

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

OPEN MEETING VIA MICROSOFT TEAMS

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

Monday,
June 23, 2025
1:00 p.m.

COMMITTEE MEMBERS:

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

ON THE RECORD REPORTING
(512) 450-0342

<u>AGENDA ITEM</u>	<u>I N D E X</u>	<u>PAGE</u>
1. CALL TO ORDER		
A. Roll Call and Establishment of Quorum		6
2. DISCUSSION, BRIEFING, AND ACTION ITEMS		
A. Potential Proposed Amendments to Chapter 215, Motor Vehicle Distribution, to Implement Senate Bill (SB) 1902 and House Bill (HB) 718 (BRIEFING AND DISCUSSION ONLY)		8
i. Amendments to implement HB 718: §215.152		9
ii. Amendments to implement SB 1902: §215.140, 215.141, 215.150, 215.155 and 215.158		36
iii. Amendments to implement HB 718 and SB 1902: §215.151 and §215.163		42
B. Potential Proposed Amendments to Chapter 217, Vehicle Titles and Registration, §217.53, to Implement SB 1902 (BRIEFING AND DISCUSSION ONLY)		63
C. Recommendations of Advisory Committee for Presentation to the Board on Potential Proposed Amendments to Chapter 215, Motor Vehicle Distribution, and Chapter 217, Vehicle Titles and Registration, to Implement Senate Bill (SB) 1902 and House Bill (HB) 718 (DISCUSSION AND ACTION ITEM)		66
D. Potential Proposed Amendments to Advertising Rules, Chapter 215, Motor Vehicle Distribution, §215.244 and §215.270 (BRIEFING AND DISCUSSION ONLY)		--
E. Recommendations of Advisory Committee for Presentation to the Board on Potential Proposed Amendments to Advertising Rules, Chapter 215, Motor Vehicle Distribution, §215.244 and §215.270 (DISCUSSION AND ACTION ITEM)		--
3. PUBLIC COMMENT		none
4. ADJOURNMENT		81

P R O C E E D I N G

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

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

It is 1:00 p.m., and now I'm calling the MVIRAC meeting for June 23, 2025, to order. I want to note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of Secretary of State on June 13, 2025.

This meeting is being held by telephone conference call in accordance with Texas Government Code Section 551.125. Members of the public may attend this meeting in person at 4000 Jackson Avenue, Building 1, Lone Star Conference Room, Austin, Texas, 78731. Also, members of the public may attend this meeting by clicking on the attendee link in the posted agenda for this meeting and following the instructions to attend the meeting via Microsoft Teams. In addition, members of the public may attend this meeting remotely by calling the conference dial-in number which is listed in the posted agenda for this meeting, along with phone number conference ID.

At this time I am asking attendees to mute your

1 phone for the entire duration of this meeting unless I
2 recognize you to speak. I am asking the meeting host to
3 make sure that all participants' phones are muted, except
4 advisory committee members and those who are presenting.
5 Callers will be removed for any disruption, including
6 background noise.

7 I would like to remind all participants that
8 this is a conference call meeting. And because this
9 meeting is being held by conference call, there are a few
10 things that will make the meeting run smoothly and assist
11 the court reporter in getting an accurate record: please
12 identify yourself before speaking; speak clearly and
13 slowly; remember that there may be a slight delay due to
14 the conference call format, so please wait a bit longer
15 than usual before responding to participants. Do not
16 speak over others; please ask the presiding officer to
17 speak and be sure you get recognized before speaking; and
18 for members participating in the room, please remember to
19 press the button on your microphone to unmute it before
20 speaking, then press the same button to mute it again
21 after speaking.

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

24 If you are not a member of this advisory
25 committee but wish to address the advisory committee or

1 speak on an agenda item during today's meeting, please
2 complete a speaker's sheet at the registration table prior
3 to the agenda item being taken up by the advisory
4 committee, or send an email to GCO_General@TxDMV.gov to
5 register by providing the required information prior to
6 the agenda item being taken up by the advisory committee.

7 Please identify the specific item that you are interested
8 in commenting on, your name and address, and whether or
9 not you are representing anyone or speaking for yourself.

10 If your comment does not pertain to a specific agenda
11 item, we will take your comment during the general public
12 comments portion of the meeting. When addressing the
13 advisory committee, please state your name and affiliation
14 for the record.

15 Before we begin today, I would like to remind
16 all presenters and those in attendance of the rules of
17 conduct at our advisory committee meetings. I have the
18 authority to supervise the conduct of this advisory
19 committee meeting. This includes the authority to
20 determine when a speaker is being disruptive. Disruptive
21 speakers will be muted, given a warning about disruptive
22 behavior, and then removed from the meeting for any
23 continued disruption.

24 Advisory committee members, if you become
25 disconnected from the call, please rejoin as soon as

1 possible. If you encounter technical difficulties, please
2 reach out to our technical support team at
3 Board.tech.help@TxDMV.gov.

4 And now I'd like to have a roll call of the
5 advisory committee members. Please respond verbally when
6 your name is called, please indicate if you are present.

7 Member Bradburn?

8 MR. BRADBURN: Member Bradburn present.

9 MR. BLASSINGAME: Member Donnelly?

10 MR. DONNELLY: Member Donnelly present.

11 MR. BLASSINGAME: Member Doran?

12 MR. DORAN: Member Doran present.

13 MR. BLASSINGAME: Member Durant?

14 MR. DURANT: Member Durant present.

15 MR. BLASSINGAME: Member Elam? Member Elam?

16 (No audible response.)

17 MR. BLASSINGAME: Member Ferguson? Member
18 Ferguson?

19 (No response.)

20 MR. BLASSINGAME: Member Gonzalez? Member
21 Gonzalez?

22 (No response.)

23 MR. BLASSINGAME: Member Hall?

24 MR. HALL: Member Hall present.

25 MR. BLASSINGAME: Member Hayter? Member

1 Hayter?
2 (No response.)
3 MR. BLASSINGAME: Member Hicks? Member Hicks?
4 (No response.)
5 MR. BLASSINGAME: Member Murphy? Member
6 Murphy?
7 (No response.)
8 MR. BLASSINGAME: Member Prather, Sr.? Member
9 Prather, Sr.?
10 (No response.)
11 MR. BLASSINGAME: Member Provost?
12 MR. PROVOST: Member Provost present.
13 MR. BLASSINGAME: Member Sims?
14 MR. SIMS: Member Sims present.
15 MR. BLASSINGAME: Member Sralla?
16 MR. SRALLA: Member Sralla present.
17 MR. BLASSINGAME: Member Stark? Member Stark?
18 (No response.)
19 MR. BLASSINGAME: Member Sullivan?
20 MR. SULLIVAN: Sullivan present.
21 MR. BLASSINGAME: Member Thomas? Member
22 Thomas?
23 (No response.)
24 MR. BLASSINGAME: Member Vitela? Member
25 Vitela?

1 (No response.)

2 MR. BLASSINGAME: I, David Blassingame, am
3 present.

4 We have a quorum because we do have eleven
5 members present, so we are able to have a meeting.

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

12 Members, I will now move on to agenda item
13 2.A., Potential proposed amendments to Chapter 215, Motor
14 Vehicle Distribution, to implement Senate Bill 1902 and
15 House Bill 718, and turn the meeting over to Annette
16 Quintero, director of Vehicle Titles and Registration
17 Division, for an overview of the draft proposed amendments.

18 MS. QUINTERO: Thank you, sir.

19 MR. BLASSINGAME: Yes, ma'am.

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

22 To implement House Bill 718 and SB 1902, the
23 department is proposing amendments to several rules that
24 collectively establish a more accountable and structured
25 framework for issuing buyer's license plates. I will

1 provide the key points in Chapter 215 and 217 and I will
2 present these in three different sections. After each
3 section, there will be questions for the advisory
4 committee, and then later in agenda item 2.C item, the
5 advisory committee will have an opportunity to present any
6 proposed rule amendments they would like to discuss.

7 Section I, these are amendments specific to
8 House Bill 718. Chapter 215 proposed amendments address
9 instances where a dealer would become ineligible to receive
10 a quarterly allocation of license plates: if they have a
11 revoked, canceled or expired license; appear to have
12 abandoned their licensed location; have been denied access
13 to the temporary tag or license plate system; failed a
14 compliance review; cannot accept plate deliveries during
15 business hours; or failed to securely manage license plate
16 inventory or system access.

17 Chapter 215 also provides dealers with an
18 opportunity to request a compliance review under
19 Transportation Code 503.063(d) by contacting dealer
20 compliance at TxDMV.gov to reestablish eligibility for
21 future allocations. It also adds alternative access to
22 obtaining license plates. Dealers who are ineligible but
23 maintain an active license and system access, they may
24 obtain plates through county tax assessor-collectors or
25 through TxDMV regional service offices, as directed.

1 Dealers can also request fewer plates if they
2 used less than 50 percent of their quarterly or annual
3 allocation. And we added language to facilitate requests
4 for reduced allocations, and those requests must be
5 submitted through the designated license plate system, same
6 as requests for increased allocations.

7 We added additional language to support a
8 request for increase to a dealer's maximum annual
9 allotment. Those must include business-related
10 documentation like sales reports and things like that, as
11 outlined in Transportation Code 503.063(d).

12 That is section I, and so we have some
13 questions related to those changes specific for this
14 advisory committee.

15 Question 1: Do you agree that it would be
16 beneficial to allow a dealer to request a smaller
17 allocation of license plates? If so, is the threshold in
18 the rule appropriate? If not, what level would you
19 recommend?

20 MR. BLASSINGAME: Members, just as a reminder,
21 if you want to comment or ask questions, please unmute
22 yourself and ask for the floor, then wait to be recognized
23 before speaking.

24 MR. DONNELLY: Member Donnelly. May I have the
25 floor?

1 MR. BLASSINGAME: Member Donnelly.

2 MR. DONNELLY: Resoundingly, yes, I believe
3 that it would be beneficial to allow a dealership to
4 request less license plates. I have dealers right now that
5 are members of the organization who have received an excess
6 amount and they're actually planning on scaling down
7 operations. They're not really certain what to do about it
8 at this point.

9 MR. BLASSINGAME: Member Donnelly, your
10 question can be answered.

11 MS. QUINTERO: We have heard that from multiple
12 dealers that they received more license plates than they
13 feel is necessary, and so that lines up and that is part of
14 the reason that we're recommending the changes.

15 MR. DONNELLY: Member Donnelly. May I have the
16 floor?

17 MR. BLASSINGAME: Member Donnelly.

18 MR. DONNELLY: Is there a process in place
19 right now or is that being developed?

20 MS. QUINTERO: Yes. The process is to send an
21 email to our dealer allocations email box, and we have a
22 team of people who are reviewing those requests and
23 inquiries and then getting back with those dealers to
24 determine next steps.

25 MR. HALL: Member Hall. Can I have the floor?

1 MR. BLASSINGAME: Member Hall.

2 MR. HALL: Are y'all planning still to do the
3 automatic replenishment, or is it still going to be dealers
4 will order as they need?

