding officer prior to
5 speaking.

6 You need to obtain the floor or to speak by
7 raising your hand, obviously if you're in person, or
8 asking the presiding officer for the floor or the right to
9 speak on the matter, only when a person speaking before
10 you has finished.

11 It's important not to interrupt others and
12 share the right to speak with all members. Remarks must
13 be courteous, and members must avoid referring to
14 viewpoints by alluding to other members by name or by
15 suggested motives.

16 As members, you expect the presiding officer to
17 protect your right to speak even if it turns out that
18 you're a minority of one in your opinion. The presiding
19 officer helps to ensure the other members hear you out and
20 to allow you the same time as everyone else.

21 This encourages members to give fellow members
22 their rightful turn to speak. Listen to them, you may
23 hear something that affects the way you're thinking on a
24 given issue, so it's real important.

25 Lastly, we're recording this meeting so before

1 you speak, again, please state your name clearly and
2 slowly for the record so we have a record of what you
3 said.

4 At this time are there any questions before we
5 move on? If there are discussions we need to have
6 offline, we'll be happy to do that as well.

7 (No response.)

8 MR. RICHARDS: All right. Hearing none, we're
9 going to move on to agenda item 2.B. Nominations and
10 selection of advisory committee presiding officer.

11 Again for the record, my name is David
12 Richards, and I'm an associate general counsel at the
13 Texas DMV.

14 Texas law requires advisory committees to
15 select a presiding officer from its members. The
16 presiding officer will preside over the advisory committee
17 to the TxDMV and our board.

18 For a few minutes, let's have each member
19 introduce themselves, provide some information on their
20 respective backgrounds, and state whether or not you're
21 interested in serving as a presiding officer so we can
22 keep a record of that.

23 Let me start off by calling on Member
24 Blassingame.

25 MR. BLASSINGAME: Yes. My name is David

1 Blassingame. I was the managing partner of AutoPlex
2 Leasing for 33 years. I served on the national board and
3 the state board of the motor vehicle -- pardon me -- the
4 National Motor Vehicle Leasing Association. I worked on
5 some bills with the legislation in Austin and was lucky
6 enough to work on two bills that actually passed in about
7 12 years. And that's me.

8 MR. RICHARDS: All right. Would you be
9 interested in serving as presiding officer?

10 MR. BLASSINGAME: Yeah, why not. Sure.

11 MR. RICHARDS: Okay, great. Thank you.

12 Next Member Bradburn.

13 MR. BRADBURN: Good morning. My name is Mike
14 Bradburn. I used to work as a DMV investigator before I
15 went back to law enforcement. I work for Constable Suits
16 in Travis County at Precinct 3. The past two years
17 between these two agencies I've been working the paper tag
18 problem. I helped assist to get House Bill 3927 passed,
19 testifying at the state. Happy to be here.

20 MR. RICHARDS: I'm sorry. Did you say you'd be
21 happy to serve as presiding officer?

22 MR. BRADBURN: I said I was happy to be here,
23 but I would be happy to serve, as well, as presiding
24 officer.

25 MR. RICHARDS: Okay, great. Thank you, Member

1 Bradburn.

2 Next let's hear from Member Brown. Is Member
3 Brown with us on this call?

4 (No response.)

5 MR. RICHARDS: Actually, I don't see Member
6 Brown, so I'm going to move on to Member Donnelly.

7 MR. DONNELLY: Chris Donnelly. I'm managing
8 member of for Donnelly Auto Group, a small independent lot
9 in Conroe. I've been in business going on my third year
10 now. This is my first time to be involved in something
11 like this, so while I'd be happy to serve, I think it
12 would be best if I gathered some experience before I take
13 on any type of further roles, but I'd be happy to serve if
14 needed.

15 MR. RICHARDS: Great. Thank you, Member
16 Donnelly, and welcome.

17 Member Doran.

18 MR. DORAN: My name is Laird Doran. I'm an
19 attorney, been involved in the motor vehicle industry for
20 approximately 20 years. I'm currently vice president of
21 government relations and senior counsel for the Friedkin
22 Group. That's an umbrella company for a number of
23 affiliated companies based out of Houston, Texas, some of
24 the larger companies in the motor vehicle industry,
25 including Gulf States Toyota, which is the private

1 distributor for Toyota here in Texas; U.S. Auto Logistics,
2 which is one of the nation's largest auto haulers;
3 Accelerated Solutions Group, which is a manufacturer of
4 automotive accessories; and GSFS Group, which is a
5 provider of finance and insurance products to automotive
6 dealers and consumers.

7 It's an honor to be with you today. I am also
8 a member and the presiding officer of the CPAC, and
9 therefore I would not like to serve in a leadership
10 capacity on this board. Thank you.

11 MR. RICHARDS: Thank you, Member Doran, and
12 welcome.

13 Member Edwards? Member Edwards with us today?

14 (No response.)

15 MR. RICHARDS: Okay. I'm going to move on to
16 Member Ferguson.

17 MR. FERGUSON: Yeah, this is Buddy Ferguson.
18 I'm an attorney, have been practicing in Texas for a
19 little over 36 years, 33 of those years I've been involved
20 in matters before the agency, primarily representing
21 manufacturers of various products, passenger cars, light
22 trucks, heavy trucks, ambulances, fire trucks, et cetera,
23 usually dealing with either licensing issues or disputes
24 that they may have with their dealers, and have not had a
25 lot of experience on temporary tags but have been close

1 enough to the fire that I've heard some of the issues that
2 have been raised.

3 Just based on my current docket, I would
4 probably not have time sufficient to be presiding officer,
5 if that were decided, so at this time I would probably
6 decline from being considered. Thank you.

7 MR. RICHARDS: Thank you, Member Ferguson, and
8 welcome to you as well.

9 Member Greenlaw?

10 (No response.)

11 MR. RICHARDS: I believe Member Greenlaw is not
12 on the call just yet.

13 Let's move on to Member Hayter.

14 MR. HAYTER: Yes, sir, thank you. Russell
15 Hayter.

16 I'm retired from insurance companies for 38
17 years, handling total loss vehicles and sale of insurance
18 company salvage, and I've had a lot of interest in vehicle
19 titles and registration issues and things like that. I'm
20 not currently interested in being the presiding officer of
21 this committee; however, I'm very happy to be here.

22 MR. RICHARDS: Well, great, Member Hayter.
23 Thank you very much, welcome, and we appreciate your
24 volunteering to serve.

25 I'll move on to Member Martin.

1 MR. MARTIN: My name is Jeff Martin. I
2 represent the Texas Independent Automobile Dealers
3 Association. I serve as their executive director, and
4 I've been in that capacity for about 15 years. And it
5 sounds like we have a number of qualified candidates to
6 serve as officer, so I would decline that option. Thank
7 you.

8 MR. RICHARDS: Thank you, Member Martin.
9 Welcome.

10 Member Murphy?

11 (No response.)

12 MR. RICHARDS: I believe that Member Murphy is
13 absent at the present time.

14 Member Prather?

15 MR. PRATHER: Yes. My name is Steve Prather.
16 I've been in the automobile business the majority of my
17 life, and I moved to Houston in 1982 and joined the
18 Charlie Thomas Group, became partners with Charlie; we
19 bought some more dealerships.

20 Later in time we sold some of them to Auto
21 Nation and we sold one to Group One Automotive. I
22 retired, went back to work afterward for Sonic Automotive,
23 and I was the regional vice president for them in charge
24 of the 16 stores they had in Houston and the Beaumont
25 area. I retired in 2016, December, and I'm fully retired

1 now and enjoying life.

2 MR. RICHARDS: Wonderful. Would you like to be
3 considered for presiding officer?

4 MR. PRATHER: It sounds to me like you've got
5 several interested already, so if they're interested, I'm
6 willing to be on their team.

7 MR. RICHARDS: All right. Great. Thank you so
8 much and welcome.

9 Member Sims, I don't see Member Sims on the
10 list. Have you joined the call, Member Sims?

11 (No response.)

12 MR. RICHARDS: Okay. I'll move no to Member
13 Sralla.

14 MR. SRALLA: Hi. My name is Trey Sralla. I'm
15 a general manager and co-owner of Eddie Hill's Fun Cycles,
16 a motorcycle dealership in Wichita Falls, Texas. Been in
17 the motorcycle business for 29 years doing basically
18 everything in the business, and serve of the board of
19 directors of the Texas Motorcycle Dealers Association and
20 we're real active in Austin. And then in my other, I
21 guess, volunteer role I've served as a Wichita Falls ISD
22 Board trustee for 12 years, including being president for
23 a couple of years.

24 And happy to be here, thank you very much, and
25 I'll be happy to serve in any role necessary.

1 MR. RICHARDS: Wonderful. Thank you very much,
2 and welcome.

3 I'm going to move on to Member Stark.

4 MR. STARK: Hello. Scott Stark. I've been in
5 the retail industry for 34 years, 26 of those right here
6 in Central Texas. I'm currently the president and owner
7 of the South Point Automotive Group.

8 I am the past national dealer council chairman
9 for Honda Motor of America, also the regional dealer
10 council chair. I currently sit as the executive chairman
11 of the board for Honda Help on Wheels, which is a
12 501(c)(3) that funds pediatric oncology research, and I'm
13 also a board member of the Austin Auto Dealer executive
14 board.

15 It is an honor to be here, feel privileged to
16 serve at this particular point. As has been stated
17 before, until I get some experience in this forum, I would
18 decline to preside.

19 MR. RICHARDS: All right. Thank you, Member
20 Stark, and welcome.

21 I'm going to go back up. I'm told that Member
22 Murphy is on the call now.

23 Member Murphy, would you like to give us a
24 little bit of background and let us know whether or not
25 you'd like to serve as president officer of this advisory

1 committee. Thank you.

2 MR. MURPHY: I've been in the auto insurance
3 industry the past 22 years. Prior to that I was an
4 independent automobile dealer. I think you have some real
5 qualified people, and I'd like to get more experience
6 before volunteering to serve at that level. Thank you.

7 MR. RICHARDS: Thank you very much, Member
8 Murphy, and welcome to you as well.

9 Member Thomas, have you joined the call?

10 MS. THOMAS: Hi. I'm Kalien Thomas, and I am
11 the treasurer at Frontera Truck Parts and Equipment, which
12 is a heavy-duty salvage yard and independent dealer that
13 specializes in garbage trucks and parts.

14 I've been with the company since 2002, and I
15 also serve on the PDOR Used Auto Parts Recycling Advisory
16 Board, and at this time I would not like to serve as the
17 presiding officer.

18 MR. RICHARDS: All right. Thank you very much,
19 Member Thomas. We appreciate your service and willingness
20 to volunteer.

21 Member Vitala? Member Vitala, have you joined
22 the call?

23 (No response.)

24 MR. RICHARDS: All right. I'm going to move
25 on. How about finally Member Zak?

1 MR. ZAK: Yes, Greg Zak. I am an independent
2 dealer here in Houston; I have been for 25 years. I'm
3 past president of the Texas Independent Automobile Dealers
4 Association, currently serving on a legislative committee
5 for the National Independent Automobile Dealers
6 Association, and my plate is pretty full at this time, a
7 lot of commitments, so I'm happy to serve on the
8 committee, but I will pass at this point in time as a
9 presiding officer. Thank you.

10 MR. RICHARDS: Thank you very much, Member Zak,
11 and welcome to you as well.

12 Members, at this time we're going to take,
13 let's say maybe a five-minute break, recess. We'd like
14 for you to decide whether or not you'd like to volunteer
15 your name as the presiding officer or decide who you would
16 like to nominate, and once we come back on the record in
17 five minutes, we'll take up the agenda and continue moving
18 forward until adjournment.

19 To the IT Department, we're going to go on a
20 five-minute break, and we'll come back on the record --
21 let's see, what time is it here, I've got 9:32. Let's
22 come back on the record at 9:37. Thank you.

23 (Whereupon, a brief recess was taken.)

24 MR. RICHARDS: For the record, this is David
25 Richards again. We're back on the record, members. We're

1 on agenda item 2.B.

2 Just for the record, MVIRAC will use Robert's
3 Rules for conducting these meetings, to take any action
4 you just first raise your hand or ask the presiding
5 officer -- which is me at the moment -- for the right to
6 speak on the matter.

7 Once I grant you the floor and/or the right to
8 speak, you must make a motion and another person must
9 second the motion. To make a motion to name someone to be
10 the presiding officer, the motion could be, for example:
11 I make a motion to name John Smith to be the MVIRAC
12 presiding officer. You can even make a motion to name
13 yourself as the presiding officer. To second a motion, a
14 different member should say, Second, or I second that
15 motion. A person obviously cannot second their own
16 motion.

17 So at this time would anyone like to make a
18 motion to name someone to be the MVIRAC presiding officer?

19 MR. MARTIN: Officer Richards, this is Jeff
20 Martin.

21 MR. RICHARDS: You have the floor.

22 MR. MARTIN: I move we nominate David
23 Blassingame as the presiding officer.

24 MR. RICHARDS: Member Martin has made a motion
25 to nominate David Blassingame to serve as presiding

1 officer for the MVIRAC advisory committee. Is there a
2 second?

3 MR. DORAN: This is Member Doran. I second
4 that motion.

5 MR. RICHARDS: Member Doran seconds Mr.
6 Martin's motion to name David Blassingame as presiding
7 officer. Any further discussion?

8 (No response.).

9 MR. RICHARDS: Hearing none, I'm going to go
10 down the list of members. Please indicate if you're in
11 support of the motion to name David Blassingame as
12 presiding officer by saying yes -- state your name for the
13 record and then say yes or no.