5 MS. QUINTERO: Dealers will order as they need
6 for their second shipment, their second quarterly
7 allotment.

8 MR. HALL: Is that going to be the plan going
9 forward, that dealers in perpetuity will order?

10 MS. QUINTERO: Correct. Only the initial
11 shipment was driven by the department instead of ordered by
12 the dealer.

13 MR. HALL: So what would be the necessity to
14 decrease your allocation? If dealers don't need more
15 plates, then they just wouldn't order them?

16 MS. QUINTERO: And that's part of the guidance
17 that we're providing. It just really depends on each
18 dealer and how many plates they received over their -- how
19 many plates they feel like they received in excess. If you
20 have a dealer that, one, received more plates than they
21 need, and then also is scaling back operations, there may
22 be a necessity to have plates returned versus just not
23 ordering any more, or it could be a combination of both,
24 just depending on the dealer.

25 But ultimately, Tony, you're right, the

1 solution is don't order in your second quarterly
2 allocation.

3 MR. HALL: I don't see any downside other than
4 it creates an administrative task for the agency to create
5 a process to scale down your allotment when dealers can
6 just not order if they don't need them. I think the bigger
7 piece is if you have too many plates, can I return them and
8 what's that process like, but if it's only the initial
9 allotment.

10 MR. BLASSINGAME: Does that answer your
11 question?

12 MR. HALL: Yeah.

13 MR. DORAN: Presiding Officer Blassingame, may
14 I be recognized? Member Doran.

15 MR. BLASSINGAME: Member Doran.

16 MR. DORAN: Thank you.

17 Just a general question. So I've heard more
18 and more about other states that have moved to metal
19 plates, some did that decades ago, some always had metal
20 plates. And you may not be able to answer this question
21 here in one full answer, but how would you say the system
22 that you all have developed in trying to calibrate the
23 right amount of plates and then deal with these situations
24 compares to some of these other states who have been doing
25 it for a long time? Do you have the opportunity to visit

1 with colleagues, you know, in other states to sort of
2 understand lessons learned from other states?

3 MS. QUINTERO: You know, we met with other
4 states initially a couple of years ago when 718 passed, but
5 we were so new to the process that we didn't know to ask
6 that question. In hindsight, that would have been a great
7 question to ask: How have you calculated volume? And
8 ultimately they used sales and transaction volume, we used
9 a combination of sales and transaction volume, and then the
10 years in business. But I'm not sure, I can find out for
11 you and get back to you.

12 MR. DORAN: And it might be -- may I respond
13 real quick? It might be a great question to ask certain
14 stakeholders, like TADA and some of the dealer groups that
15 have stores in other states to kind of see how this process
16 compares with what they're doing in other states that have
17 metal plates. There might be a good lessons learned to be
18 gleaned from that as well. Just a suggestion.

19 MS. QUINTERO: I like that. Thank you.

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

22 MR. DORAN: Yes.

23 MR. BLASSINGAME: Thank you.

24 MR. DORAN: Thank you.

25 MR. BLASSINGAME: Are there any other questions

1 for Ms. Quintero?

2 MS. QUINTERO: I have one more related to this
3 section.

4 Do you have any other recommendations for
5 changes regarding license plate allocation or distribution?

6 MR. DORAN: This is Member Doran. May I be
7 recognized?

8 MR. BLASSINGAME: Member Doran.

9 MR. DORAN: So I hate to wrap up a question
10 with another question, but the analogy I want to draw here
11 with license plates is in my mind very similar to when you
12 get a box of checks from the bank, and let's say you have
13 checks marked, you know, 001 through 100. Is there a
14 sequencing or numeric system that also exists with respect
15 to license plates? And if yes, could the DMV put some type
16 of a flagging system in place where if they saw that a
17 dealer went from -- let's say they had a box that went from
18 zero to 500 but we knew that that dealer had been shipped
19 1,000 plates, and then all of a sudden, rather than going
20 to 501, the next plate you start to see issued is 1,000,
21 1,001.

22 So the first question is: Is there such an
23 internal sequencing that you used for the plates? And
24 number two: From an IT standpoint, would it be possible to
25 flag that and easily notify the dealer to say, ahem, excuse

1 me, happened to notice that you skipped 500 plates in your
2 sequence, was that intentional, and if so, let's find out
3 where those other 500 are?

4 MS. QUINTERO: So, yes, your first question is
5 every plate, ultimately does it have an identifier. Yes,
6 every single plate we manufacture has an identifier. It's
7 the license plate number, and we track that -- every
8 license plate number is tracked internally.

9 There is a requirement for sometime in the
10 future, post July 1, to drive the plate number that the
11 dealers offered at a transaction to help with that very
12 process, ensuring that there is not a data issue when the
13 license plate number is being keyed in manually, and that
14 the plates that are next in line are the plates that are
15 being utilized. So we didn't necessarily start with that
16 intention to make sure that they are being used in that
17 sequence, but that will ultimately fix that potential
18 problem.

19 MR. DORAN: Thank you, very helpful.

20 MR. BLASSINGAME: Are there any other questions
21 for Ms. Quintero?

22 MR. DONNELLY: Member Donnelly. Can I have the
23 floor?

24 MR. BLASSINGAME: Member Donnelly.

25 MR. DONNELLY: It says: Do you have any other

1 recommendations for changes regarding license plate
2 allocation or distribution? What I've found, and this is
3 meant to be constructive, is the communication that we're
4 getting back from these emails is insufficient. It's
5 repetitive, it's canned responses.

6 I have several dealers who are reaching out to
7 me -- I'll send an email, and I'll get a "all the dealers
8 will get their plates when they're sent" and never answers
9 the question, to the point where I've utilized every --
10 I've utilized four different emails and then finally copied
11 you on the last one, having gotten six responses and not
12 being able to provide an answer to what is a small
13 business, just a mom-and-pop business, and they're scared
14 and they have anxiety and they don't know what's going to
15 happen on June 30.

16 You know, we need to have a portal, if you
17 would, that allows us to answer our own questions, maybe
18 log in. I'm not sure if the inventory management system is
19 going to provide this but to where you can log in, you can
20 see what your allocation is, you can see what it is you're
21 going to be getting, as well as print what you believe the
22 inventory online is that they should have on hand so they
23 can perform an audit based on what you say they have.
24 Because whether we like it or not, the DMV can create fear
25 in a small business.

1 MS. QUINTERO: And that's understood. So I
2 want to walk through a little bit of the process for
3 distribution of license plates specifically. So we broke
4 the dealers in Texas into six different groups. It
5 ultimately became eight, but there were six core groups.

6 Each group received an initial email that said,
7 Your plates are coming, we're going to ship them to you,
8 this is what you can expect. The second email said, When
9 you receive your license plates -- and we timed those based
10 on where those license plate orders were in our
11 distribution warehouse -- so the second email correlated to
12 when the distribution warehouse received our order,
13 ingested it and then provided it to the warehouse staff
14 knowing that there were folks starting to pull these orders
15 off the shelves.

16 Mind you, in the first two groups we had to
17 work some of the kinks out. And so the second email says,
18 Your plate shipment is getting prepared, here's some
19 instructions for you to take a look at so that when you do
20 get our shipment, you know what to do with it. There's a
21 shipping receipt that comes with your shipment, take a look
22 at what's on there and then validate it against the boxes
23 that you're looking at and then validate that against
24 what's in the inventory management system. And there's an
25 attachment with lots of pages and instructions.

1 And then there's a third email that says, Okay,
2 your plates have shipped and you should be receiving them;
3 when you receive them, do this validation that we talked
4 about in email two, and then click this link and let us
5 know that you confirmed validation and confirmation of
6 receipt of the shipment.

7 I will tell you that we received quite a bit of
8 communication from the dealer community that they were
9 either not getting the emails or they were confused about
10 the emails, or they were confused as to why they were
11 getting the emails. So we tried to stay on top of that
12 communication. And I'll acknowledge that it's been a
13 learning curve and there's some growing pains, but we have
14 dedicated a staff of about ten people just to that dealer
15 allocations box to help with the volume.

16 There are lots of dealers with questions just
17 related to the anxiety of: They're not here yet, when am I
18 going to get them? And so we validate the shipment dates
19 and make sure that they're going and then we send a quick
20 response that they're coming, they're on their way.

21 MR. DONNELLY: Member Blassingame, can I have
22 the floor?

23 MR. BLASSINGAME: Yes.

24 MR. DONNELLY: So yes, what you described is
25 what I've gotten in most of the emails regarding this. And

1 so as far as the dealers that actually things went
2 smoothly, we're not hearing from them. We're not talking
3 about those people.

4 It's the ones that are not getting -- it's not
5 going the way you just said. And there doesn't appear to
6 be a process to address that, because they're just left to
7 hang at this point. And so when it does break down, when
8 your email goes to the wrong dealership with the wrong
9 quantity, when your email says here's what you're going to
10 get, okay, no, we've adjusted, it's going to go up, but
11 then they don't ever show up and it's close to the end of
12 the month.

13 Is there a process for when the wheels come off
14 or it breaks -- because I've tried Ask DMV, I've tried
15 dealer allocations, MVD, I think -- and there's somebody
16 that says, I looked up this dealer number, they will
17 receive this many plates on this day.

18 MS. QUINTERO: Gotcha. There is a process,
19 however, it sounds like that process may not be working for
20 everyone. So if you want to connect after this, we can
21 work through those, absolutely. That way we can make sure
22 that we are ironing out wherever we may not have
23 efficiencies in that process.

24 MR. BLASSINGAME: Members?

25 MR. HALL: Member Hall.

1 MR. BLASSINGAME: Member Hall, you have the
2 floor.

3 MR. HALL: I just want to touch on one of the
4 other changes in here. What triggers a failed compliance
5 review? By default it says a failed compliance review
6 automatically disqualifies you from your next quarterly
7 allotment, so I want to make sure that it's not some low
8 bar that automatically means you can't get your next
9 allotment.

10 MS. QUINTERO: Absolutely. Corrie Thompson,
11 our Enforcement director is here. I would be glad to let
12 her answer that question for you.

13 MR. HALL: Sorry to put you on the spot,
14 Corrie.

15 MS. THOMPSON: Corrie Thompson, director of the
16 Enforcement Division, not Ashley Healy, to confuse those
17 who may be online.

18 So we are working out a number of risk-based
19 factors that will trigger compliance reviews, so things
20 connected to enforcement cases, any reported issues by
21 consumers that will get us on site, because we know there's
22 a large volume of dealers in relation to staff that we have
23 in the dealer compliance division. But what a failed
24 compliance review looks like to me is that when we show up
25 on site and we are looking to validate the plates you have

1 in person versus what is in the system, there is
2 misalignment from there.

3 So there should be a mechanism in the system
4 for dealers to report plates at the time of receipt that
5 they were not part of the order, that they were received
6 but they were damaged, a mechanism to report if there was a
7 theft at the dealership along the way such that there
8 should be missing plates when staff show up. We're looking
9 to see whether or not what's there matches what's in the
10 system.

11 And is that going to be an absolute that you're
12 going to be cut off? I'm never going to say that it's
13 going to be an absolute just if there's no match, that
14 there's not a reason or a mechanism that would keep the
15 dealer going otherwise, but it would look something like
16 that. So we are looking to see that if something has
17 happened to the plates along the way that the dealer is
18 going in and making a recording of those instances that
19 have caused that misalignment.

20 MR. HALL: So I'd make a general
21 recommendation, I don't know how we word this, to kind of
22 add some language there to say that there's a finding of
23 noncompliance that will result in not getting those plates.

24 That way the dealer knows that an enforcement action is
25 being taken and that's one of the outcomes of that, not

1 that it's just written that way and the dealer finds out,
2 hey, I'm trying to order and all of a sudden I'm suspended,
3 or something along those lines. Especially in light of
4 y'all are still working those out, we're kind of taking it
5 at face value, right. We don't actually know what those
6 things are and those things aren't in the rules at this
7 point.

8 MS. THOMPSON: And I believe there's a later
9 agenda item to discuss recommendations.

10 MR. HALL: Okay. And then on another kind of
11 related to that, what is the timeline going to be for when
12 a dealer requests like a follow-up compliance audit?

13 MS. THOMPSON: For clarification, do you mean
14 the timeline by which somebody will show up at the dealer's
15 location?

16 MR. HALL: Yes.

17 MS. THOMPSON: I would anticipate that we would
18 be able to conduct that within a week.

19 MR. HALL: Okay. Objections to putting that in
20 the rule?

21 MS. THOMPSON: I am not opposed to putting it
22 in the rule. So if we're talking about keeping somebody in
23 business versus somebody going out of business, it's going
24 to be our priority to make sure that that gets done in line
25 of, let's say, like a routine inventory inspection, so if

1 somebody is making this request because they've learned
2 that they're not going to receive plates, that that's going
3 to be a priority to the department.

4 MR. HALL: Okay.

5 MR. BLASSINGAME: Is that all your questions?

6 MR. HALL: Yes, sir.

7 MR. BLASSINGAME: Member Sullivan?

8 MR. SULLIVAN: Yes, sir. Thank you.

9 I'd like to ask Director Quintero a couple of
10 questions, if I may?

11 MR. BLASSINGAME: Yes.

12 MR. SULLIVAN: Thank you. Easy questions.

13 With respect to the sequential numbering of license plates
14 that a dealer might have in inventory, ABC-001, ABC-002,
15 -003, is it required, suggested or recommended that we give
16 them out in that sequential order?

17 MS. QUINTERO: It is recommended that they be
18 issued in the order that they were delivered.

19 MR. SULLIVAN: Okay. Well, within the box, for
20 instance, and time, especially post July 1, do you
21 anticipate -- or maybe it's a suggestion later that the
22 rule be revised to require sequential distribution?

23 MS. QUINTERO: I don't think that we would need
24 a rule for that. What we intend to do is use the
25 technology to help drive the plate sequences, the plates

1 being issued in the right sequences.

2 MR. SULLIVAN: Okay. If I could still, a
3 couple more questions at least along the same lines. So
4 the example that I presented to my team the other day was
5 if a customer is given ABC-666 and says, I'm not putting
6 that plate on my car, then what do we do?

7 MS. QUINTERO: For now you can skip that plate
8 and go to the next plate.

9 MR. SULLIVAN: Keep it in inventory?

10 MS. QUINTERO: Uh-huh.

11 MR. SULLIVAN: Okay. Thank you. It will come
12 up.

13 MS. QUINTERO: Yeah, it will come up.

14 MR. SULLIVAN: Okay. Thank you.

15 MR. BLASSINGAME: Thank you, Member Sullivan.

16 Are there any more questions for Ms. Quintero?

17 MR. DURANT: This is Member Durant. May I be
18 recognized?

19 MR. BLASSINGAME: Member Durant.

20 MR. DURANT: Ms. Quintero, one thing that comes
21 to mind as I look at that system -- I've got multiple
22 finance offices and the current structure we're looking at
23 to issue these plates is putting us having a secure safe
24 room for the majority of the plates, but for Saturday sales
25 where there won't be administrative help to issue plates,

1 having secure safes in each finance office to issue plates.

2 Having finance offices spread out between new car
3 locations and used car locations necessitates that it may
4 be difficult to issue strictly by a numeric issuance of the
5 plates.

6 You know, if a customer goes into Finance
7 Office A, that office might have the first 20 plates,
8 Finance Office B might have the next 20 plates, you see
9 what I'm getting at?

10 MS. QUINTERO: I do.

11 MR. DURANT: Okay. I would be concerned -- I
12 understand being a thousand-members office is probably a
13 very big departure, but minor departures like that probably
14 that's the best system that keeps these plates secure.

15 MS. QUINTERO: I appreciate that feedback.
16 That's good feedback to know.

17 MR. DURANT: And if I may still be recognized.

18 MR. BLASSINGAME: Yes.

19 MR. DURANT: I have two questions about the
20 code sections that we've been recommended to review. Is
21 this the proper time for that?

22 MS. MORIATY: Laura Moriaty, general counsel.

23 It depends on exactly which rule you're on.

24 Right now we're just talking about 215.152, but Ms.

25 Quintero is going to keep going on down to ii and iii, if

1 that's not the specific code provision you want to talk
2 about.

3 MR. DURANT: We're on House Bill 718?

4 MS. MORIATY: Oh, if you want to talk about the
5 statute generally, sure, go ahead. Sorry, I thought we
6 were talking about rules.

7 MR. DURANT: Yes, the rules that are up for
8 change, page 12, line number 9 -- it's Subchapter 4. A
9 dealer fails compliance review performed by the department
10 under Transportation Code Section 503.063(d).

11 This is a situation where the dealer would have
12 their right to receive quarterly plates revoked. I'm
13 concerned that that Transportation Code section will be
14 voided on July 1. Is that correct?

15 MS. MORIATY: Sorry. Tell me one more time,
16 page 12?

17 MR. DURANT: Line 10.

18 MS. MORIATY: Line 10, 503.063(d)?

19 MR. DURANT: Yes.

20 MS. MORIATY: I can check the cite and make
21 sure it is surviving; it will just take me a second.

22 MR. DURANT: Okay.

23 MS. MORIATY: Feel free to carry on while I get
24 that. I'm sorry, I don't want to hold up the meeting.

25 MR. DURANT: All right. Thank you.

1 Yes, my review of the code section online
2 suggests that the text is effective until July 1, 2025,
3 which by the time you get these changes in, that section
4 may no longer exist.

5 MS. MORIATY: I'm sorry. Laura Moriaty,
6 general counsel.

7 When you look at the code online, it first
8 lists the things that will be effective until July 1; if
9 you scroll down, it will show you the new version that's
10 effective on July 1, and to me it looks like it is
11 surviving.

12 MR. DURANT: Okay, all right. Okay. So that's
13 switching from a dealer who had abused the paper plate
14 system to now being a dealer who's failing under the new
15 system. I see.

16 MS. MORIATY: Exactly, right. The language is
17 changing, but the citation works under the new version.

18 MR. DURANT: Okay. And then 6 and 7 just below
19 that, subsection 7 just below that: a dealer fails to keep
20 license plates or license plate system secure. I just
21 wanted to follow up on the question earlier, do y'all
22 envision this process being one failure and you no longer
23 receive plates, or three strikes and your right to receive
24 quarterly plates will be revoked?

25 MS. QUINTERO: Our Enforcement director is

1 coming to help answer that one.

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

4 So I'm going to give you the answer that you
5 don't want to hear because I'm a lawyer: It depends. So
6 it's not a lie, it's going to depend on the facts
7 surrounding each specific case. Right?

8 So we could not possibly write into rule all of
9 the various instances which would cause that to happen. So
10 yes, it won't be something nonsensical like somebody is
11 missing one plate, it's the first time, we informed you of
12 it, you agreed to correct it, it's correct going forward,
13 and then we decide to turn you off from the system. So
14 there are opportunities along the way whenever the
15 department makes these determinations for you to interject
16 information, to mitigate circumstances, to negate fully
17 allegations that the department has made against you, and
18 that will remain true going forward.

19 MR. DURANT: Thank you very much. That's all
20 my questions.

21 MR. BLASSINGAME: Thank you, sir.

22 MR. HALL: Member Hall.

23 MR. BLASSINGAME: Member Hall, you're
24 recognized.

25 MR. HALL: So question for Ms. Quintero. In

1 the event that a dealer gets cut off and their plates are
2 revoked from them, that essentially leaves the only option
3 of if the dealer sells a car, that dealer has to go to the
4 county tax office and immediately title and register that
5 car. Is it going to be expected that the counties
6 immediately process those? Because some counties have
7 drop-off paperwork expectations. Right?

8 Is that going to be addressed with the
9 counties? I get that there are statutory provisions that
10 counties have a certain period of time. I know it's a
11 sensitive topic, but a dealer can't wait five days or seven
12 days to have their title and reg processed.

13 I get in that case they've done something bad
14 to get them to that point, but that's going to essentially
15 put them out of business if they can't sell a car for five
16 or seven days, or even three days. I mean, it's literally
17 going to have to be the same day, they're already being put
18 in a situation of where they're having to go down.

19 And that's how other states handle it if
20 dealers don't have plates. They've got to go in and have
21 it processed or they're having to go to a title service to
22 have that processed, but I think that scenario is going to
23 need to be addressed.

24 MS. QUINTERO: Annette Quintero, VTR director.

25 So the intent is to -- or I should say we have

1 two different paths. Right? So we have dealers who are
2 unable to receive direct shipments from our distribution
3 center to their location, for multiple reasons, they failed
4 a premise inspection -- and I'll let Corrie talk to those
5 specific instances -- and so what we're wanting to do is
6 attempt to identify an alternative pickup location for
7 those license plates so that we can resolve whatever might
8 be pending or whatever might have kept them from receiving
9 a direct shipment from the distribution center.

10 So that pickup may be at a regional service
11 center where we can have a face-to-face conversation with
12 the dealer and say, you know, you might be missing some
13 documentation for your address change, or you were not at
14 your location when our Enforcement compliance folks went
15 out to visit, and so we sent you communication that says
16 you're not getting your next license plate shipment. You
17 have to come pick it up at our regional service center so
18 that we can have that conversation and resolve those
19 things.

20 I don't anticipate that we will be -- in those
21 instances we will just not distribute license plates and
22 expect the dealer to maintain their business.

23 MR. HALL: So y'all are not envisioning
24 situations where if a dealer routinely is mismanaging their
25 license plates but not acting so badly where they're

1 compromising the ability to maintain their license. Right?

2 Where you're pulling their license plates but they still
3 can operate as a dealer, really their only choice is submit
4 the application through webDEALER, have the county process
5 and issue plates.