14 I'll start with Member Blassingame. Willing to
15 serve?

16 MR. BLASSINGAME: Yes.

17 MR. RICHARDS: Thank you.

18 Member Bradburn?

19 MR. BRADBURN: Mike Bradburn, yes for him.

20 MR. RICHARDS: Thank you.

21 Member Brown I don't think is here.

22 Member Donnelly?

23 MR. DONNELLY: Chris Donnelly, yes.

24 MR. RICHARDS: Thank you.

25 Member Doran?

1 MR. DORAN: Laird Doran, and yes, I support the
2 motion.

3 MR. RICHARDS: Thank you, sir.
4 Member Edwards I believe is not here.
5 Member Ferguson?

6 MR. FERGUSON: Buddy Ferguson, yes.

7 MR. RICHARDS: Thank you, Member Ferguson.
8 Member Greenlaw is not here.
9 Member Hayter?

10 MR. HAYTER: Russell Hayter, yes.

11 MR. RICHARDS: Thank you, sir.
12 Member Martin?

13 MR. MARTIN: Member Martin, yes.

14 MR. RICHARDS: Member Murphy?
15 MR. MURPHY: Member Murphy, yes.

16 MR. RICHARDS: Great. Thank you.
17 Member Prather?

18 MR. PRATHER: Steve Prather, yes.

19 MR. RICHARDS: Thank you, Member.
20 Member Sims has not joined us.
21 Member Sralla?

22 MR. SRALLA: Trey Sralla, yes.

23 MR. RICHARDS: Thank you, Member Sralla.
24 Member Stark?
25 MR. STARK: Scott Stark, yes.

1 MR. RICHARDS: Thank you, sir.

2 Member Thomas?

3 MS. THOMAS: Kalien Thomas, yes.

4 MR. RICHARDS: Thank you.

5 Member Vitela?

6 (No response.)

7 MR. RICHARDS: Member Zak?

8 MR. ZAK: Yes, I support.

9 MR. RICHARDS: I have 13 votes in favor of
10 David Blassingame serving as presiding officer, no
11 negative votes.

12 Member Blassingame, thank you very much for
13 wanting to serve and congratulations. You will be our
14 presiding officer going forward after this meeting.

15 I'm going to go to the next agenda item,
16 another housekeeping matter, before we get into the real
17 substance of today's meeting.

18 Agenda item 2.C is nomination and selection of
19 the first vice chair. This individual will act as the
20 presiding officer when the presiding officer is not
21 available and will make presentations to the board.

22 At this time do any of the members want to make
23 a motion to name someone to be the first vice chair?

24 MR. MARTIN: Member Richards, this is Jeff
25 Martin.

1 MR. RICHARDS: Yes, sir.

2 MR. MARTIN: I move that we nominate Scott
3 Stark as the first vice chair.

4 MR. RICHARDS: Okay. Member Martin has
5 nominated Scott Stark to serve as the first vice chair for
6 the MVIRAC. Is there a second?

7 MR. BLASSINGAME: I second.

8 MR. RICHARDS: And you are who?

9 MR. BLASSINGAME: Sorry. Member Blassingame.

10 MR. RICHARDS: Member Blassingame seconds the
11 Martin motion to name Scott Stark as first vice chair.
12 Any further discussion?

13 (No response.)

14 MR. RICHARDS: Hearing none, I'm going to go
15 through the list. Again, same procedure, if you're in
16 favor of the motion to name Scott Stark as first vice
17 chair, please say yes; if not, say no.

18 Member Blassingame?

19 MR. BLASSINGAME: Yes.

20 MR. RICHARDS: Member Bradburn?

21 MR. BRADBURN: Yes.

22 MR. RICHARDS: Thank you.

23 Member Brown is not here, I believe.

24 MR. BROWN: Member Richards?

25 MR. RICHARDS: Yes.

1 MR. BROWN: This is Mark Brown. I could not
2 get my phone to work. and I have been on the meeting the
3 whole time and I apologize. I was communicating with your
4 staff, and I am now live on here.

5 MR. RICHARDS: Wonderful. And how would you
6 vote?

7 MR. BROWN: I apologize.

8 MR. RICHARDS: Oh, you're fine, no worries.

9 MR. BROWN: I would vote for, yes, sir.

10 MR. RICHARDS: Okay. Well, thank you very
11 much, Member Brown. We welcome your presence on the
12 committee and your expertise.

13 Member Donnelly?

14 MR. DONNELLY: Chris Donnelly, yes.

15 MR. RICHARDS: Member Doran?

16 MR. DORAN: Laird Doran. I support the motion,
17 yes.

18 MR. RICHARDS: Member Edwards is not with us.

19 Member Ferguson?

20 MR. FERGUSON: Buddy Ferguson, yes.

21 MR. RICHARDS: Thank you, Member Ferguson.

22 Member Greenlaw is not here.

23 Member Hayter?

24 MR. HAYTER: Russell Hayter, yes.

25 MR. RICHARDS: Thank you, sir.

1 Member Martin?

2 MR. MARTIN: Jeff Martin, yes.

3 MR. RICHARDS: Member Murphy?

4 MR. MURPHY: Yes.

5 MR. RICHARDS: Thank you.

6 Member Prather?

7 MR. PRATHER: Steve Prather, yes.

8 MR. RICHARDS: Member Sims is not with us, I
9 believe.

10 Member Sralla?

11 MR. SRALLA: Trey Sralla, yes.

12 MR. RICHARDS: Thank you.

13 Member Stark?

14 MR. STARK: Scott Stark, yes.

15 MR. RICHARDS: Thank you.

16 Member Thomas?

17 MS. THOMAS: Kalien Thomas, yes.

18 MR. RICHARDS: Member Vitela?

19 (No response.)

20 MR. RICHARDS: Member Zak?

21 MR. ZAK: Greg Zak, yes.

22 MR. RICHARDS: All right. Let the record
23 reflect that I count 13 votes in favor of Scott Stark as
24 serving as first vice chair.

25 Member Stark, congratulations. You will now

1 serve in that capacity, and we appreciate your willingness
2 to do so.

3 Moving on to the next agenda item, 2.D.
4 Nominations and selection for a second vice chair. This
5 person will act as presiding officer when both the
6 presiding officer and the first chair are not available
7 and to gather and organize presentations to the board.

8 How about a motion to name someone to be second
9 vice chair?

10 MR. MARTIN: Member Richards?

11 MR. RICHARDS: Yes.

12 MR. MARTIN: Jeff Martin, and I nominate Trey
13 Sralla as the second vice chair.

14 MR. RICHARDS: A motion has been made by Member
15 Martin to nominate Trey Sralla as the second vice chair
16 for the MVIRAC. Do I have a second?

17 MR. DORAN: Member Richards, this is Laird
18 Doran. I second the motion.

19 MR. RICHARDS: Member Doran seconds the motion
20 to nominate or select Trey Sralla as the second vice chair
21 for MVIRAC. Any further discussion?

22 (No response.)

23 MR. RICHARDS: Hearing none, I'm going to go
24 ahead and roll call again. We have a motion on the floor
25 to nominate Trey Sralla as the second vice chair and a

1 second.

2 Member Blassingame, do you vote yes or no?

3 MR. BLASSINGAME: Yes.

4 MR. RICHARDS: Thank you.

5 Member Bradburn?

6 MR. BRADBURN: Yes.

7 MR. RICHARDS: Thank you.

8 Member Brown?

9 MR. BROWN: Yes.

10 MR. RICHARDS: Thank you, sir.

11 Member Donnelly?

12 MR. DONNELLY: Yes.

13 MR. RICHARDS: Thank you.

14 Member Doran?

15 MR. DORAN: Yes.

16 MR. RICHARDS: Thank you.

17 Member Edwards?

18 (No response.)

19 MR. RICHARDS: Member Ferguson?

20 MR. FERGUSON: Buddy Ferguson, yes.

21 MR. RICHARDS: Thank you, sir.

22 Member Greenlaw is not with us.

23 Member Hayter?

24 MR. HAYTER: Yes.

25 MR. RICHARDS: Thank you, sir.

1 Member Martin?

2 MR. MARTIN: Yes.

3 MR. RICHARDS: Member Murphy?

4 MR. MURPHY: Yes.

5 MR. RICHARDS: Thank you, sir.

6 Member Prather?

7 MR. PRATHER: Steve Prather, yes.

8 MR. RICHARDS: Thank you, sir.

9 Member Sims? Not with us.

10 Member Sralla?

11 MR. SRALLA: Yes.

12 MR. RICHARDS: Thank you, sir.

13 Member Stark?

14 MR. STARK: Scott Stark, yes.

15 MR. RICHARDS: Member Thomas?

16 MS. THOMAS: Kalien Thomas, yes.

17 MR. RICHARDS: Thank you.

18 Member Vitela is not with us.

19 Member Zak?

20 MR. ZAK: Greg Zak, yes.

21 MR. RICHARDS: All right. Members, I count 13

22 votes -- or actually 14 votes for the selection of Trey
23 Sralla as second vice chair.

24 Member Sralla, congratulations, and thank you
25 for your willingness to serve.

1 At this time we're going to move on to agenda
2 item 2.E, which are advisory committee recommendations to
3 the board or to the department. I'm going to turn this
4 particular item over to the TxDMV general counsel, Tracey
5 Beaver, to address this particular item, and then I'll
6 pick up after that.

7 Ms. Beaver.

8 MS. BEAVER: Thank you.

9 Tracey Beaver, general counsel, for the record.

10 I wanted to let our members know that our
11 administrative rule does allow the committee members to
12 make presentations to the TxDMV Board if requested.

13 At this time the committee will be considering
14 HB 3927 implementation by rule, and this rule project is
15 one that will go before the board at proposal stage, so
16 all your deliberation and discussion at the meetings, both
17 this week and next week, will be considered in the
18 drafting of the rule proposal implementing this House
19 bill.

20 If the committee does decide at the next
21 meeting that there is a recommendation you'd like to make
22 to the board, at that time we could also discuss whether
23 the presiding officer or first or second vice chair would
24 like to present before the board in making that
25 recommendation.

1 At this time the committee will be deliberating
2 and considering information for the department to include
3 in the rule proposal. After the rule proposal goes before
4 the board, there is also an additional comment period, and
5 then after that comment period for the public, then the
6 rule goes before the board again at adoption. So there
7 will be lots of opportunity for input.

8 Thank you. Back to you, David.

9 MR. RICHARDS: Thank you, Tracey.

10 Members, we're going to move on to agenda item
11 2.F. Implementation plan for advisory committee
12 recommendations regarding House Bill 3927.

13 I will now turn the meeting over to three
14 individuals within the department, division directors of
15 the TxDMV: Roland Luna, Sr., director of the TxDMV
16 Vehicle Titles and Registration Division; Corrie Thompson,
17 director of the Enforcement Division; and also Monique
18 Johnston, director of the Motor Vehicle Division, to lead
19 a discussion on the following items: i. Overview and
20 history of temporary tags; ii. Implementation of House
21 Bill 3927 involving tag denial and maximum tag limits.

22 So Roland, I don't know if you're first, but I
23 will mute my phone and let one of you take over from here.

24 Thank you.

25 MS. JOHNSTON: Thank you, David.

1 Hi, everyone. Good morning. My name is
2 Monique Johnston. I am the director of the Motor Vehicle
3 Division here at the TxDMV, and before we get into any
4 discussion about House Bill 3927, I'm going to provide an
5 overview of the various temporary tags and temporary or
6 timed permits that can be issued through the TxDMV.

7 So hopefully this overview will provide a
8 little more clarification of the differences and the types
9 of tags and permits that are issued and that are out there
10 on the road.

11 So we're going to start with the temporary
12 tags. These are the tags that we will be discussing with
13 HB 3927 about setting limits on, so the first tag is
14 probably the most familiar to people, which are the
15 buyer's tags.

16 The buyer's tag is issued with retail sale.
17 The dealer must enter a vehicle and buyer's information
18 into our eTAG system. The system then assigns a
19 vehicle-specific number to the transaction, which can be
20 printed out in the form of a temporary registration tag.

21 This tag must be displayed and properly secured
22 in the rear plate holder. If the tag is stolen or lost, a
23 replacement is reprinted with the original expiration
24 date. This tag is only good for 60 calendar days and only
25 one tag is allowed per VIN or buyer.

1 The second type of temporary tag, the dealer
2 agent and converter tag, these tags contain
3 vehicle-specific information or agent-specific
4 information.

5 The uses are for vehicle demonstration, transit
6 from dealer to dealer, auction, reconditioning, and they
7 may be used on a loaner to a customer while a vehicle is
8 being repaired. They cannot be used by a dealership for
9 personal use; they're valid for one to 60 calendar days.
10 More than one tag may be issued to any agent, but only one
11 tag may be assigned to any specific vehicle at a time, and
12 title must be in the name of assigned dealership.

13 These materials are also available to you in
14 the committee packet if you would like to follow along.
15 It also provides you with additional information about
16 each tag and samples of what some of the tags look like.

17 The net tag would be the internet-down tags.
18 If the webDEALER system is unavailable at the time of the
19 retail sale, a dealer must use an internet-down tag and
20 provide a buyer receipt.

21 Tags and receipts are preprinted by the dealer
22 with the assigned number. Buyer and vehicle information
23 is handwritten by the dealer. The dealer is required to
24 enter all of the information into the webDEALER system
25 within 24 hours of resuming internet service.

1 If a tag is lost or stolen, replacement is
2 reprinted with the original expiration date. Internet-
3 down tags are also valid for 60 calendar days after the
4 date of purchase.

5 Going on to temporary permits, or what also are
6 called time-issued permits, the department issues timed
7 permits for private or commercial vehicles subject to
8 Texas registration laws that are not authorized to travel
9 on Texas highways due to lack of registration or lack of
10 reciprocity with the state or country in which the vehicle
11 is registered.

12 The first permit we'll talk about is the 72-
13 and 144-hour permits. These are issued for moving of a
14 laden truck, truck-tractor, trailer, semi-trailer, or
15 motor bus on the highways of Texas. These permits may be
16 only issued to commercial vehicles and buses owned by
17 residents of the United States, Mexico or Canada.