6 MS. QUINTERO: Corrie, do you have thoughts
7 about that? Those general statements about mismanaging
8 their license plates makes it very difficult to apply a
9 broad use case or solution. Right? Ultimately, if they
10 are misusing their license plates, they would risk --

11 MR. HALL: Their license.

12 MS. QUINTERO: -- their license.

13 MR. HALL: Okay.

14 MS. THOMPSON: Corrie Thompson, director of the
15 Enforcement Division.

16 But also, so that prevents the dealer -- if the
17 license plates can no longer be used, that prevents a
18 dealer from making future sales. So if a dealer is needing
19 to facilitate processing of sales that have already
20 occurred, the ability to do that would still exist.

21 As to going into the tax office, come July 1,
22 we know even in the course of a normal transaction, if
23 there is something that goes awry with the documentation,
24 the county could end up calling you back to come and
25 process the transaction in person. I mean, that's going to

1 happen from time to time. That will be county-dependent,
2 that will be the case going forward come July 1 as well.

3 MR. DONNELLY: Member Donnelly.

4 MR. BLASSINGAME: Member Donnelly.

5 MR. DONNELLY: To not speak hypothetically, I
6 do have a dealer who has been informed they will not
7 receive allocations, and it is for conduct, if you will.
8 Does that essentially mean then that he is out of business,
9 or is there an amnesty? Since this new system will prevent
10 what it was this person was doing, will there be an
11 opportunity, or is he just done?

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

14 Again, with the same answer, it depends on this
15 particular dealer's particular circumstances. Right? So
16 is it something that can be resolved, is it something that
17 cannot be resolved. And then the timeline of when it gets
18 resolved as to whether or not this dealer will be able to
19 continue operating is something I can't answer at this
20 particular time.

21 MR. DONNELLY: Member Donnelly.

22 MR. BLASSINGAME: Member Donnelly.

23 MR. DONNELLY: I can be more specific if you
24 want, I just didn't feel like it was appropriate in this
25 scenario.

1 MS. THOMPSON: I would not recommend discussing
2 the particular facts of an enforcement action in the open
3 meeting.

4 MS. MORIATY: This is Laura Moriatty, general
5 counsel. If I may?

6 MR. BLASSINGAME: You have the floor.

7 MS. MORIATY: I just wanted to point out
8 subsection (k), which I put up on the screen, which just
9 says that if you don't qualify to receive your allocation
10 at your location, you can go pick them up. Right? So
11 we're not really cutting off your total supply of plates
12 unless you've been put on the total do-not-fly list of not
13 getting anything, the same as being cut off from the temp
14 tag database. Right? But if you're just not receiving
15 them shipped to your location, then you can go and pick
16 them up.

17 MS. THOMPSON: Corrie Thompson, director of the
18 Enforcement Division.

19 Again, that's a fair point that Laura makes
20 too. So we're talking about two different instances here
21 too, and we need to be sure that we're distinguishing that
22 too.

23 So the denial of access, Member Durant, from
24 the temporary tag system, that will be -- denial of access
25 from the license plate system going forward would be

1 something that would wholly cut somebody off from the
2 ability to receive plates, versus what we're talking about
3 you not getting your shipment of plates and the having the
4 alternate mechanism to go pick up at an alternate location.

5 MR. DONNELLY: Member Donnelly. May I have the
6 floor?

7 MR. BLASSINGAME: Member Donnelly, you have the
8 floor.

9 MR. DONNELLY: But that process is not in place
10 right now. Correct?

11 MS. QUINTERO: It is in place, so we have some
12 dealers identified that will have to pick up their license
13 plates at a regional service center or an alternate
14 location.

15 MR. DONNELLY: Okay. Thank you.

16 MR. BLASSINGAME: Are there any other questions
17 for Ms. Quintero?

18 (No response.)

19 MR. BLASSINGAME: Laura, are there public
20 comments?

21 MS. MORIATY: I'm sorry, Chairman, I've got to
22 slow you down, I'm afraid. We've only hit A.i so far, we
23 actually need Ms. Quintero to continue on to A.ii.

24 MR. BLASSINGAME: Ms. Quintero.

25 MS. QUINTERO: Thank you.

1 All right. So section ii, amendments to
2 implement Senate Bill 1902. These are also changes to
3 Chapter 215. This section addresses sanctions, so a new
4 enforcement provision effective July 1 where a dealer may
5 be subject to sanctions if they fail to destroy unassigned
6 license plates within the time frame required by the
7 statute. Also, we added language to allow general issue
8 license plates -- excuse me -- we added general issue
9 license plates to the list of plate types that a buyer may
10 assign to a newly purchased vehicle.

11 In 215.155, we removed the requirement that in
12 a wholesale transaction, the selling dealer must provide
13 the purchasing dealer with a general issue license plate
14 assigned to the vehicle.

15 In 215.158, we removed the previous exception
16 for out-of-state buyers or other rule-based exemptions.
17 Dealers are now required to remove all license plates from
18 a vehicle at the time of sale regardless of the buyer's
19 location and reason for sale.

20 And as in the previous section, we have a
21 couple of questions for the advisory committee. Do you
22 have any additional suggestions for changes to these rules
23 that would be helpful in implementing SB 1902?

24 MR. BLASSINGAME: Member Hall.

25 MR. DORAN: Presiding Officer Blassingame, may

1 I be recognized?

2 MR. BLASSINGAME: Yes.

3 MR. DORAN: So a question I have is what the
4 standard is for determining abandonment of a business
5 premises under 215.140. As I recall, there's some language
6 somewhere about if you fail to conduct business in the
7 ordinary course for a certain number of days.

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

10 Abandonment would be dealer investigator or
11 compliance staff showing up to your location, and real
12 world example, it being an active construction site with no
13 business where you in eLICENSING show to be currently
14 located as your licensed premise. So we are talking full
15 abandonment, closed, no dealer activity there. This could
16 sometimes happen in the instance where a dealer has closed
17 the location with the intent to move but they haven't filed
18 an amendment application and been approved to move to a new
19 location yet to conduct business from the new space, or it
20 could be that a dealer has just totally disappeared and did
21 not appropriately close out their license in choosing to
22 disappear.

23 So when we are talking abandonment, there's no
24 specific time frame concerning number of days that it must
25 be abandoned, but no dealer activity, so we're looking at

1 no signage, no presence of a dealership located at that
2 site.

3 MR. DORAN: Follow-up?

4 MR. BLASSINGAME: Yes, sir.

5 MR. DORAN: So they could have lost their floor
6 plan or whatnot, but as long as they're continuing to --

7 MS. THOMPSON: Any number of reasons.

8 MR. DORAN: -- engage in some activities,
9 they're not considered abandoned?

10 MS. THOMPSON: Absolutely. So as long as
11 there's still dealership presence there. I mean, a number
12 of things, you know, can happen during the course of
13 business.

14 But there will be times we show up, dealers
15 will indicate to us that they're in distress in some sort
16 of way, but they're still on site there to facilitate
17 transactions for customers. Right? And so that's all
18 we're looking for. Abandonment would be abandonment in the
19 true sense of the word.

20 MR. DORAN: Okay. Thank you.

21 MR. BLASSINGAME: Any other questions from the
22 board?

23 MR. DONNELLY: Member Donnelly. Could I be
24 recognized?

25 MR. BLASSINGAME: Member Donnelly.

1 MR. DONNELLY: In talking with dealers, they
2 all want to drill down on what a secured room is and such.

3 Can we get more specific? And I give you an example. A
4 person is the title clerk and she has a locking door on her
5 office and she wants to put it in a file cabinet and lock
6 her office door, but she's in it but it's not a pass-
7 through office.

8 I hate to split hairs but I'm trying to tell
9 them, look, you can't do that or you can do this, or it
10 would help to play it safe. Is a secured office equivalent
11 to a secured closet?

12 MS. THOMPSON: So it's a room, a closet, a
13 safe, a steel cabinet that's bolted or affixed to the floor
14 in some way that it's not readily movable. So what appears
15 secure to the dealership should appear secure to my staff
16 when they show up on site. Right?

17 So we've talked about -- I know when we've done
18 a number of dealer information sessions concerning 718, the
19 office manager's office that he's in and out of all day,
20 that in between transactions he's walking in and out of and
21 the plates are in a box in his drawer, again, fact-
22 dependent but in that situation would I deem that secure?
23 No.

24 If a title clerk is in an office that is locked
25 when the person leaves and there is a steel cabinet within

1 the office that is also locked, I would say, again, it
2 would take somebody being on site to make that
3 confirmation, but that sounds like a secure situation to
4 me.

5 MR. DONNELLY: Thank you.

6 MR. BLASSINGAME: Board members, any other
7 questions?

8 MR. DURANT: This is Member Durant. May I be
9 recognized?

10 MR. BLASSINGAME: You have the floor
11 Representative Durant.

12 MR. DURANT: I'm looking at the section of the
13 handout, page 28 -- I'll give you a moment to pull that
14 up -- and I've got a question on line 14 there. So this is
15 the section where the board may sanction dealers for doing
16 various things, and on this one it is: On or after July 1,
17 2025, fails to securely store a license plate or fails to
18 destroy an unassigned license plate within the time
19 prescribed by statute.

20 Did we lose our place? Page 28, line 14.
21 That's it. Page 28, line 14: fails to destroy an
22 unassigned license plate within the time prescribed by
23 statute.

24 I'm concerned about the vagueness of the word
25 "unassigned" because these plates come to us unassigned. I

1 believe this relates more specifically to plates that have
2 been removed from a trade-in vehicle that are not
3 continuing with a customer to their new vehicle. Is that
4 correct?

5 MS. QUINTERO: That is correct.

6 MR. DURANT: Okay. But this does not relate to
7 plates that we have received in inventory which have not
8 yet been assigned?

9 MS. QUINTERO: That is correct. Please do not
10 destroy brand new general issue license plates and
11 passenger plates.

12 MR. DURANT: Thank you very much. And the time
13 prescribed by statute, I believe that's understood to be
14 ten days?

15 MS. QUINTERO: That's correct.

16 MR. DURANT: And we can destroy these plates by
17 taking them to -- is it the tax office?

18 MS. QUINTERO: You have options. You can take
19 them to a metal recycler, you can take them to the tax
20 office, or you can bring them to one of our regional
21 service centers.

22 MR. DURANT: Excellent, that's wonderful.
23 Thank you very much. That was my concern there.

24 MR. BLASSINGAME: Thank you, Member Durant.
25 Member Sullivan.

1 MR. SULLIVAN: Yes, sir, thank you.

2 Ms. Quintero, with respect to the last
3 question, can we take metal snips and simply cut a plate in
4 half?

5 MS. QUINTERO: Yes, you can.

6 MR. SULLIVAN: All right. Thank you.

7 MR. BLASSINGAME: Thank you, Member Sullivan.
8 Board members, any questions?

9 (No response.)

10 MR. BLASSINGAME: All right.

11 MS. QUINTERO: One more section?

12 MR. BLASSINGAME: Yeah, yeah, one more section.

13 MS. QUINTERO: All right. So this is section
14 iii. These amendments are related to the implementation of
15 House Bill 718 and Senate Bill 1902. These are in Chapter
16 215, as the previous sections, so 215.151 is pertaining to
17 license plate general use requirements. These are a little
18 longer so y'all bear with me a little bit.