18 These permits may be used to operate an
19 unregistered vehicle or bus in Texas, engage in intrastate
20 operations in Texas with out-of-state licensed commercial
21 vehicles. These permits may not be issued to any vehicle
22 that has been issued a salvage or non-repairable
23 certificate of title or any vehicle that has been
24 apprehended.

25 The next timed or temporary permit is a

1 one-trip permit. This is issued for the temporary
2 movement of an unladen vehicle subject to Texas
3 registration laws. A one-trip permit is valid for a
4 period of 15 days from the effective date. This permit is
5 valid for one trip only between the point of origin and
6 the point of destination and the intermediate point as
7 shown on the receipt.

8 Some examples of what this may be issued for is
9 a bus for the transit of the vehicle only, a charter bus
10 from another state or country that may be carrying
11 property or passengers, a private bus that may be carrying
12 property or passengers, a passenger car.

13 And it may not be issued for manufactured
14 housing, a charter bus based in Texas that's transporting
15 passengers, boat trailer that is carrying a boat, or
16 junked or salvage or non-repairable vehicle, or a trip
17 that originates and terminates outside of Texas.

18 The next temporary permit is the 30-day permit.
19 This permit is issued for the temporary movement of a
20 vehicle subject to Texas registration laws. A 30-day
21 permit is valid for a period of 30 days from the effective
22 date reflected on the permit. No more than three 30-day
23 permits will be issued per vehicle.

24 This permit is available for passenger
25 vehicles, motorcycles, private buses, trailers, semi-

1 trailers with a gross weight not exceeding 10,000 pounds.

2 It's also available for light commercial vehicles not
3 exceeding a gross weight of 10,000 pounds, and commercial
4 vehicles that would exceed a gross weight of 10,000 are
5 eligible if operating unladen.

6 The last temporary permit we're going to
7 discuss is the vehicle transit permit. If a consumer buys
8 a car or light truck and the seller keeps the Texas
9 license plate, the vehicle transit permit allows the
10 consumer to legally drive the vehicle home or to the local
11 county tax office.

12 Only one vehicle transit permit may be issued
13 per vehicle, only passenger vehicles and light trucks are
14 eligible for this, and the vehicle transit permit is valid
15 for five days maximum from the date of issuance. The
16 start date is the date that this permit is printed.

17 So that's a brief overview of the different
18 types of temporary tags and permits that are issued
19 through the TxDMV. Again, this is in your materials, and
20 the descriptions are available in your E-book, and if you
21 have any questions, I'll open up the floor now.

22 (No response.)

23 MS. JOHNSTON: If there are no questions, I
24 will pass along the discussion item to the director of our
25 Vehicle Titles and Registration Division, Roland Luna.

1 MR. LUNA: Good morning, committee members.
2 Welcome to the Motor Vehicle Industry Regulation Advisory
3 Committee. My name is Roland Luna and I'm the director of
4 the Vehicle Titles and Registration Division. Today the
5 Vehicle Titles and Registration Division, VTR, will be
6 providing some information on enhancements.

7 For more than ten years the Texas Department of
8 Motor Vehicles has worked diligently to identify ways to
9 implement enhancements to temporary tags and other timed
10 permits. We have several members of the VTR management
11 team that will discuss a timeline of security enhancements
12 to various permits.

13 We ask committee members to allow VTR staff to
14 work through the presentation, and then we'll answer all
15 of your questions at the end of the presentation. You can
16 also find the document on page 10 of your committee packet
17 if you'd like to follow along.

18 And at this time I'll turn it over to our
19 section director of Registration Services, Mr. Stefan
20 Krisch.

21 Stefan.

22 MR. KRISCH: Good morning. Thank you, Roland.
23 Stefan Krisch, director of Registration Services Section.
24 Good morning, committee.

25 We're here to talk about kind of the timeline

1 of the enhancements and what we've done with the eTAG
2 system. So this starts in October of 2008 when eTAG was
3 launched for buyer tags. Prior to eTAGS, temporary
4 permits were printed on cardboard stock and provided by
5 dealers or at the county tax assessor-collectors' offices,
6 depending on what permit and its use. There was no
7 statewide tracking mechanism for these permits.

8 Then in October 2010 we incorporated permits
9 into RTS, the Registration and Title System. This allowed
10 counties and regional service personnel to enter those
11 into the database and have permanent tracking for those
12 permanent records.

13 In September of '14 we launched what we call
14 webPERMITS. This allowed customers to go online and apply
15 for those timed permits. It didn't affect the dealerships
16 at this point. We also limited the number of temporary
17 permits and reprints to three.

18 In June of 2016 we restricted the issuance of
19 the 30-day permits for a vehicle with an existing Texas
20 record. Prior to this you didn't need a Texas record, you
21 could have an out-of-state titled and you could still get
22 a Texas permit. We made this change to help prevent bad
23 actors from circumventing their state's registration laws
24 or other use for illegal activity.

25 In May of 2018 we launched new security

1 features that were added to the temporary permits that
2 were printed out. This included a bar code which includes
3 information on the tag to include vehicle-specific
4 information, issue and expiration dates, duration, and
5 issuing entity to allow law enforcement to validate the
6 information on the tag to help identify altered tag
7 information. The other features, the hologram state seal
8 and Bezier curves, are there to help prevent fraudulent
9 copying.

10 In June of 2018, we actually took down the
11 30-day and one-trip permits from the permit. What we
12 identified is that they were still being misused by the
13 public, out of state, and so by taking them offline, it
14 forced those customers back into the county or TxDMV
15 regional service center to help prevent fraud.

16 In December 2018, we implemented the ability
17 for law enforcement to query the temporary permits in
18 MVINet and TLETS. We were able to also capture the IP
19 address, the internet protocol address, for purchases that
20 were made on the website.

21 This allows for tracking and investigation if
22 there's a known misuse of the tag. We also implemented
23 that for a one-trip permit they had to be used within or
24 the destination had to be in Texas. Prior to this you
25 could actually apply for a one-trip permit and move from

1 Louisiana to Oklahoma, never passing through Texas.

2 In August 2019, we actually submitted for an
3 interim examination of our authority as we continued to
4 pursue ways to restrict misuse of temporary tags.

5 In September 2019, at the request of law
6 enforcement, we added vehicle color to the information
7 that was required to be collected for temporary permits.
8 We also limited the effective date from one year of the
9 date of issuance for 72- and 144-hour permits.

10 Oftentimes the commercial motor vehicle will
11 schedule these in advance because they know their trips
12 are coming up in the future, so we need to be able to
13 allow these to be issued in the future but this prevents
14 them from going more than one year.

15 MR. LUNA: Stefan?

16 MR. KRISCH: Yes, sir.

17 MR. LUNA: Roland Luna, director of Vehicle
18 Titles and Registration.

19 Can we talk a little bit about -- before we
20 move on, before we proceed, could we explain to the
21 committee what TLETS is, the Texas Law Enforcement
22 Telecommunications System?

23 I know we have some law enforcement members
24 that are familiar with that, but could we explain what
25 that is, and then also what MVINet is. That's an internal

1 system within the department. Can we explain? I'm happy
2 to explain the TLETS if you would like me to, or if you
3 would like to handle both.

4 MR. KRISCH: Yes, sir. Thank you. I'll take
5 that.

6 So MVINet is, as Roland said, an internal
7 system that allows for querying motor vehicle information
8 by authorized parties. We have a vetting process. You
9 apply to gain access to that system, and then it contains
10 relevant information on a motor vehicle record. It's not
11 available to the general public.

12 TLETS, which stands for the Texas Law
13 Enforcement Telecommunications System, is a system that's
14 integrated with law enforcement that allows them to also
15 query that information from a motor vehicle record that
16 they can do roadside from their computer systems in the
17 vehicles.

18 MR. LUNA: And, Stefan, if I could add one more
19 thing. Roland Luna, VTR Division director.

20 The MVINet system that we have internally
21 within the department interfaces directly with the TLETS
22 system that law enforcement uses to run license plates and
23 driver's license and all other types of queries for
24 information that's contained within the TLETS system.

25 So the MVINet system that we have interfaces

1 with TLETS so when an officer is running a license plate
2 through TLETS, it's connecting to MVINet to pull
3 registration information for a particular vehicle.

4 Back to you, Stefan.

5 MR. KRISCH: Okay. Thank you.

6 In December of 2019, we added a feature to RTS
7 and webDEALER so that the dealer license number was
8 validated. This made sure that buyer's tags weren't being
9 issued by dealerships that no longer had a valid license.

10 We also implemented a system that's called
11 ReCAPTCHA that's intended to distinguish human and machine
12 input. You're all familiar with this when you go on to a
13 website and you have to pick the various pictures,
14 pictures of bridges. That is a ReCAPTCHA system, and it
15 just helps to make sure that the person that's applying
16 for that permit is actually a human being and it's not
17 being done by "robotic" applications.

18 In February of '21, the TxDMV Board recommended
19 to the 87th Legislature that they grant TxDMV rulemaking
20 authority to establish a limit on the total number of
21 temporary tags that a dealer may issue and allow a dealer
22 to make a request of the department to issue additional
23 tags. That is the purpose that we're here today to
24 discuss.

25 And then finally, in June of 2021, as a direct

1 result of input from law enforcement, we included the
2 ability to query in MVINet and TLETS -- that was just
3 described -- the ability to see the seller name, the DBA
4 if it exists for the dealer, their license number, the
5 dealer address, and on eTAGs we also allow them to see any
6 expired and voided eTAGs. Prior to this that information
7 was not available.

8 And with that, I will pass it over to Lisa
9 Resendez to talk about future enhancements.

10 MS. RESENDEZ: Good morning. This is Lisa
11 Resendez, section director of Auto Services Section. I'm
12 going to go over the future enhancements being considered.

13 Require validation of the applicant and
14 dealer's driver's license or identification card through
15 the Department of Public Safety database prior to a tag
16 being issued. This enhancement would require the
17 validation of the applicant and dealer's driver's license
18 or identification card by the Department of Public Safety,
19 and the purpose of the validation would be to ensure the
20 individuals involved in the transaction are not
21 fraudulent.

22 The implementation of House Bill 3927 passed
23 during the 87th Legislative Session, to set criteria and
24 process by rule to establish a maximum number of temporary
25 tags that a dealer or converter may obtain in a calendar

1 year, and the denial of access to database for
2 fraudulently obtaining temporary tags.

3 And in order to implement House Bill 3927, the
4 program is required to establish the maximum number of
5 temporary tags a dealer or a converter may obtain and to
6 facilitate denial of access when fraud occurs. The
7 Enforcement and Motor Vehicle divisions will provide
8 greater detail on these aspects of the bill shortly.

9 To update the process of printing an agent tag
10 by restricting who can be an agent in the system and
11 limiting the number of agent tags that can be requested,
12 associating an agent tag to a vehicle, and updating the
13 design of an agent tag. Currently agent tags are issued
14 to an agent of a dealership, and the tags are not
15 associated to a vehicle.

16 The dealer agent can place the tag on a vehicle
17 they operate as a result and law enforcement is unable to
18 verify whether the tag belongs on a specific vehicle. The
19 enhancement being considered is to validate the identity
20 of the agent in the system and then provide the agent the
21 ability to associate the tag with the vehicle being
22 driven.

23 In the internet-down tag process, the dealer
24 will log into the system and print the agent's tag in
25 advance. The agent tag would associate the preprinted tag

1 number into the system to a vehicle once they would tell
2 it which vehicle they would be operating. This would
3 allow law enforcement to see the tag and associate the
4 vehicle and the them to the tag. Law enforcement would
5 also be able to query the record and know that it is an
6 agent tag that has not been assigned to a vehicle.

7 We will continue to develop these potential
8 enhancements and validate additional enhancements to
9 combat fraud.

10 That concludes my portion of the enhancements
11 presentation.

12 MR. LUNA: Roland Luna, VTR director.

13 As you can see, members, there's been a number
14 of enhancements and improvements over the last few years,
15 more than ten years, to combat fraud and improve systems
16 and have enhancements to our processes. At this time we
17 want to take any questions that you may have about this
18 portion of the presentation before I hand it over to the
19 director of Enforcement, Corrie Thompson.

20 MR. DORAN: This is Member Doran. I have a
21 question related to HB 3927.

22 Is the legislature's instruction to DMV to come
23 up with a way to limit tags for all of these different
24 categories of tags or just certain specific categories
25 that have the highest propensity to be used in the

1 commission of crimes?

2 MS. THOMPSON: Corrie Thompson, director of
3 Enforcement.

4 So, Member Doran, I believe the language in
5 statute is not specific to a particular tag type. It is
6 directing the department to deny access to tag database
7 under certain identifiable instances which I will go over
8 momentarily. It's not specific to an one particular tag,
9 though, to answer your question.

10 And it does look like we have several other
11 members with hands up as well. I see it looks like Member
12 Bradbury's hand was first, and then I believe Member
13 Martin's hand is also up, and then several of the call-in
14 members.

15 MR. DORAN: Thank you.

16 MR. RICHARDS: Let's see. Member Bradburn,
17 would you like to comment first?

18 MR. BRADBURN: I had one question on the future
19 enhancements being considered. With the validation of the
20 driver's license, has the thought of indigo fingerprint
21 ID'ing an applicant as well at the beginning been
22 considered?

23 MR. THOMPSON: Good morning. Clint Thompson,
24 deputy director for the Vehicle Titles and Registration
25 Division.

1 Member Bradburn, I'll tell you that we're at
2 the early stages of evaluating what that ID verification
3 looks like. We have not confined ourselves to one
4 specific avenue. This is certainly something that we will
5 continue to work on and leverage various applications and
6 technology to ensure that we are able to accurately
7 validate folks' identity when they are being issued these
8 tags.

9 MR. BRADBURN: Thank you, sir.

10 MR. RICHARDS: Why don't we move on to Member
11 Martin. Do you have a question or a comment you'd like to
12 make, Member Martin?