19 So it amends subsection (a)(1) to include
20 general issue license plates among the Texas plates a buyer
21 may provide to be assigned to the vehicle they are
22 purchasing. Also, adds a new provision allowing exemptions
23 to the requirement that a dealer must physically affix a
24 buyer's license plate to the vehicle at the time of sale.
25 A dealer is not required to attach the plate if the retail

1 buyer requests direct delivery and provides written
2 authorization for the dealer to mail or securely deliver
3 the plate, or the vehicle is purchased for conversion and
4 the buyer provides written authorization for the dealer to
5 send the plate to the licensed converter who will affix it
6 to the completed vehicle upon final delivery -- before
7 final delivery.

8 215.163, License plate disposition for vehicles
9 sold at auction or on consignment. This new section
10 establishes clear responsibilities for dealers and
11 wholesale motor vehicle auctions regarding the removal,
12 handling and issuance of license plates for consigned
13 vehicles, including distinctions based on the type of sale
14 and buyer.

15 Wholesale auctions. If a wholesale auction
16 receives a consigned vehicle from someone who is not a
17 licensed GDN, the auction must remove and mark the license
18 plate as void and destroy, recycle or return the plate as
19 required by 215.158.

20 For public auctions, before sale the dealer
21 must either remove and return the plate to the owner,
22 transfer it to another vehicle of the same class within ten
23 days, or destroy, recycle or return the plate under
24 215.158.

25 If the buyer is a Texas retail buyer, the

1 dealer must issue a buyer's license plate unless the buyer
2 has a qualifying plate to transfer and update the license
3 plate database system. If the buyer is a dealer, export
4 buyer or an out-of-state buyer, the dealer must not issue a
5 buyer's plate. A buyer's temporary plate may only be
6 issued to an out-of-state buyer if needed for lawful
7 transport to another state for registration.

8 For consignment sales, non-auction, for
9 consigned vehicles from non-dealers, the dealer must remove
10 and return any license plate to the owner. A dealer's
11 temporary plate may be used to demonstrate the vehicle.
12 Upon sale, a buyer's plate must be issued to the Texas
13 retail buyers unless a qualifying plate is transferred.

14 No buyer's plate should be issued to dealers,
15 export buyers or out-of-state buyers. A temporary plate
16 may only be issued to an out-of-state buyer if required to
17 transport the vehicle for lawful registration to their home
18 state. If the consigned vehicle is a salvage or total loss
19 vehicle, the dealer must remove and destroy, recycle or
20 return the license plate per 215.158.

21 In the previous section we have a few questions
22 for you. Question 1: Does 215.151(e) address all
23 circumstances in which it would be helpful to authorize a
24 dealer to mail or deliver a license plate to another person
25 to attach to a vehicle?

1 MR. HALL: This is Member Hall. May I be
2 recognized?

3 MR. BLASSINGAME: Member Hall.

4 MR. HALL: So I have a bunch of different stuff
5 on this, and part of it is to understand how the department
6 is going to read 1902. So I think the general
7 understanding of 1902 has been that the intention of the
8 bill was to take the plate off of a vehicle that's being
9 traded in and move that plate to the purchaser's new
10 vehicle.

11 That's not really what the bill actually says.
12 Right? The bill says you can take the plate off of a car
13 and you can put it on another vehicle of the same class
14 within ten days.

15 MS. QUINTERO: That's correct.

16 MR. HALL: It says the dealer shall do that.
17 But also, in reading that, it says the dealer shall do
18 that, but if you read it, it almost sounds like it's
19 permissive, that the dealer -- if the dealer elects to do
20 that, they shall move it to that plate, not that they
21 actually have to move that plate to another car. And the
22 reason I'm asking that is because the way the rule is
23 drafted on blue page 43, line 10, y'all use the word "may."
24 The dealer must update the system and may reassign the
25 plate or destroy the plate.

1 So the reason why I'm asking that is because
2 for us, transferring the plate from a vehicle that's traded
3 in, we transact the vehicle remotely, right, so we don't
4 know if the customer -- we can ask but we don't ever
5 physically see the vehicle at the time we're conducting the
6 trade to know do they have a specialty plate, do they have
7 a general issue plate, do they have both general plates,
8 are the general issue plates, you know, transferable, are
9 they still in good condition. We can ask the customer
10 that.

11 The other issue we run is, okay, they gave us
12 all the right information, they're truthful, blah-blah-
13 blah, sure, we can run a motor vehicle record, get all that
14 information, then we transfer the plate, we go to do the
15 delivery and then they say, you know what, I decided I
16 don't want that vehicle, which a large percentage of
17 customers do, now we have to figure out how do we undo
18 that. Is the department going to have programming to undo
19 the fact that we've transferred the plate?

20 All where I'm getting to is it would just be
21 much easier for the way our business works, and I think for
22 dealers in general who do remote sales or even drop
23 shipments or that sort of thing, to be able just to say you
24 can just assign a new plate to those vehicles, even if
25 you're taking a trade-in. That will be addressed if you're

1 interpreting SB 1902 and the way this rule is drafted
2 currently to say "may." If it's going to be left as "may,"
3 the dealer may transfer the plate, that means we can still
4 continue to issue new plates, we're going to be good.

5 Sorry, that was a whole lot of stuff there. And
6 by the way, I have no comments on the wholesale auction
7 stuff, I think you'll be hearing about that.

8 MS. QUINTERO: Thanks.

9 MS. MORIATY: Sure, I'll give it a shot. This
10 is Laura Moriatty, general counsel.

11 So I think the most productive thing is to
12 imagine what we're capable of enforcing, and the real
13 answer is that we're capable of enforcing the ten-day
14 deadline to destroy. You have to have dealt with that
15 plate; we can't have something older than ten days.

16 Now, I agree with you that the statute says
17 "shall" and suggests that the dealer should therefore be
18 making an effort. And is Corrie going to be able to prove
19 that a dealer did not make an effort? Right? It seems
20 very doubtful.

21 So we have drafted the rules aware of the
22 limitations of our own enforcement powers. That being
23 said, we do have sections where it does say must assign
24 this thing or destroy, so really we are telling you both
25 things, just like the statute does. You should be trying

1 to reassign it, but also, the thing we're going to be
2 looking for is the plate still alive on day eleven.

3 MS. HEALY: Ashley Healy, deputy general
4 counsel.

5 I think if you're looking at Senate Bill 1902
6 and you continue to read down, we're looking at 504.901(b)
7 where we talk about the sale or transfer of a motor vehicle
8 to a person who does not hold a GDN, the seller shall
9 remove the plate, and then it says they may transfer to
10 another vehicle title and owner's name if the license
11 plates are appropriate for the class of vehicle.

12 So the "shall" is based on removing that plate
13 from that vehicle and then you may put it on a different
14 vehicle that's the appropriate vehicle in that class. But
15 then if you do not do that, you must destroy it. So we
16 have a shall, may and must. The shall is really relevant
17 to taking them off of the vehicle that has just been
18 brought in to your dealership.

19 MR. BLASSINGAME: Does that answer your
20 question?

21 MR. HALL: Yes. Can I continue? So sort of
22 the same scenarios apply, and they do today, right, with
23 specialty plates.

24 And I think this is probably the practice of a
25 lot of dealers, right, they just assign general issue

1 plates, and I know that's not always the greatest
2 experience. Is that still going to be allowed, to issue a
3 general issue license plate to those vehicles, as those
4 rules are drafted, and then the customer is going to be
5 responsible for just transferring those to the county tax
6 office to put their specialty plate back on their vehicle?

7 MS. QUINTERO: No. Those qualifying plates and
8 specialty plates will need to be transferred when that
9 transaction is done by the dealer.

10 MR. HALL: So a dealer cannot assign a new
11 general issue plate?

12 MS. QUINTERO: The dealer should not.
13 Go for it.

14 MS. HEALY: Ashley Healy, deputy general
15 counsel.

16 So we've actually been working through this
17 with our online systems and just got passed very recently,
18 and how it works for specialty plates for someone that
19 wants to keep their specialty plate. So they come in, they
20 trade in their vehicle that has a specialty plate on it,
21 and then they want to leave but they don't have their
22 registration sticker yet, and what license plate is
23 assigned to that new vehicle at that point because the
24 registration sticker hasn't come yet. This is a
25 conversation that's been happening over the past couple of

1 days and you've heard about it.

2 MS. QUINTERO: So the functionality in the
3 system should allow the dealer to assign that specialty
4 plate to the newly purchased vehicle, regardless of the
5 registration sticker being present in that moment, because
6 it won't be then.

7 MS. HEALY: And so they would put it on the new
8 vehicle and that new vehicle would -- whereas, right now
9 you put the temp tag on that new vehicle until the
10 registration sticker arrives and then they put their
11 specialty plate back on. At this point they would just put
12 the plate that they have on the new vehicle --

13 MS. QUINTERO: Assign it in the system.

14 MS. HEALY: -- assign it in the system, and
15 the system would notify law enforcement if they're pulled
16 over for the reason that they don't have that registration
17 sticker yet.

18 MS. QUINTERO: That's right.

19 MR. HALL: And maybe this is covered in the
20 ePLATES training. So functionally, today if somebody is
21 trading in their vehicle, the dealer processes the EBT and
22 that's going to add the general issue license plate to
23 their inventory. If they have a specialty license plate,
24 I'm assuming it's not adding that specialty license plate
25 to their inventory. Right?

1 MS. QUINTERO: That's right.

2 MR. HALL: So how is the process flow different
3 for assigning the plate in the system -- assigning a new
4 general issues license plate versus assigning that
5 specialty license plate?

6 MS. QUINTERO: The process shouldn't be any
7 different. It's still a field in ePLATES that the dealer
8 will have to populate with the specialty license plate
9 characters.

10 MR. HALL: So everything is just being hand
11 keyed?

12 MS. QUINTERO: Right.

13 MR. HALL: And there's no validation or
14 anything like that?

15 MS. QUINTERO: There's back-end validation that
16 that license plate exists and it exists in the dealer's
17 inventory. I don't know how the specifics of that
18 technology for specialty plates -- because we understand
19 that that specialty plate would not exist previously in the
20 dealer's inventory so that validation would fail,
21 obviously. But the requirements and the technology will
22 allow the dealer to assign that specialty plate to that
23 customer as they're purchasing that new vehicle.

24 MR. HALL: I'm going to go off on a little bit
25 of a rabbit trail here. And if I'm going too far off,

1 please stop me.

2 So let's say clerk grabs ABC-123 and they fat
3 finger it and do one 1234 and the next clerk tries to do
4 the one, is the system going to tell them this plate has
5 already been assigned?

6 MS. QUINTERO: That's right.

7 MR. HALL: Is there going to be a process for
8 swapping those back out, or how are those situations going
9 to get fixed? Can a dealer fix those themselves, or is
10 that going to require -- because I can see that happening
11 quite a bit.

12 MS. QUINTERO: I'm not sure in this moment, but
13 I can find out for you.

14 MR. HALL: Okay.

15 MR. BLASSINGAME: Does that answer your
16 question?

17 MR. HALL: So to re-validate, it's going to be
18 an expectation that dealers transfer specialty license
19 plates; they are not going to be permitted to assign a new
20 general issue license plate if the customer requests to
21 transfer their specialty license plate?

22 MS. QUINTERO: That's correct.

23 MR. HALL: Is it going to be an expectation
24 that dealers ask customers if they have a specialty license
25 plate they'd like to transfer?

1 MS. QUINTERO: We do not have that stipulated.

2 MR. HALL: So if we don't know, we don't know.

3 In our scenario, again, it's remote; if we don't know, we
4 don't know.

5 MS. QUINTERO: I mean, the assumption would --
6 yes, if you don't know. If you're not presented with the
7 plate that the customer wants to put on the vehicle they're
8 purchasing, I'm not sure how you would know that.

9 MR. HALL: Okay. I'll save my recommendation
10 for when we get to that, because we're not doing the
11 recommendations thing right now. Correct?

12 MS. QUINTERO: That's right.

13 MR. HALL: All right, I'm good. Thank you.

14 MR. DONNELLY: Member Donnelly. May I have the
15 floor?

16 MR. BLASSINGAME: Member Donnelly.

17 MR. DONNELLY: Just for clarification, my
18 apologies on this. First of all, when it comes to the
19 plates, as I recall, that if they do not have two license
20 plates on the car, specialty or not, we are not to transfer
21 that. You destroy it.

22 MS. QUINTERO: That's correct.

23 MR. DONNELLY: You have to be able to put two
24 clean plates on the car to make that work.

25 MS. QUINTERO: That's correct.

1 MR. DONNELLY: Question for anybody, but,
2 Corrie, this will probably come to you. She's used to it
3 from the independent dealers.

4 As a form of best practice, would you consider
5 a best practice, if you can comment on this, that a dealer
6 just adopt a car comes in, take the plates off, destroy
7 them, start over, don't wait ten days?

8 MS. THOMPSON: I cannot say. Corrie Thompson,
9 direct of Enforcement. I cannot say that I would adopt
10 that as a best practice given the passing of 1902.

11 MR. DONNELLY: It appears that 1902 authorizes
12 that.

13 MS. THOMPSON: Following the ten days.

14 MR. DONNELLY: Following the ten days. The
15 concern there, of course, is for independent dealers. I
16 know that it says transfer but it never really talks about
17 repossession.

18 And so in a lot of cases you're going to be
19 bringing in cars that have the license plates attached to
20 them that are assigned to that car. Wait ten days? I
21 mean, if you know you're not giving that car back to that
22 person, do you destroy the plates or wait ten days?

23 MS. QUINTERO: Wait ten days.

24 MS. MORIATY: Is the question about 1902 and
25 what it means? Because 1902 still says -- as we pointed

1 out earlier, it still says the dealer shall transfer each
2 removed license plate to a motor vehicle if that motor
3 vehicle is purchased from the dealer and is in the same
4 class. Right? That's the "shall" that you're pointing
5 out.

6 It has this later "may" language, but again, so
7 the best practice is going to be according to the statute
8 to try to transfer that plate. What we're going to be able
9 to enforce is the ten-day deadline to destroy.

10 MR. DONNELLY: The angst -- I'm sorry. Member
11 Donnelly.

12 MR. BLASSINGAME: Member Donnelly.

13 MR. DONNELLY: The angst in the industry is
14 keeping track of these plates and some of the larger buy-
15 here/pay-here scenarios where they may have, you know, 200
16 repossessions in a month, 300 repossessions in a month,
17 keeping track of those plates and the potential error,
18 that's where the angst is and that's where the question is
19 coming from. And so while they don't want to do the wrong
20 thing, they would like to mitigate their risk as well.

21 MS. MORIATY: So the risk from an Enforcement
22 standpoint -- I'm sorry, sir, just one more time -- is that
23 we have a plate that's older than ten days and it's still
24 in your inventory, not accounted for.

25 Is there anything that you would add to that?

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

3 I would also just like to say when we're
4 talking about showing up and not having the plates
5 destroyed, what I'm seeing in my mind is a giant box of
6 plates that hasn't been destroyed, not a set of plates that
7 you're on the eleventh day and you haven't destroyed yet.
8 Right? And why do we want those plates to be destroyed
9 within that time period? So that something doesn't happen
10 and somebody comes by and picks those plates up and decides
11 to use them for some nefarious purpose. Right?

12 So the emphasis there is twofold. So on the
13 back-end for us in Enforcement is making sure that they do
14 ultimately end up getting destroyed so that they cannot be
15 misused down the line, but on the front-end, so that we are
16 cognizant of the cost of manufacturing of these plates,
17 that the dealer be given a mechanism to be able to reuse
18 those plates. And so there's that ten-day time period of
19 the allowance to reuse those plates so that we can continue
20 to keep those in circulation.

21 The dealer can maintain their inventory, is not
22 having to pull out another set of general issue plates, but
23 then on the back-end, having that assurance that they're
24 not floating around for misuse on the back-end.

25 MR. BLASSINGAME: Does that answer your

1 question?

2 MR. DONNELLY: Yeah -- not really, but I think
3 at the same time, given the situation, there is just going
4 to be a learning curve coming into this and such. I'm not
5 here to put people on the spot, it's just getting the
6 questions ourselves.

7 MR. BLASSINGAME: Thank you, Member Donnelly.

8 Any other questions from the Board? Yes, sir.

9 MR. DORAN: This is Member Doran, and I
10 apologize if I'm off here, but are we on the question of
11 does 215.151(e) adequately cover all the scenarios?

12 MS. QUINTERO: Yes.

13 MR. DORAN: So can you walk me through how this
14 would change the way we handle fleet sales? I mean, I know
15 there's third parties that are involved in that process
16 today, and it's just an entirely different process, so
17 you've got somebody other than the dealer involved in the
18 plating of the vehicle.

19 MS. QUINTERO: I don't believe that commercial
20 fleet buyers are part of this process.

21 MR. DORAN: What does that mean? I'm sorry.

22 MS. QUINTERO: Commercial fleet buyers are not
23 a supported transaction, and so those are currently being
24 processed through the county tax office and that process
25 will remain that way.

1 MR. DORAN: Okay. Thank you. That's hugely
2 helpful, I appreciate it.

3 MR. BLASSINGAME: Thank you.

4 Any other questions for Ms. Quintero?

5 MR. DONNELLY: Member Donnelly.

6 MR. BLASSINGAME: Member Donnelly.

7 MR. DONNELLY: If it's inappropriate to ask
8 this right now but I think we just talked about it, maybe
9 it's good for the people in the room to hear. So on June
10 30 you have a car that's sold that leaves with a paper tag
11 on it, it's a deputized dealer. This is coming from a
12 deputized dealer. They're being told they have to give
13 them their plates on July 1 -- their deputized plates on
14 July 1 and start using the new allocation. This is as they
15 understand it.

16 For the car that left on June 30 with a paper
17 tag on it that they get the title in five days later from
18 their floor plan and they go to transfer it, where does the
19 plate come from since they're no longer deputized, or they
20 no longer have a deputized plate inventory?

21 MS. QUINTERO: So what dealer deputies are
22 being told is on July 1 they need to pause the issuance of
23 any county-issued general issue license plates and switch
24 over to the general issue license plates that the
25 department delivered to them. Sometime after July 1 and

1 after each county has conducted an audit -- an inventory
2 audit with every one of their dealer deputies and reported
3 that back to us, we have ingested that inventory into our
4 system and added it to those dealer deputies into their
5 inventory management system profiles, then they will be
6 able to use both their department-issued inventory and
7 their county-issued inventory. Does that make sense?

8 MR. DONNELLY: Yes.

9 MS. QUINTERO: I know I didn't answer your
10 question yet, but I want to make sure that that's clear.

11 MR. DONNELLY: It did. You're saying they're
12 not to return their deputized dealer plates, which they're
13 being told in Harris County -- as I understand it from this
14 particular deputy, they're being told you need to bring the
15 plates back.

16 MS. QUINTERO: Okay. I just sent a
17 communication to the counties with this specific process,
18 and we can talk about that.

19 Did I answer your question?

20 MR. DONNELLY: (Inaudible response.)

21 MS. QUINTERO: Okay, good.

22 MR. BLASSINGAME: Board members, any other
23 questions?

24 MR. DURANT: This is Member Durant. May I be
25 recognized?

1 MR. BLASSINGAME: Member Durant.

2 MR. DURANT: I just want to apologize on behalf
3 of the board, I don't know how on topic with this question
4 we are. And I think in terms of these issues, it's just
5 going to take us a little bit more time and a little bit
6 more experience to fully understand the scope. Would it be
7 possible to answer this question, maybe at the next MVIRAC
8 meeting?

9 MS. MORIATY: This is Laura Moriaty, general
10 counsel.

11 I'm afraid these rules and y'all's
12 recommendations will be going to the board in July, so
13 while everyone is always welcome to make public comment on
14 those rules after they're proposed, this is going to be our
15 one chance to meet on this topic as this group.

16 MR. DURANT: Thank you very much. This is an
17 incredible effort on a short timeline, we appreciate it.

18 MR. BLASSINGAME: Thank you, Member Durant.

19 Any other questions?

20 MS. QUINTERO: I have two more questions for
21 the committee.

22 Are all forms of consignment covered in
23 215.163, or are there any changes you would recommend?

24 MR. BLASSINGAME: Board members?

25 (No response.)

1 MR. BLASSINGAME: There appear to be none.

2 MS. QUINTERO: All right. Last question. In
3 215.163(b) (1) would it be more efficient to have the dealer
4 simply return the plate to the consignor rather than
5 providing for the possibilities of reassignment or
6 destruction?

7 MR. BLASSINGAME: Members?

8 MR. DONNELLY: Member Donnelly.

9 MR. BLASSINGAME: Member Donnelly.

10 MR. DONNELLY: I believe the most simplistic
11 thing is the destruction, if you will. The challenge that
12 we see in here is there's a lot of vague things, and I work
13 with a lot of people who want specifics. And destruction
14 is very specific: ten days, destroy it, simple as that.

15 MS. MORIATY: If I may, sir? This is Laura
16 Moriaty, general counsel.

17 So the consignment brings up a weird position
18 within 1902, right, because you both have a non-GDN holder
19 selling and a GDN holder buying. So this particular rule
20 provision has tried to sort of straddle that divide by
21 giving all the options. If it's a non-GDN holder selling,
22 you're supposed give the plate back to the seller. Right?
23 If it's a GDN holder buying, you're supposed to try to
24 transfer it and then destroy if you don't.

25 This is actually my question because my thought

1 was, would it be more simple, from a dealer's perspective,
2 to simply give the plate back to the consignor. If the car
3 doesn't sell, you return the car, they've already got the
4 plate, it goes on. Or is it good to have all of these
5 choices?