13 MR. MARTIN: Yes, thank you. Jeff Martin, for
14 the record.

15 So Director Luna, I know these are fairly new
16 enhancements, but has there been any evidence that any of
17 the enhancements that were just referred to -- have any of
18 those been effective?

19 MR. LUNA: Roland Luna, VTR director.

20 Thanks for the question, Jeff. Absolutely they
21 have been. Most notably our most recent enhancement in
22 June of 2021 -- as I explained earlier how our internal
23 system, the MVINet system interfaces with TLETS -- what
24 this system allows is it affords officers on the side of
25 the road now a temporary tag that is queried through the

1 TLETS system that interfaces with MVINet.

2 So at the time that an officer runs that
3 temporary tag, they can determine the legitimacy, the
4 validity of the temporary tag. And from an officer safety
5 standpoint, knowing the buyer and seller information and
6 knowing whether or not the tag is legitimate is extremely
7 useful information for those officers on the side of the
8 road.

9 I know that we worked very closely with the law
10 enforcement community during the development of this, as
11 well as getting feedback from them, and then pushing out a
12 number of communications to the law enforcement community
13 letting them know about this.

14 The other security enhancements that we had,
15 updating the scheme and the design of the temporary tag,
16 those things have been very useful to combat fraud for
17 duplication. There's been a number of benefits from each
18 one of our enhancements, but our most recent deployment
19 with the MVINet enhancement to TLETS, that has been a huge
20 one for the department.

21 MR. RICHARDS: Member Martin, does that answer
22 your question?

23 MR. MARTIN: Yes. Thank you.

24 MR. RICHARDS: Thank you.

25 Next let's see, Member Prather has his hand up.

1 Would you like to make a comment or ask a question?

2 MR. PRATHER: Yes, I would. Thank you.

3 You know, in your investigation of these bad
4 actors, as we might call them, have y'all found who, what,
5 where, why, and how these tags are being abused, you know,
6 by whom, by what kind of percentage?

7 I know you've got to make rules for people to
8 live by and operate by, but sometimes people make rules
9 that affect everybody and there's only a few violators.
10 Is this widespread or is this a narrowly defined group of
11 people that are abusing this deal?

12 MS. THOMPSON: Member Prather.

13 And David Richards, this is Corrie Thompson,
14 director of the Enforcement Division. If I may have the
15 floor?

16 MR. RICHARDS: Absolutely. Go ahead.

17 MS. THOMPSON: Member Prather, to answer that
18 question, there are two specific items that we are
19 directed to implement after this past legislative session
20 per House Bill 3729 that we plan to implement through some
21 rulemaking that will be discussed in the final portion of
22 this last agenda item.

23 So there's different ways that these temporary
24 tags can be abused, and I do want to distinguish temporary
25 tags from the permits that were discussed by the Motor

1 Vehicle Division director, so I can go into that a little
2 bit more in a moment.

3 But the things that were authorized by House
4 Bill 3927 in terms of changes speak directly to tags that
5 are issued by the dealer, so licensed dealers in the
6 system who have accounts and the different types of tags
7 that they are able to issue.

8 So when we're talking about those tags, we're
9 talking about the buyer's tags that you get after the sale
10 of a vehicle, dealer agent tags, and dealer vehicle-
11 specific tags, and they're also able to issue internet-
12 down tags.

13 And so what the legislature has done is let us
14 directly affect the misuse of those tags, because we can
15 see misuse in our system and we have different ways to
16 confirm that our suspicions about tags being misused are
17 correct. We can validate that with sales and various
18 other things to confirm that these tags should not have
19 been issued.

20 Again, that's something I can go into detail in
21 the next item, but specifically when we're talking about
22 dealers and what we're affecting today, we're talking
23 about those tags, access to those tags, and setting limits
24 on the issuance on those number of tags. We're not -- and
25 this might clarify for Member Doran as well -- we're not

1 talking about the issuance of permits.

2 The permits have been enhanced -- as the time
3 line that was gone over by Registration Director Stefan
4 Kirsch, the permits have been affected and enhanced over
5 the last couple of years due to some things that we did
6 see with misuse concerning those permits.

7 So in response to that, as we went over permits
8 for 30-day issuance and one-trip permits were pulled off,
9 those can now only be accessed through your tax assessor-
10 collector office or through the DMV regional service
11 center offices. And then we have those other remaining
12 timed permits for the 72-hour and the 144-hour that remain
13 up online.

14 So we are trying to only affect the areas where
15 we are seeing the misuse, so outside of this use that
16 we're talking about affecting today with our licensed
17 dealers, there's always going to be bad actors that are
18 counterfeiting tags as well, and so those types of issues
19 are outside of the discussion for today but were covered
20 in the time line discussion in terms of security features
21 and enhancements that have been added to the physical way
22 that the tags and the permits are identified.

23 MR. RICHARDS: Member Prather, did that answer
24 your question?

25 MR. PRATHER: Well, to a great extent, but you

1 know, I'm still kind of wondering, the bad actors that
2 y'all have seen in the past, what kind of enforcement or
3 penalties have they experienced.

4 MR. RICHARDS: Corrie, would you like to
5 address that?

6 MS. THOMPSON: Again, Corrie Thompson, director
7 of Enforcement.

8 I am planning to cover this in the next item.
9 If you'd like to get any additional questions, I will make
10 sure that I answer those for Member Prather when we get
11 into that discussion. I just want to make sure that I
12 don't confuse the issue with any other questions that may
13 exist about the time line.

14 MR. PRATHER: Thank you.

15 MR. RICHARDS: Thank you.

16 Let's continue down the list of those that have
17 their hands up.

18 Member Thomas, you have the floor if you'd like
19 to ask a question or make a comment.

20 MS. THOMAS: Yes. I was just wondering, on the
21 future enhancements being considered, when they're
22 discussing validation of the applicant or the dealer's
23 driver's license number or ID card number, would that be
24 the person actually applying online and issuing the tags
25 ID number or would that be the actual person that is going

1 to be operating that vehicle with that tag, their license
2 number?

3 MR. RICHARDS: Would one of our panel like to
4 address that?

5 MS. RESENDEZ: This is Lisa Resendez.

6 That would be the buyer's tag, so it would be
7 the person who would drive it.

8 MR. RICHARDS: Was everybody able to hear Ms.
9 Resendez? I really couldn't hear her.

10 Ms. Resendez, would you mind restating that?
11 We can't really hear you.

12 MR. RESENDEZ: Yes. I'm sorry. This is Lisa
13 Resendez, section director of Auto Services. That would
14 be the buyer's tag, the purchaser, to ensure that we do
15 not have any fraudulent buyers.

16 Did you hear that?

17 MR. RICHARDS: Ms. Thomas and members, were you
18 able to hear her answer?

19 MS. THOMAS: Yes. Thank you.

20 MR. RICHARDS: Okay. Great. Does that answer
21 your question?

22 MS. THOMAS: Yes, it did. Thank you.

23 MR. RICHARDS: Great. I'm going to continue
24 down the list. I see caller 11, Member Hayter. Do you
25 have a question or is your hand just up?

1 MR. HAYTER: I think that was just a mistake,
2 but since you did call on me, I would like to just offer a
3 comment.

4 MR. RICHARDS: Yes, sir, you have the floor.
5 Go ahead.

6 MR. HAYTER: You know, I was in the
7 investigating squadron on auto theft claims. Temporary
8 tags were one of the main things that were a red flag on
9 some of the investigations we handled and wound up being
10 problems.

11 Those were in the old days with the paper tags
12 that there was no record on. I think the whole situation
13 has gotten a lot better from what I've seen over the last
14 few years; however, continued vigilance is definitely in
15 order and I think this is a good idea.

16 Thank you.

17 MR. RICHARDS: Thank you, Member Hayter. We
18 appreciate your comment.

19 I also show a hand up for Member Brown. Do you
20 have a comment or question regarding this particular item?

21 MR. BROWN: No, sir.

22 MR. RICHARDS: Thank you.

23 And one more, actually two more. Member
24 Murphy, was that your hand up for something earlier?

25 MR. MURPHY: No, sir.

1 MR. RICHARDS: Do you have a comment or a
2 question on this agenda item?

3 MR. MURPHY: Not at this time.

4 MR. RICHARDS: Thank you, sir.

5 Okay. I show Member Bradburn. Would you like
6 to make a comment or have a question?

7 MR. BRADBURN: Yes, sir. This is for Member
8 Prather, just to answer him.

9 On the number of severity of tags that I'm
10 tracking that go from dealer to dealer, we're seeing
11 25,000-plus tags each week going into TLETS, so the
12 officer on the street does not know that's a legitimate
13 tag, it was actually illegally bought.

14 MR. PRATHER: You're saying illegally bought,
15 are you talking about a counterfeit tag or are you talking
16 about the licensed dealer issuing a tag to some non-
17 customer?

18 MR. BRADBURN: Member Bradburn.

19 The Cliff Notes version is they're getting
20 dealer licenses to sell the tags fraudulently, so then if
21 you get on Facebook, any kind of venue like that, you can
22 actually buy a tag from this dealer they created in the
23 system.

24 You can give a fake name or a fake VIN,
25 anything fake, and it goes in the system. And that's part

1 of the job I do, is we buy tags to identify who's selling
2 them, but they actually appear valid in the system.

3 MR. PRATHER: So you know by the number of tags
4 and the number of sales that these bad actors jump out
5 like a sore thumb. Right?

6 MR. BRADBURN: Yes, sir. When we were lobbying
7 to get this bill passed, all dealers make little mistakes,
8 that's not what the intent of this was for, as far as I'm
9 concerned.

10 But the dealers that go from license to
11 license, as fast as DMV shuts them down -- which takes
12 about three months on average -- they've already moved on
13 three or four times, and that's what the 3927 is going to
14 benefit, is to stop them so they just can't do that.

15 MR. PRATHER: Thank you.,

16 MR. RICHARDS: Members, are there any other
17 questions or comments at this time?

18 (No response.)

19 MR. RICHARDS: Hearing none, Corrie, I believe
20 you indicated you were going to take up the next item. Is
21 that correct, or am I out of order here?

22 MS. THOMPSON: That's correct.

23 I will be taking up the item to discuss the
24 additional authority the department was granted after this
25 past legislative session through House Bill 3729, which

1 includes the ability to deny dealers access to the
2 temporary tag database in certain instances, as well as to
3 allow the department to set limits on a calendar year
4 basis for the number of tags that licensees can issue, so
5 licensees that do have access to tags, how many they can
6 issue in a calendar year.

7 And so I'll be taking up the first part of that
8 discussion point which is the denial since, again, I work
9 in the Enforcement Division. I have a group of
10 investigators and attorneys who take in complaints from
11 law enforcement, from the public, from other agencies, and
12 for our purposes today, the pertinent complaints would
13 relate to temporary tags.

14 So we get complaints from outside of the
15 department, but we also do some proactive work internally
16 on our own to generate cases when we are looking into
17 people who may be potentially abusing the temporary tag
18 system. And so the ask for the legislature this past
19 session was to try to give us some authority where we
20 could combat this issue.

21 So yes, we've noted that there is a problem.
22 So you can go in and we can see that people have issued
23 thousands of -- let's use buyer's tags for an example.
24 Let's say in a month's time period there could be 10,000
25 tags issued.

1 Is anybody really selling cars in that time
2 frame? Not likely. We have different mechanisms within
3 the department, different reporting features, different
4 checks we can run with tax assessor-collector offices, to
5 see whether or not those are actual sales that the dealers
6 have reported.

7 And so what this bill does is allow us, when we
8 determine that tags may have been fraudulently obtained
9 from the system, to then institute a process that will
10 result in denial of that dealer's access to eTAG.

11 And so eTAG is a system that is available to
12 licensed dealers through webDEALER, both run by the
13 department; same login, they can get into the system, and
14 whenever they need to take certain action they issue
15 specific types of tags.

16 So we're talking about the buyer's tag if
17 they're talking about a vehicle sale, and so again,
18 there's different ways for us to investigate and prove up
19 whether or not those tags have been fraudulently obtained
20 from the system.

21 And as Member Bradburn mentioned, here we are
22 looking at affecting the true bad actors in the system.
23 Is it a case that a dealer may issue one too many buyer
24 tags on a sale? Yes. If that happens once, the
25 department's goal is to educate that dealer, get them into

1 compliance so that that issue doesn't happen again.

2 That would not be the type of instance that
3 we're speaking about when we're talking about cutting off
4 someone's ability to issue tags from the system.

5 We are talking about the true bad actors, those
6 people who may have gotten into the system, applied to be
7 a dealer, obtained a license, and really had no true
8 intention of actually make legitimate vehicle sales.

9 And to Member Bradburn's point, that is very
10 obvious within the department. And so what we're talking
11 about today is how we implement that ability for the
12 department to deny the access.

13 So again, we are talking only about the tags,
14 the buyer's tags, the dealer's tags. Internet-down tags,
15 which are preprinted tags that the dealers have a limited
16 number of so, there's not really thousands and thousands
17 of internet-down tags being fraudulently issued from the
18 system because there's already a control on that, it's a
19 preprinted number that dealers keep safe in a lockbox
20 until they need to use it in the instance that the
21 internet may be down.

22 What we're talking about here is establishing
23 what constitutes fraudulent issuance or fraudulently
24 obtaining these tags from the system. And so you do have
25 a document in your packet that speaks to this, and let me

1 see if I can reference the page number for you.

2 It is going to come right after the time line
3 and enhancement discussion. I don't see a page number on
4 there. It might be me being deficient, but it's a little
5 past midway through the packet. So you can read through
6 that at our leisure after the meeting.

7 Again, we'll be meeting again next week, so if
8 you have any questions about what I'm briefing you on,
9 then I'm more than happy to take up any questions at that
10 time too after you've had a chance to digest the
11 information.

12 But really what we're talking about here is
13 coming up with rule language that will go through the
14 regular rule process for rulemaking that all
15 administrative rules have to go through.