6 MR. BLASSINGAME: Members?

7 MR. DONNELLY: Member Donnelly.

8 MR. SRALLA: Member Sralla.

9 MR. BLASSINGAME: Member Sralla.

10 MR. SRALLA: Yeah, I believe that the more
11 clear-cut we can make these rules, the better, because when
12 we start giving choices, you're starting to open up avenues
13 for interpretation. And you know, dealerships, especially
14 large dealerships, you may have a whole bunch of different
15 employees and one person interprets something one way and
16 one interprets another way. So especially when we talk
17 about consignment, I believe it makes more sense to say
18 either you destroy the plate or you give the plate back to
19 the customer, and immediately when you take the vehicle
20 into consignment, you give the plate back to the customer
21 at that point.

22 MR. BLASSINGAME: Thank you.

23 MR. DONNELLY: Member Donnelly.

24 MR. BLASSINGAME: Member Donnelly.

25 MR. DONNELLY: Counsel, if I'm understanding

1 correctly, then this is a person who is consigning a car to
2 a dealer to be sold. Correct?

3 MS. MORIATY: Correct.

4 MR. DONNELLY: Okay. So essentially, that car
5 as consigned is still owned by the person until it is sold.

6 MS. MORIATY: Correct. That's where the
7 weirdness comes in.

8 MR. DONNELLY: So in my mind, the owner of the
9 vehicle should keep the plates.

10 MS. MORIATY: Okay. Thank you.

11 MR. DONNELLY: It doesn't happen very often.

12 MS. MORIATY: Right.

13 MR. BLASSINGAME: Any other comment?

14 (No response.)

15 MR. BLASSINGAME: Laura, is there public
16 comment on this?

17 MS. MORIATY: Well, sir, we've got -- I'm
18 afraid we have one -- no, that was the end of it, I need to
19 hush.

20 There is no public comment, sir. I'm so sorry.

21 MR. BLASSINGAME: Thank you.

22 MS. QUINTERO: We are on 2.B.

23 MR. BLASSINGAME: Members, I will now move on
24 to agenda 2.B. Potential proposed amendments to Chapter
25 217, Vehicle Titles and Registration, Section 217.53, to

1 implement Senate Bill 1902, and turn the meeting back over
2 to Annette Quintero, director of Vehicle Titles and
3 Registration, for an overview.

4 MS. QUINTERO: Thank you.

5 217.53, the disposition of license plates and
6 registration insignia upon sale or transfer of a motor
7 vehicle. Upon sale or transfer, a dealer shall remove
8 plates. What we did is we added: remove and dispose of
9 registration insignia, return any non general issue plates
10 to seller or transferer, and the dealer shall transfer of
11 dispose of the removed plates.

12 The second section: the removed license plates
13 may be transferred to another vehicle if the new vehicle is
14 titled in the same name as the vehicle the plates were
15 removed from, the new vehicle is in the same
16 classification, and the county tax assessor-collector
17 approves the transfer under Transportation Code 501.023 or
18 502.040. If the plates are not transferred within ten
19 days, they must be destroyed, recycled or returned, as
20 required by rule.

21 In addition, section (d) talks about vehicle
22 transit permits for a person who purchases a motor vehicle
23 in a private transaction may obtain one vehicle transit
24 permit, a temporary registration plate through the Texas
25 Department of Motor Vehicles regional service center, as

1 authorized by 502.492.

2 And I only have one question for this section:

3 Are there any changes you would recommend?

4 MR. HALL: Member Hall.

5 MR. BLASSINGAME: Member Hall.

6 MR. HALL: So I just have like a structural
7 question on Chapter 217, but there's a reference back to
8 215 which is specifically dealing with a regulated entity.

9 Like is that allowed to refer non-regulated entities to a
10 requirement of a regulated entity for plate destruction, or
11 would it be more correct to just call that back out and say
12 this is how you're supposed to destroy these plates?

13 MS. MORIATY: I'm sorry, sir. Where are you
14 specifically looking?

15 MR. HALL: On page 48 -- sorry, page 48, line
16 4, so that's referencing, basically, the plate destruction
17 process and it's talking about if the vehicle is being sold
18 between non-licensed dealers, but it's referring back to
19 the dealer chapters. So structurally is that appropriate?

20 MS. MORIATY: I think it could work because
21 it's simply referring back to the requirements, but I see
22 your point that it might be cleaner to just reiterate it
23 here.

24 MR. HALL: I don't care, it was just something
25 that stood out to me.

1 MS. MORIATY: No, point taken. Thank you for
2 the feedback.

3 MR. HALL: That was all I had on that one.

4 MR. BLASSINGAME: Thank you.

5 Board members, questions?

6 (No response.)

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

8 Laura, are there any public comments?

9 MS. MORIATY: No, sir, there are not.

10 MR. BLASSINGAME: Hearing none, I will move on
11 to the next agenda item. Members, item 2.C.
12 Recommendations of the advisory committee for presentation
13 to the board on potential proposed amendments to Chapter
14 215, Motor Vehicle Distribution, and Chapter 217, Vehicle
15 Titles and Registration, to implement Senate Bill 1902 and
16 House Bill 718, a discussion and action item.

17 MR. HALL: Member Hall. Can I be recognized?

18 MR. BLASSINGAME: Member Hall.

19 MR. HALL: So this is going back to the whole
20 kind of conversation about vehicle not being present. So
21 looking at Section 215.151(e), which is the callout of the
22 kind of two situations in which new plates can be assigned,
23 I personally would feel better -- I'm on page 43-44, blue
24 page 43-44 -- I would feel better if we could add a (3)
25 that specifically calls out that plates could be assigned

1 to vehicles -- new plates, new buyer plates could be
2 assigned to vehicles when the transaction is conducted and
3 the vehicle is not physically present at the time of the
4 sale.

5 MS. QUINTERO: We're not following where in (e)
6 you are.

7 MR. HALL: At the end. So it's (e) (1), (2) --
8 I would feel better if like we could add like a (3) that
9 specifically calls out situations in which when the
10 transaction is -- the sale is conducted, the terms of the
11 sale are agreed to, and the vehicle is not present at that
12 time.

13 Notwithstanding subsection (a) or (b), a dealer
14 is not required to secure and assign buyer's license plates
15 to a lawfully purchased vehicle in the following
16 circumstances, and call you -- and we may need to carve it
17 out separately, maybe even make it an (f), basically say
18 something that a dealer can assign a new set of buyer's
19 license plates to a vehicle if the terms of the sale are
20 agreed to and the vehicle that's being basically traded in
21 is not physically present at the time those terms are
22 agreed to. Basically, account for those remote
23 transactions.

24 I know we were kind of talking about 1902 is
25 kind of permissive, sort of, how do you know if the plates

1 are there, are they in good condition, like just spell it
2 out specifically. I mean, I can work within the rules and
3 say that I'm comfortable with it, but I would feel like
4 really good if it just spelled it out to say if the vehicle
5 is not present at the time the terms of the sale are agreed
6 to, you can just issue new buyer's plates to it.

7 MS. MORIATY: This is Laura Moriaty, general
8 counsel.

9 If I may, your concern is to address the timing
10 of the ten-day deadline?

11 MR. HALL: No. The ten-day deadline doesn't
12 concern me. What concerns me is the potential reading
13 that -- or not even a potential reading -- the reading of
14 1902 to say a dealer has to take plates off of a trade-in
15 vehicle. Right?

16 The way our business is conducted, we enter
17 into the terms of the agreement with a buyer of a vehicle
18 from us remotely, so we don't see the vehicle that they're
19 trading in to us until the day we actually do the swap. So
20 it could be a week or two prior, so we don't know what
21 plates are on that car. We could run a motor vehicle
22 record, we could ask them, but we don't know if they're
23 being truthful, do they have both plates, are the plates in
24 good condition.

25 We also prep all that work, so if a vehicle is

1 going out for delivery today, we're able to process that
2 buyer tag, have that buyer tag ready to go, and the
3 customer just signs the receipt. We drop the vehicle, and
4 they're good to go. We take the new vehicle and put it on.

5 We would have to do all that stuff beforehand;
6 we wouldn't know until we showed up at their house if those
7 plates were actually there are not. Right? And if we've
8 already done all that, then they could reject, for us our
9 process would just necessitate issuing new buyer's tags.

10 I can read the rule today and I can read the
11 statute to say we can already do that, but that's
12 interpreting the statute and rule to say that. I would
13 just feel much better if it just crystal clear said if
14 you're agreeing to the terms of the sale and the vehicle is
15 not physically present at the time that you're doing that,
16 you can just assign new buyer's tags.

17 MS. MORIATY: So does it not fit into (e)(1)
18 here? Isn't this a retail buyer purchasing a vehicle for
19 direct delivery to the buyer?

20 MR. HALL: Well, for us it's also pickup,
21 right, because customers will also come and pick up
22 vehicles from us.

23 MS. MORIATY: Okay.

24 MR. HALL: And it's the same situation. We
25 don't know because they're agreeing to that in advance. We

1 don't see the vehicle until the day they're coming to us,
2 and again, we're doing all that prep work in advance so the
3 vehicle is ready to go.

4 They're just coming literally dropping their
5 vehicle off, picking their vehicle up and going. And if
6 we've already done the work and swapped the plates, and
7 then they either say no, I don't want this vehicle, or the
8 plates that they said they had, they don't have. Right?
9 Then we're basically asking the department to have
10 mechanisms in place to undo all that.

11 MS. MORIATY: Okay. So I just want to check my
12 understanding. You want a carve-out to address the timing
13 of the removal of the plate? I mean, we've already talked
14 about how you don't necessarily have to put the plate on
15 the trade-in. Right?

16 MR. HALL: Yes.

17 MS. MORIATY: So it's the timing of the removal
18 of the plate that statute says, ostensibly, you're supposed
19 to remove it immediately. Your concern is that you will
20 have already on paper purchased that vehicle before you've
21 even seen it so you can't remove the plate?

22 MR. HALL: No, no, not the removal. It's the
23 potential requirement to transfer the plate from that
24 vehicle --

25 MS. MORIATY: I don't think anywhere have we

1 read a requirement to transfer. You have like a best
2 practice to attempt to reassign that plate to something
3 else, but the statute does not require you to directly
4 transfer it to the same vehicle that they purchase. The
5 language didn't revert to the pre House Bill 718 language
6 which would have put you potentially in that position. It
7 now says that you can transfer it to any vehicle that is of
8 the same class.

9 MR. HALL: Okay. If we're all on that same
10 page, then --

11 MS. MORIATY: I don't think we need to write
12 it. I think the statute says that for you.

13 MR. HALL: Okay. If that's the interpretation,
14 then I'm good.

15 MR. BLASSINGAME: The committee has been
16 briefed by the Texas DMV staff on the proposed draft
17 amendments to Chapters 215 and 217, so it's now time to
18 discuss and vote on any recommendation that we, as an
19 advisory committee, want to present to the TxDMV Board.

20 To assist the court reporter in getting an
21 accurate record, please cite to the blue page numbers at
22 the top right-hand side of your written materials when
23 discussing any portions of the provisions in the written
24 materials that DMV staff provided you.

25 Any recommendations from this advisory

1 committee should be made in the form of a motion that the
2 advisory committee votes on, unless the DMV staff are
3 willing to accept an informal comment.

4 An example of a motion is: I move that this
5 advisory committee recommend to the TxDMV Board that the
6 draft proposed new rule should be modified to add clause X.

7 Members, do you have any recommendations to
8 present to the Texas Department of Motor Vehicles Board
9 regarding the draft proposed amendments to 215 or 217?

10 MR. DONNELLY: Member Donnelly. May I have the
11 floor?

12 MR. BLASSINGAME: Member Donnelly.

13 MR. DONNELLY: First page, line 14, so it would
14 be blue number 8, so basically line 14: The department
15 will inform each dealer annually of the maximum number of
16 buyer's plates. Can we be more specific than annually?
17 Can we say, you know, on December 1, or create a mechanism?

18
19 The motion that I was saying is can we have
20 something that you can plan on, instead of -- once again,
21 we're trying to stop anxiety, if you will. It's not a
22 motion, but I'd like to see where, just like with the
23 existing system, when you limited the number of paper
24 plates we could print, it said exactly right there this is
25 how many you're going to have.

1 If we could look at the inventory management
2 system as a communication vehicle instead of just an
3 inventory management so that people could see those updates
4 on there. But if there's a specific date that you could
5 tell us, hey, we will review your allotment, the dealer
6 allotments on this date, then we as an organization and
7 participants can communicate that.

8 So my motion is to replace "dealer annually"
9 with a specific date, if you can, like December 1, you
10 know. And if that's too much, I get it.

11 MS. QUINTERO: We're on line 14 on page 8, blue
12 page 8.

13 MR. DONNELLY: It's 1 of 39, if you will. You
14 see where it says "dealer annually"? Could we plan?

15 MS. QUINTERO: And I'll tell you, my initial
16 hesitation is in the newness of the process. I would
17 prefer we had a little more time to establish a set process
18 and a set cadence, but because in this moment we have
19 dealers being licensed at every point in the year, that
20 annual allocation assessment and information, that's going
21 to be really tough for us. Or I'd be afraid if we set it
22 in the middle of the year, those dealers that were set for
23 in November, what would that look like.

24 So I think we need some time to mature the
25 process before we can say yes. I think ultimately we may

1 end up programmatically just establishing a cadence that's
2 every year, this is the specific time, because for us it's
3 easier to do it that way. But my only hesitation is in the
4 newness of the process now and not giving it enough time to
5 mature before we establish those definitive parameters in
6 rule.

7 MR. BLASSINGAME: Member Donnelly, did that
8 answer your question?

9 MR. DONNELLY: Yes, it did.

10 MR. SULLIVAN: Presiding Officer, may I have
11 the floor?

12 MR. BLASSINGAME: Member Sullivan.

13 MR. SULLIVAN: Thank you.

14 Director Quintero, along the same lines as your
15 response, I think we also would want to -- not revisit but
16 visit acquisitions and dispositions as well. That could
17 play into the timing as to whether or not it would be
18 convenient or appropriate for us to look at that.

19 MS. QUINTERO: I agree. Thank you. Yes.

20 MR. SULLIVAN: Thank you.

21 MR. BLASSINGAME: Board members, any motions?

22 MR. HALL: Chairman Blassingame?

23 MR. BLASSINGAME: Yes, sir.

24 MR. HALL: Can I be recognized?

25 I'm going to take a shot in the dark here. Is

1 there any appetite to consider the out-of-state plate
2 storage discussion by the department?

3 MS. QUINTERO: If by discussion you are
4 referencing the question about storing out-of-state plates
5 quite literally out of the State of Texas?

6 MR. HALL: Yes.

7 MS. QUINTERO: It's not on this agenda.

8 MR. HALL: Well, recommendations presented to
9 the board to amend 215 and 217 to implement SB 1902 and
10 718, so it's broad.

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

13 And so I would say -- I'm speaking on behalf of
14 the department -- that I could not say the department would
15 be comfortable recommending that because department staff
16 then would not have access to inspect the premises located
17 out of the state. And the purpose of us having the ability
18 to inspect those premises is to ensure the compliance with
19 the inventory and the safekeeping of the metal plates, and
20 storage outside of the state wouldn't meet that.

21 MR. HALL: Do you feel like the rules could be
22 drafted in a way to where that could be done virtually?

23 MS. THOMPSON: Clarify, where what could be
24 done virtually?

25 MR. HALL: The inspections.

1 MS. QUINTERO: We also have our deputy
2 executive director here, if we would like for him to weigh
3 in on the out-of-state being housed in a non-Texas
4 residence.

5 MR. HALL: Like I said, I was taking a shot in
6 the dark.

7 MS. MORIATY: Before he gets here, I'll just
8 add -- Laura Moriatty, general counsel -- that I'm concerned
9 about jurisdictional issues. Right? Our jurisdiction is
10 Texas, our ability to investigate is Texas, and when we
11 start going outside that, I think we'd add trouble.

12 MR. LUNA: Roland Luna, deputy executive
13 director.

14 As much as we would like to do that, it
15 presents a ton of logistical challenges, jurisdictional
16 challenges, as well as just difficulty with us ensuring a
17 fair regulatory environment. And when you talk about a
18 virtual option, that's part of our regulatory space today.

19 There's a number of desk reviews that are provided today.

20 When you look at the new dealer compliance
21 section that was created, a great deal of that work is
22 going to be completed virtually, and then a field
23 inspection would follow that virtual work that is performed
24 initially, like most compliance inspection units that exist
25 for state government. So today that's just not a place

1 that we can go as an agency because it presents too many
2 hurdles for us from a regulatory standpoint.

3 MS. QUINTERO: Thank you.

4 MR. BLASSINGAME: Did that answer your
5 question?

6 MR. HALL: It answers it. I don't like the
7 answer, but it answers it.

8 (General laughter.)

9 MR. BLASSINGAME: Members of the board,
10 anything else?

11 MR. DURANT: Member Blassingame, this is Member
12 Durant. May I be recognized?

13 MR. BLASSINGAME: Yes, sir, you're recognized.

14 MR. DURANT: Thank you very much.

15 This is page 35 in the blue page number. We
16 talked about this previously, the word "unassigned license
17 plate" being a little bit ambiguous there. I do not have a
18 recommendation for a word but I do feel that this is a
19 little bit ambiguous, and it being in an Enforcement
20 section, it concerns me.

21 Blue page 38, line 14, paragraph 26: On or
22 about July 1, 2025, fails to securely store a license plate
23 or fails to destroy an unassigned license plate within the
24 time prescribed by statute. If there's anyone who can
25 propose a less ambiguous like than an "unassigned license

1 plate" I would appreciate the help.

2 MS. THOMPSON: We can work up -- Corrie
3 Thompson, director of Enforcement -- we can work up some
4 alternative language that would be more descriptive, even
5 given that there's a qualifier here past "unassigned
6 license plate," right? Because it's within the time period
7 prescribed by statute, and the statute is the part that
8 speaks to the ten days, there is no such requirement to
9 destroy the unissued general issue plates and other
10 inventory that is shipped to the dealer, but the department
11 can look into language that would provide additional
12 clarification.

13 MR. DURANT: Thank you.

14 MR. SULLIVAN: Presiding Officer Blassingame,
15 may I be recognized?

16 MR. BLASSINGAME: Board Member Sullivan.

17 MR. SULLIVAN: Thank you.

18 Could we go back to the converter issue?
19 Because I thought I heard language earlier today,
20 discussion here, about a plate from a dealer to a
21 converter, and I only ask because of the recent legislative
22 effort regarding the issue. I'll leave it at that.

23 I think my question generally is --

24 MS. QUINTERO: One second.

25 MR. SULLIVAN: I'm just trying to make sure

1 that we're not going to alter anything that would lead to
2 an effort to change that in the next legislative session or
3 through rulemaking at the agency. Assume I don't know --
4 you don't have to assume, I don't know anything at all
5 about that, so kind of draw pictures for me, if you don't
6 mind.

7 MS. MORIATY: Okay. So we created this carve-
8 out in response -- this is Laura Moriatty, general counsel,
9 I'm so sorry -- we created this carve-out in response to a
10 stakeholder comment that was concerned about dealers having
11 to secure a license plate no matter what. We created two
12 carve-outs to address that.

13 One of them was that a dealer could ship --
14 could mail license plates to a buyer when the vehicle is
15 being delivered remotely to the buyer. That saves the
16 dealer the effort of having to drive to wherever the
17 vehicle is getting delivered to. And then also, when the
18 vehicle is getting delivered to a converter who is licensed
19 by us and is then going to further convert it, this would
20 allow the dealer to send it to the converter rather than
21 having to affix it themselves and then allow the converter
22 to affix it.

23 MR. SULLIVAN: May I follow up, sir?

24 MR. BLASSINGAME: Please.

25 MR. SULLIVAN: Thank you.

1 What if the converter is not licensed as a
2 converter?

3 MS. MORIATY: Well, this specifies that the
4 only one the dealer can mail to is a licensed converter, so
5 I suppose the dealer would have to go over there and affix
6 it himself, since that's the default.

7 MR. SULLIVAN: Okay. Thank you.

8 MR. BLASSINGAME: Member Sullivan?

9 MR. SULLIVAN: Thank you.

10 MR. BLASSINGAME: Board members?

11 (No response.)

12 MR. BLASSINGAME: Members, in the interest of
13 time, we will not be taking up agenda items 2.D and 2.E
14 today. Staff will schedule another meeting in the fall for
15 us to discuss and offer recommendations on those draft
16 rules before they go in front of the board.

17 Laura, is there any public comment?

18 MS. MORIATY: No, sir, no public comment.

19 MR. BLASSINGAME: Okay. We will now move to
20 agenda item 4, adjournment. Unless there's any further
21 business, I would like to entertain a motion to adjourn.
22 Do I have a motion from anyone to adjourn?

23 MR. SULLIVAN: Motion.

24 MR. DORAN: Member Doran. I'll second.

25 MR. BLASSINGAME: And Member Doran seconded.

1 Very good.

2 All in favor?

3 (A chorus of ayes.)

4 MR. BLASSINGAME: It is now 2:45 p.m., and we
5 are adjourned.

6 (Whereupon, at 2:45 p.m., the meeting was
7 adjourned.)

C E R T I F I C A T E

MEETING OF: TxDMV Motor Vehicle Industry Regulation
Advisory Committee

LOCATION: Via Microsoft Teams

DATE: June 23, 2025

I do hereby certify that the foregoing pages,
numbers 1 through 82, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas Department of Motor Vehicles.

DATE: July 7, 2025

/s/ Nancy H. King
(Transcriber)

On the Record Reporting
7703 N. Lamar Blvd. #515
Austin, Texas 78752