16 So for those of you who are less familiar with
17 that, the department will be coming up with rule language
18 that will then go to the board, we have to get approval to
19 post the proposed rule, and then there's a comment period
20 where people can comment on the rule language, give the
21 opportunity for the department to respond, and then we
22 take it back ultimately to another board meeting to see
23 about adopting the rule and making it become effective.

24 And so until that time the department cannot
25 act on this new authority until we've told everybody

1 here's the process that the department is going to use to
2 deny access to tags.

3 And so in terms of what constitutes
4 fraudulently obtaining tags from the system, we're looking
5 at things I've already mentioned here, so excessive number
6 of temporary tags relative to a dealer's reported sales;
7 also looking at things like vehicles sold that the dealer
8 does not have a record of them being in their inventory,
9 or allowing a fictitious user or a person who is using a
10 false identity to obtain dealer's access to the system to
11 issue those tags. So basically you're getting access,
12 selling it off to someone else, and then that person is
13 the bad actor issuing the tags that should have never made
14 it out into the world.

15 And so along with the process for denial and
16 establishing what constitutes fraudulently obtaining those
17 tags from the system, we are also talking about
18 implementing responsibilities that need to be placed on
19 dealers and converters when they agree to become a
20 licensee and are able to sell vehicles through the
21 department's license structure.

22 And we're talking about there making the dealer
23 or converter responsible for all of the use and access to
24 the applicable databases that they use, and so that
25 includes the eTAG database that they issue these paper

1 tags from; also being responsible for the acts of the sub-
2 users, so the dealers can get in and they can create sub-
3 users in the system, and those people are getting access
4 to the tags but they're getting it through the licensee,
5 and so we want to make it clear that it's the dealer's
6 responsibility to monitor the use by those people that
7 they intend to assign and even any unauthorized or unknown
8 users that might be accessing that dealer's account.

9 And so the way that we would like to make them
10 responsible for that is having dealers monitor their
11 temporary tag usage and make sure that they're maintaining
12 their account access appropriately by following different
13 password protocols, changing them regularly, just running
14 those reports, making sure that no excessive tags are
15 issued that they don't have the backup sales documentation
16 to support.

17 So when we get into the actual change, so
18 Member Bradburn mentioned that right now it takes the
19 department several months to be able to cut somebody off
20 from the temporary tag system, and that is correct.

21 So in administrative law we do an
22 investigation, we have findings supported by evidence, and
23 if the attorney gets that case with the findings supported
24 by evidence and they deem that there is enough to issue a
25 document alleging that bad acts have happened that are

1 sanctionable offenses, then they send out a notice
2 document, and for us it's called a Notice of Department
3 Decision.

4 A dealer has 26 days to respond to that
5 document to say, Hey, department, you're wrong, I didn't
6 do that; to settle the case with us; or to request a
7 hearing.

8 And if we don't hear from that dealer -- which
9 I do want to make clear when we're talking about these bad
10 actors issuing the excessive tags, most instance these
11 people are not responding to us, they're not checking
12 their mail, because they didn't intend to be dealers,
13 they're not responding to us.

14 So if that happens then what we do is we issue
15 a final order. The dealer again has a 25-day period to
16 reach back out to the department to request a rehearing
17 before that order becomes final.

18 If we get into somebody requesting a hearing,
19 it can go on even longer than that. Our cases go to the
20 State Office of Administrative Hearings to be heard by an
21 independent administrative law judge if they are appealed,
22 and cases that are heard at what is called SOAH, the State
23 Office of Administrative Hearings, those ultimately end up
24 being placed on a board meeting agenda for our board to
25 hear and then issue a final order. So the process can be

1 very drawn out if we do end up going through a hearing.

2 But in current state we are not able, as the
3 Department of Motor Vehicles, to cut off somebody's tag
4 issuance access during that entire administrative period.

5 So months and months, if not a year's worth of time,
6 could go by and somebody could still be issuing tens of
7 thousands of tags from the system on a daily basis.

8 Under current law, or under the law as it was
9 prior to this House bill passing, we could not cut off the
10 access until the license was revoked.

11 What this does is gives us the ability to
12 notice the problem earlier on in the administrative
13 process, send the dealer a notice saying, hey -- within
14 ten calendar days we would send this notice
15 electronically, by certified mail, by regular mail, we try
16 to reach out to people by any means we have in these
17 instances -- and we would say, We're planning to cut off
18 your access here, please respond to us within ten days.

19 If we do not get a response within that ten-day
20 time period, then that access is going to be cut off and
21 then it becomes something that can also be appealed to the
22 State Office of Administrative Hearings.

23 And so this kind of interjects like a little
24 special action in the middle of the administrative case.
25 While there may be other violations, if we see the need

1 that the access needs to be cut during the pendency of the
2 case, then this allows us the ability to do that.

3 So right now we are proactively on a monthly
4 basis going after the people that we have determined are
5 excessively issuing tags and that don't have documentation
6 or evidence to support that those tags should have been
7 issued. And so we are knocking them out of the system as
8 we find them, but again, this just allows us the
9 opportunity to do that more quickly.

10 Are there any questions? I know that's a lot
11 of information.

12 MR. RICHARDS: I see a hand up for Member
13 Sralla. Do you have a question or a comment? If you do,
14 you have the floor.

15 MR. SRALLA: Yes. Thank you.

16 Will you one more time say what the plan is to
17 notify the dealer if you notice there's an issue or
18 reports of issuing the tags? Exactly how are you
19 notifying those people?

20 MS. THOMPSON: Absolutely. So again, Corrie
21 Thompson, director of Enforcement.

22 So we do not have a template document developed
23 yet, so that will be developed as part of this process, so
24 it would be similar to what now is our charging document
25 for violations, which is our Notice of Department

1 Decision.

2 And so just to tell you about that document,
3 it's a formal notice from the department, it says:
4 Dealer, an investigation was concluded, and it has been
5 determined that the following allegations were found in
6 connection with your license. So if it's about tags, it
7 was that over this time period from X date to X date X
8 number of tags were issued without any supporting sales
9 documentation to back up that those tags were properly
10 issued.

11 And so then it lists the sanction that's going
12 to happen, and so for normal process right now, when we're
13 talking about issuing thousands of tags, we're talking
14 about revocation of the license and a hefty penalty.

15 This other notice would be separate from that,
16 so it would start the same way; it would lay out our
17 findings, the department's authority for issuing the
18 notice, so it would cite relevant statute, why we're able
19 to issue this denial.

20 It would come ten days in advance of us
21 actually cutting off the access to the system, and it
22 would give the person instruction and opportunity to reach
23 back out to the department to explain themselves, because
24 that could happen sometimes too and the department might
25 determine that tag access should not be cut off.

1 I can't lay out all possible fact scenarios
2 that could play out because that's very case-specific, but
3 there could be instances where a dealer receives that
4 notice and then contacts the department within ten days
5 and we get enough evidence from that dealer that makes us
6 stop the termination action.

7 So in other instances the dealer would reach
8 out in ten days, not provide enough evidence that they
9 should be able to retain their access, and then we would
10 continue with the termination, and if they wanted to
11 appeal that to the State Office of Administrative
12 Hearings, then they would have the ability to do that.

13 MR. SRALLA: This is maybe just follow-up. How
14 would that notice be delivered to the individual or to the
15 dealer?

16 MS. THOMPSON: Sure. Corrie Thompson, director
17 of Enforcement, again.

18 Dealers are required to put on file with the
19 Motor Vehicle Division updated contact information. They
20 have to have an email because they all access data through
21 eLICENSING now and through their accounts, so they have an
22 email, they have a mailing and a physical address --
23 sometimes those are the same, sometimes they're different.

24 But they are required -- and it's also a violation to
25 not -- to update that information within ten days of any

1 such change.

2 So all of that is current in our systems and we
3 send to all available communication methods on file, so
4 we're mailing physical address, certified mail, regular
5 mail, and statute calls for electronic notification as
6 well. We do already on our own just send via email, but
7 this would also include email per the statute.

8 MR. SRALLA: That sounds very sufficient.
9 Thank you very much.

10 MR. RICHARDS: Yes. I see, Member Thomas, you
11 have your hand up. Would you like to make a comment or
12 ask a question, please? You have the floor.

13 MS. THOMAS: I will just say that I'm very
14 surprised to hear that people are creating, I guess,
15 dealerships just to sell the eTAGs pretty much, so I was
16 just curious, are those people able to be charged
17 criminally or is it pretty much just their license for
18 that dealership is revoked?

19 MS. THOMPSON: Corrie Thompson, director of
20 Enforcement.

21 So the agency has administrative reach, and so
22 we can affect people's licenses, so we can order rescinds,
23 we can sanction dealers with administrative penalties, we
24 can revoke licenses, and now here we can deny access to
25 the tag system.

1 We do actively work with law enforcement to
2 refer out cases of this nature key to this particular
3 meeting, but other cases as well, that we believe may have
4 criminal components so that those entities can take any
5 action that they also deem as necessary based off of our
6 findings.

7 MR. RICHARDS: Member Thomas, did that answer
8 your question?

9 MS. THOMAS: Yes, thank you.

10 MR. RICHARDS: Member Donnelly, who is present
11 here at the headquarters, has a question.

12 Member Donnelly, would you like to ask a
13 question or make a comment? You have the floor.

14 MR. DONNELLY: Thank you. Yes, I have a
15 question.

16 Is it currently in place that we can cross-
17 reference a VIN number when issuing a buyer's tag to
18 somebody's inventory? Because it seems like that would be
19 a really good way to curb abuse to me.

20 MS. THOMPSON: Corrie Thompson, director of the
21 Enforcement Division. I may need to kick that to somebody
22 with our Vehicle Titles and Registration Division.

23 MR. THOMPSON: Good morning. Clint Thompson,
24 deputy director of the Vehicle Titles and Registration
25 Division. If I could have the floor, I'd be glad to

1 answer that.

2 MR. RICHARDS: Yes, sir. Clint, go ahead.

3 MR. THOMPSON: So thank you for the question.

4 So currently there is not a process to reconcile the VIN
5 versus the inventory and tag issuance. That is something
6 that we have looked at.

7 What happens today when dealers purchase
8 vehicles, they're going to take assignment of the title
9 for those vehicles and that constitutes taking them into
10 inventory. The actual issuance of the tag is separate
11 from that.

12 We do have validations within the eTAG
13 application to ensure it's not a salvage vehicle, it's not
14 stolen, things of that nature, to prevent issuance of tags
15 to those types of vehicles, but there is not a specific
16 process in place to cross-reference a vehicle that a
17 dealer has properly taken into their inventory today.

18 MR. RICHARDS: Mr. Donnelly, does that answer
19 your question?

20 MR. DONNELLY: Is that something we're looking
21 into?

22 MR. THOMPSON: Clint Thompson, deputy director
23 of the Vehicle Titles and Registration Division.

24 That's something that we've considered. Again,
25 back to one of the earlier questions that we have, we have

1 to go weigh the folks that are abusing the system and
2 committing fraud versus the folks that are actually
3 conducting business like they're administratively required
4 to on a daily basis, and we have to balance what that
5 workload looks like, and anything that we would come up
6 with and that we've looked at so far, we're trying to
7 balance what does that workload look like to get those
8 VINs entered.

9 Ultimately, what we're looking at is that would
10 be self-reporting; we don't necessarily have a mechanism
11 to validate that. Even if we were to program a
12 requirement that the dealer enter the VIN of any vehicle
13 that has been entered into their inventory, we would have
14 to come up with a separate validation to ensure that
15 someone is just not putting a VIN in to facilitate them
16 turning around and issuing a buyer tag.

17 So again, we've looked at it on a limited
18 basis, have not really gone into great detail, but that's
19 certainly something that we can continue to pursue.

20 MR. RICHARDS: Mr. Donnelly, does that answer
21 your question?

22 MR. DONNELLY: Yes thank you. That's
23 fantastic. I appreciate your input and your answer.

24 MR. RICHARDS: Thank you.

25 Next on the list, Member Stark, your hand is

1 up, you have the floor. Please state your name for the
2 record.

3 MR. STARK: Scott Stark.

4 I have a couple of comments and perhaps some
5 questions that I'd like to throw out to the group. I'm
6 not certain who they should be directed to.

7 You know, I think it's unfortunate and I think
8 it's accurate, and I'd like to state my position on the
9 bill. I think any time that you have an asset that can be
10 put in the hands of, as we've called them several times,
11 bad actors, you have to have regulation and enforcement.

12 You know, the concern, and it's staggering to
13 me that 25,000 of these are being printed, so the issue is
14 as you've gone through this, as you've looked at this, and
15 obviously done a lot of research, what percentage of these
16 tags are being printed by legitimate auto retailers?

17 And the reason that I ask that is that as I sit
18 here today, I can't think of any reason that a car being
19 on the road inappropriately, whether it be the driver of
20 an unauthorized use, or quite frankly, a vehicle that
21 doesn't pass to responsibly be licensed, doesn't seem like
22 a good thing for an auto dealer. So the concern is that
23 you have someone who, unfortunately, bad actors make their
24 way into our businesses as well.

25 So the two concerns I have certainly are the

1 bar of violation. If you have someone who works for you
2 that gotten into the mix of this and the state notifies
3 you, ten days is a really short window to do due diligence
4 and research that you have an internal problem that you
5 have to fix.

6 The other question that I would have is the
7 time of resolution. I've heard that you can contact the
8 state, and if you provide information, that information
9 will be looked at and perhaps that termination will be
10 stopped, but with a ten-day window, of course, a couple of
11 days to notify, a couple of days to do research, contact
12 the state, it looks like a small window. Again, I'm
13 referring to people who are caught in a web that are
14 attempting to do these things legitimately.

15 An additional question I'd have as I listened,
16 and it sounds like from Enforcement and it sounds like
17 from LEO that the vast majority of these tags are being
18 printed by people who should not be dealers in the first
19 place. They are circumventing the process, they are
20 getting a license, they're printing these things by the
21 thousands and putting inappropriate people on the road,
22 which I think is a safety issue for everybody.

23 Has there been any consideration to the process
24 of getting a dealer license in the state of Texas? It
25 seems like if you can nip that in the bud, if we were more

1 cautious about the people that are having the ability to
2 print these at all that you might significantly reduce
3 this?

4 That's a lot to unpack, so I will stop at that
5 point.

6 MR. RICHARDS: Staff, who would like to take on
7 Member Stark's comments and/or questions?

8 MS. THOMPSON: This is Corrie Thompson,
9 director of Enforcement. I can take on the frequency with
10 which we are seeing these in relation to the number of
11 licensees in the system, and then I believe Motor Vehicle
12 Division can probably speak potential enhancements that
13 could be made to the application process for licensees.

14 So when I look at Enforcement cases, we're
15 closing out about 12- to 14,000 per year. Every month I'm
16 seeing four to six dealers that we are revoking for this
17 tag issue. So you take the four to six times twelve,
18 that's about how many people we would be affecting with
19 this new denial authority. And again, these are very
20 readily easy-to-identify instances where excessive tags
21 have gone out the door, there is likely no way that
22 anybody is going to be able to support this with valid
23 sales, and again, very likely that these entities will not
24 even respond to our notice attempts.

25 But that's what we're seeing right now in

1 Enforcement, and we are knocking them out and getting them
2 revoked as soon as we see them come in the door and get
3 them through the administrative process.

4 MR. RICHARDS: Monique Johnston, do you care to
5 address the enhancements from the Motor Vehicle Division
6 area, please? Thank you.

7 MS. JOHNSTON: Yes. Not the licensing side,
8 the Motor Vehicle side, when someone does apply, you are
9 required to have a license in order to gain access to the
10 eTAG system.

11 And on our vetting process we do have steps in
12 place to verify someone's identity, we verify premise
13 requirements, location requirements, obtain leases and try
14 to ensure that that person is an established or is going
15 to be an established dealership.

16 Of course, unfortunately there are criminals
17 out there who have obtained fraudulent IDs, have stolen
18 people's identification, so when the identification is
19 verified, it comes back as clean because it is clean ID,
20 because it is not necessarily the person.

21 So we are looking for enhancements and
22 improvements to do additional steps on trying to verify
23 people's identity and make sure they are who they are and
24 they are legitimate dealers and want to actually own
25 legitimate dealerships.

1 Unfortunately, we are kind of bound by some of
2 our rules. Currently the department does not have
3 fingerprinting authority, so we are not authorized to
4 fingerprint our applicants.

5 We do do criminal background checks, we check
6 through the DPS and then we check through LexisNexis. We
7 have a very thorough background team that will dig into
8 people's background to try to see if there's any kind of
9 affiliation with criminals, if they are trying to apply as
10 a straw corporation where they're applying for someone who
11 might have previous criminal activity or disciplinary
12 action and had their license revoked because they were
13 fraudulently issuing eTAGs.

14 But of course, sometime the criminals are one
15 step ahead of us, but we re definitely looking for
16 enhancements and improvements to ensure that the people
17 who are applying for the license have good intentions to
18 be a standup dealer and not someone who is going to be
19 abusing it to sell these eTAGs.

20 MR. RICHARDS: Thank you, Monique.

21 Member Stark, does that answer or address your
22 questions and concerns?

23 MR. STARK: It does. I appreciate it. Thank
24 you.

25 MR. RICHARDS: Thank you very much.

1 Members, just one quick housekeeping measure.
2 On our screens we show hands up for members that may not
3 be wanting to make a comment. If you could disengage the
4 hand up if you're not wanting to make a comment. Call-in
5 users, if you'd press Star 3, that will remove the hand up
6 as well, unless you want to make a comment, which you're
7 perfectly allowed to do.

8 I'm going to go next to someone who has been
9 patient. Member Bradburn, would you like to have the
10 floor?

11 MR. BRADBURN: Yes, sir. I was going to
12 comment to Member Thomas but also Member Stark there on
13 the criminal side.

14 I've been doing this for several years. You
15 can look on the internet, and we have federal indictments
16 on three subjects. Two of them were actual GDN holders
17 themselves. Going through the application process on one
18 of them, it took facial recognition to figure out who he
19 was, because they go from fake ID to fake ID, et cetera,
20 like what was said.

21 And what Corrie said, she's not correct on the
22 numbers, and I can almost guarantee, and I can almost
23 guarantee you with 100 percent the minute they do the
24 vetting process and they get their license, they're in the
25 wind, they're not there anymore, and they're not going to

1 contest this.

2 And that's all I have to say.

3 MR. RICHARDS: Thank you, Member Bradburn.

4 Members, any other questions or comments for
5 staff regarding this particular item?

6 MR. DORAN: Yes. This is Member Doran. I had
7 a question for staff; I think this is probably directed to
8 Corrie. And I apologize if this information is already in
9 the packet, but if it's not, I'd like to request that the
10 staff, prior to our next hearing, and that is is it
11 possible for staff to provide a breakdown of the types of
12 licensees that have been involved in these license
13 revocations and enforcement actions?

14 Because I listen to this discussion, as I've
15 listened to other discussions in the past, including the
16 deliberations around this legislation as it made its way
17 through the legislature, the emphasis was always on these
18 bad actors we're talking about that are applying for what
19 I believe are independent dealer licenses.

20 And my personal thought here is we need to be
21 very surgical as we think about how to address this
22 situation, and I believe that franchised dealers sit in a
23 slightly different posture here with this, given the
24 oversight that they have from their OEM franchisor
25 partners.

1 And so I think it would be beneficial for this
2 committee to be able to see if there are situations
3 involving franchised dealers, okay, fine, but I know, for
4 one, that I'm coming into these discussions with the
5 impression that they're not part of the problem, and
6 therefore, as we look to craft a solution, I don't want to
7 inadvertently brush them with too broad a brush, so to
8 speak.

9 So that data, I think, would be very helpful to
10 the committee, and if the staff was able to provide that
11 prior to the next hearing, I think that would be very
12 beneficial.

13 MS. THOMPSON: Corrie Thompson, director of
14 Enforcement.

15 David Richards, may I have the floor?

16 MR. RICHARDS: Yes, ma'am, you do. Go ahead.

17 MS. THOMPSON: Member Doran, I do not have that
18 data readily available to provide to this group, but I can
19 tell you, because it is very clear, that the instances in
20 which we are seeing the problem, yes, you are correct, it
21 does not, at this point in time -- things could always
22 change, but at this point in time the issue does not lie
23 with franchised dealers, manufacturers, distributors,
24 anything like that.

25 We are talking about independent dealers and

1 converters who are able to access the tag system. And
2 when we're talking about types of independent dealers, are
3 we talking about trailer dealers and motorcycle dealers?

4 No, we are not.

5 The first part of this bill, however, speaks to
6 denial of access to temporary tags for dealers and
7 converters, and so when we implement the rule it will
8 pertain to all dealers, but how it is used in practice,
9 yes, it will ultimately end up affecting the licensees who
10 are abusing access to the system, and right now, yes, that
11 rests with the independent motor vehicle dealers selling
12 used cars and light trucks.

13 Now, that might factor into the next point of
14 discussion that the Motor Vehicle Division is going to go
15 into, which is about setting tag limits and about how that
16 should play out for the different licensee types, but
17 that's why we're here today, is to open up that line of
18 communication and get discussion on about where those
19 limits should be set.

20 MR. DORAN: Thank you, Corrie. That's very
21 helpful. But in terms of having to treat converters and
22 dealers as one and a whole, irrespective of the different
23 type of licensees, I guess I'm still looking to see if we
24 may, as a group, have some flexibility to differentiate
25 within our recommendations on the rules how we choose to

1 treat them.

2 And particularly -- I don't want to get too far
3 out on this -- what I'm thinking is if there is notice
4 requirement that is interjected into this prior to the DMV
5 taking the actions that you described earlier, that notice
6 being to put the OEM partner, to put them on notice that
7 there might be a problem, that might actually be helpful
8 here, because they may be able to engage that dealer, do
9 an audit, investigate, whatever is necessary before the
10 DMV ever even has to get to a point where they are
11 thinking about turning off the dealer's access to the
12 webDEALER system.

13 So anyway, that's kind of sharing where my head
14 is on this, and I'm hoping that as we have these
15 discussions we can get some guidance from staff in terms
16 of where we might have that flexibility and discretion to
17 craft solutions that are narrowly tailored based upon the
18 nature of the problem.

19 MR. RICHARDS: Thank you, Member Doran.

20 Corrie, did you want to add anything to that,
21 or not?

22 MS. THOMPSON: Corrie Thompson, director of the
23 Enforcement Division.

24 No, just making note of Member Doran's
25 comments.

1 MR. RICHARDS: Great. Thank you very much.

2 Members, any other comments or questions
3 regarding the material, the issues raised by Ms. Thompson
4 at this time?

5 MR. PRATHER: This is Steve Prather. May I
6 speak?

7 MR. RICHARDS: Yes, sir, you have the floor.

8 MR. PRATHER: Thank you much.

9 As a retired automobile dealer, I don't think
10 franchised automobile dealers would want their OEM
11 manufacturer to be notified of anything, because I think
12 they kind of want to handle their own business. And my
13 experience with the franchised car dealers in Texas -- and
14 I served on TADA, Texas Automobile Dealers Association
15 Board, and I've been a vice chairman for the
16 association -- it's been my experience most of these car
17 dealers are very proud of to be a car dealer, they're very
18 excited for the opportunities a car dealer provides to
19 them, and they're very concerned about maintaining the
20 right kind of response with the state and the
21 manufacturers separate and apart. And I don't really see
22 that you're going to have much problem with most of the
23 franchised dealers; it would be rare that that would ever
24 happen.

25 That's my viewpoint, for whatever it's worth.

1 Thank you.

2 MR. RICHARDS: Thank you, Member Prather.

3 I see Jeff Martin's hand is up. Member Martin,
4 do you have a question or a comment you'd like to make?

5 MR. MARTIN: I'm sorry. I do not.

6 MR. RICHARDS: Okay. Thank you.

7 Members, any other comments or questions?

8 MR. DONNELLY: Quick question. Chris Donnelly.

9 I heard that it's independent auto dealers
10 specifically is kind of the scope we're looking at for the
11 tags. Does the wholesaler license have access to the eTAG
12 system?

13 MS. THOMPSON: Corrie Thompson, director of
14 Enforcement.

15 Yes. I do believe wholesale dealers have
16 access to the tag system. We have not had issues with
17 wholesale dealers and excessive tag issuance.

18 MR. DONNELLY: Okay. Thank you.

19 MR. RICHARDS: Thank you, Member Donnelly, for
20 your question.

21 Any other questions before we move on to the
22 next item, the maximum tag limits?

23 (No response.)

24 MR. RICHARDS: Hearing none, Monique, are you
25 prepared to present this one?

1 MS. JOHNSTON: Yes, David, I am. Thank you
2 very much.

3 For the record, this is Monique Johnston. I'm
4 the director of the Motor Vehicle Division, and what I'm
5 going to be just kind of going over and presenting to you
6 today is proposing some just questions for you hopefully
7 to think about so we can get your input in regards to
8 rulemaking for max tag limits.

9 You know, this is new, there's a lot of
10 unknowns out there, and with your experience in the
11 industry, we would like your feedback, of course, how
12 these limits could be set and what they should be set at,
13 based maybe on license type, as you've mentioned.

14 There's not as big of a deal with franchised
15 dealers and so not maybe treating everything across the
16 board the same, but there's different factors that the
17 bill has included that should be considered when maybe
18 setting these limits.

19 So in setting the maximum tag limits it's going
20 to require the department to carefully balance multiple
21 needs, preventing fraud, of course, while enabling
22 lawfully operating dealers and converters to continue
23 their operation efficiently.

24 We don't want to stop someone from being able
25 to conduct their business, and we also want to minimize

1 the administrative burden for both license holders and the
2 DMV. We don't want someone to get cut off of their tag
3 limit and then suddenly they can't do business, and we
4 also don't want that to result, of course, in people
5 calling up to the agency because, unfortunately, now they
6 don't have access anymore. So we want to make this a
7 smooth process and something that is agreeable for both
8 sides and still meets the requirements of the bill.

9 We do have about five years of temp tag data
10 and are in the process of combining that data with
11 detailed licensing data to kind of get a picture of
12 historical temp tag usage by the different license types.

13 Of course, this is a lot of data so we are still in the
14 works on getting that. I don't have that available to you
15 today, but we are working on that, but it will be
16 available in helping kind of to determine what those max
17 limits for each license type might look like.

18 In the meantime, though, we would like to get
19 the committee's input on some specific issues needed to
20 address in rulemaking. Again, for the background and kind
21 of just to go back over this, this is in relation to
22 dealer's tags, buyer's tags, and the preprinted internet-
23 down tags.

24 Some questions we have for you -- and these are
25 questions we pose to you, and we'd be happy to send you

1 follow-up after the meeting with these questions just so
2 you can think about them before our next meeting.

3 We're not asking you to come up with solutions
4 today, this is more of kind of some questions we have for
5 you. You can take the time until our meeting next week to
6 kind of ponder it, discuss with your associates, maybe
7 think of ideas or how these max limits could be
8 determined.

9 HB 3927 specifies several factors that could be
10 used in setting the maximum annual limit, including time
11 in operation, sales data, expected growth, expected market
12 changes in the dealer's or converter's market, temporary
13 conditions that may affect the sales, and any other
14 information that the department might consider relevant.

15 Some of the questions we have for you is:

16 Should any of these factors be weighed more
17 heavily than others?

18 What specific data or data sources should be
19 considered credible for each of these factors, and what
20 data is not credible and should not be acceptable?

21 What additional information should the
22 department consider relevant besides the specific factors
23 noted, the A through E, so the additional information the
24 department considers relevant but are there other items
25 that you feel that we should consider when setting these

1 max limits?

2 Besides the vehicle inventory tax statement
3 that dealers file with the county, what other sales data
4 should the department consider?

5 What temporary conditions could affect sales
6 that are important to consider in temporary tag usage?

7 And how many temporary tags on average are
8 reasonably used in a typical motor vehicle scenario when
9 considering all tags used, such as those for test drives
10 or buyer's tags? Do you think this number would vary much
11 based on the type of motor vehicle or other factors?

12 So these are just some of the questions we have
13 thought of as we were reviewing the bill and kind of going
14 through the rulemaking process. In the bill it says
15 setting the max limit in a calendar year; however,
16 dealers, as you know, are issued licenses for a two-year
17 period.

18 The department is considering a process that
19 would allow dealers and converters to receive their
20 one-year and two-year temporary tag limits at the time of
21 license approval and then allowing dealers and converters
22 to request additional tags any time after six months after
23 their license has been issued. That is some of the
24 discussion that's been had. So after six months of
25 operation you could ask for an increase in the number of

1 tags for year one or year two or for both years.

2 Question to you:

3 Do you feel like this proposal would strike the
4 right balance?

5 What concerns or suggestions do you have
6 regarding the process for dealers and converters
7 requesting for more tags?

8 We're also discussing having notification,
9 similar to what dealers get when their license is going to
10 expire, letting them know they need to renew their
11 license.

12 There's been discussions, you know, sending out
13 some sort of notification that would let a dealer know,
14 hey, here's where you are on your tag limit. That way it
15 notifies them that they maybe close to reaching their max
16 limit and they still maybe are only six months into that
17 year of their license.

18 So any other ideas or options, again, what
19 factors need to determine what those max limits are is
20 what we're asking of you, your input, suggestions so we
21 can use those in drafting rules.

22 And this is more of kind of a thought for you
23 so we would like to have a deeper discussion at our next
24 meeting next week, so you have time to think on these kind
25 of different points and bring back your ideas and

1 suggestions.

2 MR. RICHARDS: Thank you, Monique, for that
3 presentation.

4 So this is your homework assignment for the
5 next meeting, which is September 14, 9:00 a.m. In the
6 meantime, members, if any of you have any comments or
7 questions you'd like to make without getting too far into
8 the weeds before our next meeting, you're more than
9 welcome to ask them now, just need to raise your hand if
10 you would.

11 MR. DONNELLY: Chris Donnelly.

12 Would the questions that Monique just laid
13 out -- I don't write that fast -- will they be provided to
14 me in a printed form, like an email?

15 MS. JOHNSTON: This is Monique Johnston.

16 I can definitely do that. I can definitely
17 write them all out for you and have them available to send
18 out to y'all by email.

19 MR. DONNELLY: Thank you.

20 MR. RICHARDS: Okay. I see, Jeff Martin, do
21 you have a comment or a question? Your hand is up.

22 MR. MARTIN: Yeah, thank you. I have a couple
23 of questions and maybe a few comments here.

24 Director Johnston, correct me if I'm wrong, is
25 there not already a determined amount of internet tags

1 that a dealer is able to download?

2 MS. JOHNSTON: I believe they have to preprint
3 those tags. Yes, for internet-down tags only, correct,
4 they have to preprint those.

5 MR. MARTIN: So there's some formula that's
6 already in place based not eh internet-down tag. If I
7 remember, you had mentioned four different tags,
8 essentially four with the buyer's tag, the dealer tag,
9 agent-specific, vehicle-specific, and internet-down.

10 MS. JOHNSTON: And the internet-down they're
11 supposed to have printed out, because you don't know when
12 the internet is going to go down, so those are supposed to
13 be printed out in advance.

14 I'd like to defer to VTR on what's the max that
15 they can print out at a time.

16 MR. RICHARDS: One second, members. As a
17 housekeeping measure, if you're not speaking, please mute
18 your phones, because we have a lot of echoes on there,
19 until your turn to talk. Thank you.

20 MS. THOMPSON: Corrie Thompson, director of the
21 Enforcement Division.

22 So I am trying to pull up the rule right now,
23 but yes, there is a preset number. I think the low end of
24 the number is 30, and the dealer can contact the
25 department to obtain more internet-down tags, if needed,

1 based on sales volume.

2 They are supposed to have the tags preprinted,
3 locked away for safekeeping. And then if they use up any
4 of those tags, once they go back and enter them into the
5 system, they are supposed to go back and refresh that
6 stash of the tags, and so I believe in most instances
7 dealers would be covered by the 30 that I believe that
8 they start out with.

9 MR. RICHARDS: Member Martin, does that answer
10 your question?

11 MR. MARTIN: It does. Can I have the floor for
12 one more second?

13 MR. RICHARDS: Absolutely. Go ahead.

14 MR. MARTIN: Thank you, Director Thompson.

15 So there's some precedent out there, I guess is
16 the point I'm trying to make, specifically for the
17 internet-down tags.

18 So the next question I would have is when you
19 have mentioned that the abusers, it's very egregious. Is
20 that specifically with the buyer's tag or do you feel like
21 that's with the buyer's tag and with the agent and
22 vehicle-specific tag, the dealer tag?

23 MS. THOMPSON: Corrie Thompson, director of the
24 Enforcement Division.

25 What we are seeing currently is misuse and

1 abuse of the buyer's tags, but we do also see law
2 enforcement putting issues before us where they have found
3 dealer's tags being offered for sale online or where we've
4 found those ourselves being offered for sale online,
5 because there is reason that those dealer's tags are also
6 desirable, so not having to have a valid inspection on the
7 vehicle, not having it assigned to any one person with the
8 agent tag, not having it assigned to a specific vehicle
9 and having that VIN listed, different reasons. But I
10 would say the bulk of the abuse lies with the buyer's
11 tags.

12 MR. RICHARDS: Any further questions, Member
13 Martin?

14 MR. MARTIN: Yes. This will be my last one.

15 So Director Thompson, when you say it's
16 egregious, can you give us an example of that? And here's
17 the reason I ask that question: I'm looking at the sales
18 records from 2019 for independent dealers and the highest
19 number in 2019 was almost 22,000, and then from there it
20 goes to 10,000, 8,000, 7,000 and pretty quickly, even
21 before you get in the top ten independent dealers it is
22 roughly around, say, 4,000, 4,500.

23 So you give us an example when you're talking
24 about an egregious number of tags being printed? Can you
25 give us an example of what that looks like? I know we've

1 talked about this before off record, but I think it would
2 be important for the rest of the committee to hear those
3 numbers.

4 MS. THOMPSON: Corrie Thompson, director of the
5 Enforcement Division. Sorry; I was hearing myself talk,
6 threw me off a little bit.

7 So when Member Bradburn mentioned earlier that
8 the most egregious case was approximately 25,000 tags in a
9 month, they're not all that egregious, but yes, when we're
10 talking about on a monthly basis, we're seeing 5,000,
11 6,000 in a month's time period.

12 So I've got an attorney telling me right now
13 we've seen a case where there was 78,000 tags printed in a
14 five-day time period, and that's five days from when the
15 license was received.

16 MR. RICHARDS: Mr. Martin, does that conclude
17 your questions?

18 MR. MARTIN: It does. I'll just end with a
19 comment, and someone had made this comment before and I
20 just want to echo.

21 There's almost 20,000 independent dealers out
22 there, and we're about to come up with some rules that are
23 going to affect all those dealers, and it sounds like from
24 the information that was provided earlier, we're talking
25 somewhere around less than 100 individuals who are abusing

1 this process, and I just want to make sure the we're
2 mindful of that when we come up with those rules. And I
3 think based on information that's provided today and the
4 numbers that we have here, I think we can probably come up
5 with something that is effective for everyone.

6 Thank you.

7 MR. RICHARDS: Thank you, Member Martin.

8 I'm going to go to Member Zak. You have your
9 hand up, you have the floor.

10 MR. ZAK: Yes. I had one question. This is
11 Greg Zak.

12 How quickly is the information available and
13 received by DMV from a tax assessor-collector to the
14 number of sales on a monthly basis? And the reason why I
15 ask that, if we're trying to tie something maybe to some
16 formula of monthly sales, do we have that information on a
17 timely basis?

18 Otherwise, we're trying to make a policy or a
19 decision or a recommendation on that, if we can't get that
20 information on a timely basis, I don't know if that would
21 be a criteria to consider. So I'm interested in how
22 quickly that information is relayed to the department.

23 Thank you.

24 MR. RICHARDS: Staff, do we have a comment
25 response?

1 MS. THOMPSON: This is Corrie Thompson,
2 director of the Enforcement Division.

3 Someone from Vehicle Titles and Registration
4 may be able to speak to how that data flows into any
5 reports we have on hand, but from an enforcement
6 perspective, I can say that requesting that information
7 that dealers are supposed to provide on a monthly basis to
8 the county tax assessor-collectors offices on their
9 monthly motor vehicle inventory tax statement is something
10 that we request oftentimes when we are conducting an
11 investigation so that we can compare that to dealers sales
12 records or to our buyer's tags reports or dealer tags
13 reports that we're running.

14 It's not something that the tax office would
15 just regularly send to the Enforcement Division, but
16 again, that might be different in terms of data held by
17 other division within the department.

18 MR. THOMPSON: Clint Thompson, deputy director
19 of Vehicle Titles and Registration Division. If I can
20 have the floor, please?

21 MR. RICHARDS: Yes, sir, go ahead.

22 MR. THOMPSON: Thank you.

23 Member Zak, I appreciate it. I wanted the
24 Enforcement Division to touch on that to highlight that we
25 do not regularly receive the vehicle inventory tax reports

1 from county tax offices. That is something that the
2 Enforcement Division, like Director Thompson said they
3 request.

4 Obviously I can't speak to those individual
5 requests and how quickly they get it, but back to Director
6 Johnston's comment early on in this in developing criteria
7 to establish maximum tag limits, we don't want to burden
8 those folks who are conducting business in accordance with
9 the law, nor are we looking for an overburdensome
10 administrative process for the department that makes us
11 ineffective.

12 And that's what we're trying to highlight with
13 some of this is where we have data available to us, yes,
14 we do have authority to request vehicle inventory tax
15 reports from county tax offices. That in and of itself,
16 in my viewpoint, is a cumbersome process for each county
17 and each dealer.

18 Just so you're aware, some of the other data
19 points that we're currently looking at right now, since we
20 do not have an absolute report of total vehicle sales for
21 all dealers in the state of Texas, we've got self-reported
22 sales for eLICENSING for franchised dealers.

23 We have various reports that are available to
24 the department that evidence title applications processed
25 by county tax offices for specific dealers. We obviously

1 know how many buyer tags dealers are issuing to retail
2 purchasers in Texas that should correspond to one of those
3 title applications processed by a county tax office, so
4 that's a validation point that we're looking at. We also
5 know how many buyer tags are issued to out-of-state
6 purchasers.

7 So those are some of the data elements that
8 we're considering, and I think the point that Director
9 Johnston was making earlier, what other items should the
10 department consider in this other than what's highlighted
11 in that bill.

12 And I'll tell you just at our initial
13 evaluation of this, what we're trying to do is get
14 historical data, consider that, figure out what exceptions
15 we need to make -- or considerations, I should say, for
16 additional sales growth, things of that nature, and apply
17 that across the board as opposed to having this reporting
18 mechanism that comes in monthly and trying to adjust. I
19 just don't think that would be as efficient.

20 And I hope that answers your question.

21 MR. RICHARDS: Member Zak, did that address
22 your question?

23 MR. ZAK: Yes, it partly answered my question,
24 and it's a shame that there's not a cross-reference or a
25 database for the tax assessor-collectors' to the

1 department's database in order to determine what the sales
2 are of independent dealers and dealers in general.

3 I guess one last question that's kind of an
4 added that someone in the department alluded to this
5 earlier, and it kind of goes back to what Jeff Martin
6 mentioned as to the number of sales volume of independent
7 dealers because that seems to be the focus.

8 The number of sales volume of independent
9 dealers, is there some sort of -- from the department
10 standpoint is there anything that comes up as sort of a
11 red flag on a monthly basis if you're seeing particular
12 dealers, whether it's tags and I'm going to call them sets
13 of numbers, is there any way to look at that on a monthly
14 basis to see if a particular dealer is getting 5,000,
15 10,000, 20,000 in a month, that you can correlate that
16 back to kind of what that particular sales volume could
17 have been at that dealer in the past to know, hey, we've
18 got a problem here, there's maybe a so-called bad actor
19 out there that we then go and just investigate that, and
20 would that be a quicker process in order to identify our
21 100 or so so-called bad actors out there?

22 MR. RICHARDS: Director Thompson, would you
23 like to address that?

24 MS. THOMPSON: Corrie Thompson, director of the
25 Enforcement Division.

1 When I mentioned earlier that we were taking
2 some proactive measures to identify these people, what
3 we're looking at is licensees who've issued more than 500
4 tags in a month, so we're setting it pretty low.

5 So there's certain dealers that can be removed
6 from that. There are very, very large independent volume
7 dealers, so we can get into that discussion in greater
8 detail next week, but there are types of dealers, like the
9 CarMaxes of the world, that it's probably the case that
10 they could sell 500 vehicles in a month. There's
11 franchised dealers that may sell that volume in a month.

12 But when we're looking at independent dealers,
13 newly licensed, is it the case that they are probably
14 selling 500 vehicles in a month? Not likely.

15 We have to conduct further investigation to
16 determine whether or not dealers have legitimate sales
17 records to support that level of business, and so we're
18 having to do that, but again, that is a manual poll by the
19 Enforcement Division on the back-end every month that
20 we're having to do, whereas we need to be looking at
21 catching this issue on the front-end.

22 MR. RICHARDS: Thank you, Director Thompson.

23 Member Zak, any follow-up, or does that address
24 your question?

25 MR. ZAK: Thank you. It does answer my

1 question and I appreciate the department staffers and all
2 of what they're doing to eliminate this problem, so thank
3 you very much.

4 MR. RICHARDS: Thank you, Member Zak.

5 I see Member Bradburn's hand is up.

6 MR. BRADBURN: This is Member Bradburn.

7 So on the franchised side, this bill did not
8 target them. They do make mistakes, I don't even call
9 them bad actors. Two weeks ago a Harley dealer, which is
10 a franchise, tried to give me a second tag, and I had to
11 decline that I could not take it.

12 What we're talking about are criminals; they're
13 not bad actors, they're criminals. They're going from
14 dealer to dealer and selling buyer tags; every time they
15 sell a buyer tag that is a state jail felony.

16 And that's what everybody should be focusing
17 on, is the criminals, not the people that may make a
18 mistake because they're not going to get charged and
19 they're not going to get guff.

20 MR. RICHARDS: Anything further, Member
21 Bradburn?

22 MR. BRADBURN: No, sir. Thank you.

23 MR. RICHARDS: Thank you.

24 I understand that Member Donnelly has a
25 question or a comment. Member Donnelly, you have the

1 floor.

2 MR. DONNELLY: Thank you.

3 So for Corrie Thompson, so when you identify
4 somebody who has pulled over 500 or more tags in a month
5 or in a day, I'm under the impression that it's probably a
6 three-month process before you can actually shut them down
7 under the current law. Is that correct?

8 MS. THOMPSON: Corrie Thompson, director of the
9 Enforcement Division.

10 Yes, that's at minimum, and again, that is
11 most likely what is happening here. It's about, I would
12 say, a four-month process, so you're identifying it,
13 gathering the evidence, be that from reporting, be that
14 from VIT statements, be that from reaching out to the
15 dealer, getting the case over to the attorney, the
16 attorney evaluating the evidence, issuing the notice of
17 department decision document, waiting that 26-day time
18 period, if there's no response issuing the final order,
19 and then again, waiting for that 25-day time period to
20 elapse before the license can be revoked.

21 MR. DONNELLY: So just quick math, 500 a day,
22 120 days, we're talking about, what, 60,000 tags could be
23 printed before they could actually be stopped. Right?

24 MS. THOMPSON: Corrie Thompson, director of
25 Enforcement.

1 That's correct.

2 MR. DONNELLY: Thank you.

3 MR. RICHARDS: Members, any other questions for
4 Mr. Thompson or Ms. Johnston or Deputy Director Thompson?

5 (No response.)

6 MR. RICHARDS: Director Johnston, did that
7 conclude your presentation on this particular item?

8 MS. JOHNSTON: Yes, Mr. Richards, that would
9 conclude my presentation.

10 MR. RICHARDS: Great. Thank you.

11 I understand that Sgt. Jose Escribano was
12 attempting to call in with a comment.

13 Art, is Sgt. Escribano on the line?

14 HOST: Standby. As far as callers, let me see.
15 Caller 34 is unmuted now.

16 SGT. ESCRIBANO: This is Constable Sgt. Jose
17 Escribano. May I address the committee, sir?

18 MR. RICHARDS: Yes, sir, Sgt. Escribano, you
19 have the floor.

20 SGT. ESCRIBANO: Thank you, sir.

21 I'd like to go ahead and comment on the
22 establishing what constitutes fraudulent taking temporary
23 tags from the temporary tag database, specifically
24 allowing fictitious users, persons using a false identity
25 to obtain tags. That's under number 3 on page 12.

1 What I have to say, and first I want to
2 clarify, in the four-year investigation that we have been
3 conducting on these tags the franchised dealers, I will
4 repeat, are not the problem, absolutely not the problem.

5 The application process for us is what's really
6 flawed. We went ahead and contributed to 3927, but we
7 also realize that the application process on the back-end
8 is the key to everything here. This is a good step, but
9 the application process, again, they are not being vetted.

10 They are using different types of methods,
11 including photographs that are really not what they
12 represent, and of course, false IDs, and this goes through
13 a third party to obtain them.

14 We have found that some of these have obtained
15 upwards of 400 GDNs and that they have them pretty much
16 muted until they get ready to strike, and since they know
17 that it takes about four months, and even with 3927 it
18 could take less than that, but they can go and activate
19 them and they will go undetected. So that needs to be
20 addressed, especially under the establishing what
21 constitutes fraudulent obtaining the tags, and the
22 application process definitely is the key.

23 Also, these are crimes that are being committed
24 not only in Texas but there are crimes being committed
25 with these tags. It ranges from robberies, to murders, to

1 trafficking, to human trafficking, to everything that
2 falls in between.

3 So it's not just about the dealers or the used
4 car dealers but it's the crimes that are being committed
5 on a regular basis, that's including the murder of two
6 police officers.

7 So I think it's very important, we are in the
8 right direction, the committee is definitely in the right
9 direction, the DMV is definitely in the right direction,
10 but 3927 should address that under what establishes the
11 fraudulently obtained tag.

12 And I hope I didn't take too much of your time
13 on this. I'm trying to keep to three minutes.

14 MR. RICHARDS: Not at all, Sgt. Escibano. We
15 value your input and your comment.

16 Members, do I have anyone else that would like
17 to comment on this particular item, the maximum tag limit
18 or tag denial before we move on?

19 (No response.)

20 MR. RICHARDS: All right. Staff, was there
21 anything else that we were going to add in today's
22 presentation or are we ready to move on?

23 (No response.)

24 MR. RICHARDS: I am hearing nothing, so I will
25 assume that we are moving on.

1 The next agenda item is agenda item number 3,
2 public comment. I understand that we have David Kohler,
3 also from the Constable's Office here in Travis County,
4 Precinct 3. You have the floor, sir.

5 And he's calling in, Art, by the way.

6 MR. KOHLER: Can you hear me okay?

7 MR. RICHARDS: Yes, sir, go ahead. We can.

8 MR. KOHLER: Okay, perfect. Yes. Thank you so
9 much, committee members and board for allowing me to
10 speak. My name is David Kohler; however, I work for the
11 Travis County Sheriff's Office, and I'm here to speak on
12 behalf of myself, not my agency.

13 I have assisted in this criminal investigation
14 of almost four years now. To answer some of the members'
15 questions, Member Stark, I think, talked about the
16 application process. One of the things that has been
17 brought up is IDENTICO to verify the identity of the
18 person who is applying for the GDN, that will help.

19 Some of the other questions, the intent of 3927
20 was not against franchised dealers. I testified on 3927,
21 I've testified before CPAC, I've testified before the DMV
22 Board.

23 Every testimony is the same: This is not about
24 franchised dealers, this is not about independent dealers
25 that are doing this right way who might make a mistake, as

1 Member Bradburn stated; this is about criminals who
2 fraudulently obtain a GDN and sell tags. They have no
3 cars on their lot, they're not going to file a VIT with
4 the Comptroller or the county tax office, they're selling
5 tags, they're advertising them online.

6 I believe Member Doran had a question with
7 regards to dealers who have been involved in this and
8 identified. A partial list is Kings Ranch Autoland, High
9 Country of Houston, McKenna of Houston, PR-1, Jumping
10 Cars; a new one is Freeman. They sell tags and they do
11 not sell cars.

12 Texas Motor Company in September of 2020 sold
13 over 49,000 buyer's tags fraudulently online. All eleven
14 CarMax dealers in the state sold about 12,000 cars. Texas
15 Motor Company, before they were turned off, sold over
16 430,000 buyer's tags online. At \$100 a pop in Texas and
17 \$200 to \$300 in New York and New Jersey, I will let y'all
18 do the math.

19 So the intent of 3927 was to turn off these
20 criminals. They're not bad actors, they're criminals.
21 However, the euphoria of limiting the number of tags kind
22 of got convoluted, and so I heard some of the concerns by
23 Member Prather and Member Martin with regards to this.

24 And I appreciate your time, and I will try my
25 best to answer any questions that you have.

1 MR. RICHARDS: Thank you, Mr. Kohler, for your
2 comments. Sorry I had you affiliated with the wrong
3 office.

4 MR. KOHLER: No worries.

5 MR. RICHARDS: Members, did you have any
6 questions or comment based on the comment at all, or just
7 would you like to make a comment as well?

8 MR. PRATHER: This is Steve Prather. May I ask
9 a question.

10 MR. RICHARDS: Yes, sir, Member Prather, go
11 ahead.

12 MR. PRATHER: Thank you very much.

13 What is the penalty for -- the criminal
14 penalty, fine, whatever you want to call it, what is that
15 deterrent in dollars or time in jail for issuing a
16 fraudulent tag that nobody sold a car, they just sold a
17 tag?

18 MR. KOHLER: Are you asking me or the staff?

19 MR. PRATHER: I'm asking you if that would be
20 okay.

21 MR. RICHARDS: Could you identify yourself for
22 the record, please?

23 MR. KOHLER: Yes. This is David Kohler again.

24 So the penalty for selling a tag is a state
25 jail felony. Depending on which county you're in, that

1 could be up to a two-year state jail commitment. However,
2 if you don't know who the person is on the GDN side by
3 using IDENTICO, you have no verification to go after the
4 GDN, we go after whoever is selling the tags.

5 MR. PRATHER: This is Steve Prather again.

6 So that's the reason they need to have
7 fingerprinting for a dealer's license. Right?

8 MR. KOHLER: This is David Kohler again.

9 Yes. So on the front-end when somebody applies
10 for a GDN, yes, IDENTICO fingerprint verification to
11 identify who that GDN is because I've seen GDN
12 applications that have been approved and the ID that was
13 used in them was fraudulently obtained. That person is
14 not the GDN but that was the ID that was used because
15 there's no verification.

16 And then on the back-end is when these
17 companies who sell 10-, 15-, 17,000 tags a week are
18 identified, that's where 3927 would come in to turn their
19 eTAG access off on the front-end pending an emergency
20 hearing, not franchised dealers, not legitimate dealers
21 that just might make a mistake here or there.

22 MR. RICHARDS: Member Prather, did that answer
23 your question?

24 MR. PRATHER: Well, I have one other question.

25 MR. RICHARDS: Okay. Before you ask that, make

1 sure, members, that you're muted if you're not speaking,
2 because we have a lot of background noise and the court
3 reporter needs to get an accurate record. So thank you.

4 MR. PRATHER: This is Steve Prather again.

5 You mentioned earlier in the session that you
6 didn't have the authority to get fingerprinting. It would
7 seem to me that the next legislative session you would go
8 get the ability to fingerprint.

9 I know to get a Consumer Credit Commission
10 license to be able to finance cares, Ms. Pettijohn's
11 agency requires you to get fingerprinted. So I would
12 think all the new car dealers, the franchised auto dealers
13 have been fingerprinted and the fingerprints are over
14 there in her office.

15 I doubt that y'all have access to them, but
16 isn't there some way you get the state to make people go
17 down to the police station and get fingerprinted to prove
18 who they are before they get a license?

19 MR. RICHARDS: I would ask one of the members
20 of the staff to comment on that if they have any
21 information.

22 MS. JOHNSTON: Mr. Richards, this is Monique
23 Johnston, director of the Motor Vehicle Division. If I
24 can have the floor?

25 MR. RICHARDS: Go ahead, Monique, you have the

1 floor.

2 MS. JOHNSTON: Yes. We would have to have
3 statutory authority in order to fingerprint our applicants
4 prior to issuing a license. In order for the FBI to
5 release the results of the fingerprinting, we do have to
6 have specific statutory authority, which we do not at this
7 time. So yes, we would need to seek that during the next
8 legislative session so we could be allowed to fingerprint
9 all of our applicants.

10 MR. RICHARDS: Member Prather, does that answer
11 your question?

12 MR. PRATHER: Is that in your plans to ask the
13 legislature to do that next session?

14 MS. JOHNSTON: No official discussions have
15 been made, but we definitely think that would help in
16 identify verification of our applicants.

17 MR. PRATHER: This is Steve Prather again.

18 I don't think any legitimate businessman would
19 find that objectionable.

20 MS. JOHNSTON: I appreciate that comment.
21 Thank you.

22 MR. PRATHER: Thank you.

23 MR. RICHARDS: Thank you, Member Prather.
24 Members, any other comments, questions?

25 (No response.)

1 MR. RICHARDS: This is to OGC staff. Are there
2 other commenters on the line that we would like to hear
3 from?

4 (No response.)

5 MR. RICHARDS: The answer is no, we have no
6 other public commenters at the present time.

7 Members, before we go to the next agenda item,
8 I just want to reiterate the comments that TxDMV Executive
9 Director Brewster stated earlier.

10 We really appreciate your willingness to
11 volunteer, we appreciate your expertise and knowledge in
12 your given areas and your commitment to making good
13 changes, positive changes in these areas that have been
14 discussed by staff today.

15 So with that in mind, we'll be meeting next
16 Tuesday, I believe, September 14, at 9:00 a.m.

17 If there is no further business, I would
18 entertain a motion to adjourn this particular meeting.

19 MR. SRALLA: Motion to adjourn.

20 MR. RICHARDS: Motion to adjourn. Is there a
21 second?

22 MR. STARK: Scott Stark. Second.

23 MR. RICHARDS: Scott Stark seconds. All in
24 favor just say aye.

25 (A chorus of ayes.)

1 MR. RICHARDS: Thank you, members. It's been a
2 very good meeting. We look forward to meeting with you
3 next week, and have a good rest of your week and good
4 weekend. Thank you.

5 (Whereupon, at 11:40 a.m., the meeting was
6 adjourned.)

C E R T I F I C A T E

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2
3 MEETING OF: TxDMV Motor Vehicle Industry Regulation
4 Advisory Committee
5 LOCATION: Austin, Texas
6 DATE: September 9, 2021

7 I do hereby certify that the foregoing pages,
8 numbers 1 through 120, inclusive, are the true, accurate,
9 and complete transcript prepared from the verbal recording
10 made by electronic recording by Nancy H. King before the
11 Texas Department of Motor Vehicles.

12 DATE: September 14, 2021
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17

18 /s/ Nancy H. King
19 (Transcriber)
20

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