

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

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

Thursday,
February 13, 2025
9:00 a.m.

BOARD MEMBERS:

Charles Bacarisse, Chair
Tammy McRae, Vice Chair
Christian Alvarado
Stacey Gillman
Brett Graham
Mark Jones
Sharla Omumu
John Prewitt
Darren Schlosser

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P R O C E E D I N G S

1
2 MR. BACARISSE: Good morning. It is 9:04 a.m.
3 I'm Charles Bacarisse, chair of the board, and I'm
4 pleased to open this board meeting of the Texas Department
5 of Motor Vehicles.

6 I'm now calling the board meeting for February
7 13, 2025, to order. I want to note for the record that the
8 public notice of this meeting, containing all items on the
9 agenda, was filed with the Office of Secretary of State on
10 February 6, 2025.

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

15 I want to welcome those who are with us for
16 today's board meeting. Welcome, everyone.

17 If you wish to address the board or speak on an
18 agenda item during today's meeting, please complete a
19 speaker's sheet at the registration table or send an email
20 to GCO_General@TxDMV.gov. Please identify in your email
21 the specific item you're interested in commenting on, your
22 name and address, and whether you are representing anyone
23 or speaking for yourself. If your comment does not
24 pertain to a specific agenda item, we will take your
25 comment during the general public comment portion of the

1 meeting.

2 In accordance with the department's
3 administrative rule, comments to the board will be limited
4 to three minutes. To assist each speaker, a timer has
5 been provided at the podium, and the timer light will be
6 green for the first two minutes, yellow when the speaker
7 has one minute left, and then red when the speaker's time
8 is up. Individuals cannot accumulate time from other
9 speakers, and comments should be pertinent to the issues
10 stated on the comment sheet. When addressing the board,
11 please state your name and affiliation for the record.

12 There are a few things that will help to make
13 this meeting run more smoothly and assist the court
14 reporter to get an accurate record: number one, please
15 identify yourself before speaking; secondly, speak clearly
16 and slowly; third, don't speak over others; and fourth,
17 ask the chair for permission to speak and be sure to get
18 recognized before speaking.

19 And I would like to thank our court reporter
20 who is transcribing this meeting, as always.

21 Before we begin today, I'd like to remind all
22 presenters and those in attendance of the rules of conduct
23 at our board meetings. This department's administrative
24 rule, the chair has authority to supervise the conduct of
25 the meetings, and this includes the authority to determine

1 when a speaker is being disruptive of the meeting or is
2 otherwise violating the timing or presentation rules that
3 I just discussed.

4 So with that, I would now like to have a roll
5 call of the board members, so please respond verbally when
6 I call your name.

7 Member Alvarado, are you present?

8 MR. ALVARADO: Present.

9 MR. BACARISSE: Member Gillman?

10 MS. GILLMAN: Here.

11 MR. BACARISSE: Member Graham?

12 MR. GRAHAM: Present.

13 MR. BACARISSE: Member Jones.

14 MR. JONES: Present.

15 MR. BACARISSE: Vice Chair McRae?

16 MS. McRAE: Here.

17 MR. BACARISSE: Member Omumu?

18 MS. OMUMU: Present.

19 MR. BACARISSE: Member Prewitt?

20 MR. PREWITT: Present.

21 MR. BACARISSE: Member Schlosser?

22 MR. SCHLOSSER: Present.

23 MR. BACARISSE: And let the record reflect that
24 I'm here too so we have a quorum, the full board. Good to
25 see everybody.

1 And we will move now to agenda item 2, pledges,
2 so please stand and honor our country with the pledge of
3 allegiance, and I'll turn it over to Member Alvarado to
4 lead us in the U.S. Pledge.

5 (The U.S. Pledge was recited.)

6 MR. BACARISSE: And now, Member Gillman will
7 lead us in the Texas Pledge.

8 (The Texas Pledge was recited.)

9 MR. BACARISSE: Thank you, Members Alvarado and
10 Gillman, for leading us.

11 Agenda item number 3 is the chair report, and I
12 do have something first to say to all of our members.
13 Tomorrow is Valentine's Day -- don't forget; that's why
14 I'm wearing my red tie so I won't forget. And I want to
15 say how much I love and appreciate each one of you and
16 your service to the state and your service here on this
17 board.

18 I think we have developed a great rapport of
19 respect and admiration for one another and I appreciate
20 that greatly. It helps make our work fun and actually
21 productive. So thank you all, each of you.

22 And I also want to thank our staff. You guys
23 work so hard every day. This meeting doesn't happen by
24 accident, this room isn't set up this way by accident, so
25 I want to thank all of y'all who work so hard every day at

1 the DMV to serve the people of Texas. Thank you.

2 Now we'll move to agenda item number 3, chair
3 reports. Another duty I have as board chair, besides the
4 Valentine stuff, is under Section 1001.023 of the
5 Transportation Code, I have the honor to designate at
6 least one employee of the department as the civil rights
7 officer and receive regular reports from the officer or
8 officers on the department's efforts to comply with civil
9 rights legislation and administrative rules.

10 The civil rights officer oversees the Equal
11 Employment Opportunity process for the department, as
12 required by the Transportation Code, Chapter 1001, to help
13 ensure compliance with civil rights laws and policies.

14 In consultation with the executive director,
15 Daniel Avitia, and General Counsel Moriaty, I've appointed
16 Ashley Healy as our civil rights officer for the Texas
17 Department of Motor Vehicles. Ashley Healy has been with
18 the department for one and a half years in the General
19 Counsel's Office, and she currently serves as deputy
20 general counsel. Ashley has more than 16 years of
21 experience as a licensed attorney for the State of Texas,
22 and has advised on employment, civil rights and ethics
23 matters at several state agencies during her career.

24 Ashley, I know you will do an outstanding job
25 for the department and all of us associated with the DMV,

1 so thank you for saying yes to this opportunity. Welcome.

2 MS. HEALY: Thank you, sir.

3 MR. BACARISSE: You bet.

4 Moving now to executive director's reports, and
5 I will turn it over to Mr. Avitia.

6 Daniel.

7 MR. AVITIA: Chairman, thank you.

8 Good morning, and welcome to all of you joining
9 us this morning.

10 Chairman, I appreciate the opportunity to share
11 a few comments. I'll start off with agenda item 4.A,
12 which can be found on page 7 of your board materials. I'd
13 like to recognize a few folks that have been nominated and
14 appointed to the American Association of Motor Vehicle
15 Administrators committees.

16 I'll start off with our Consumer Relations
17 director, Ms. Amanda Collins. Amanda was appointed by
18 AAMVA to serve as the Region 2 representative on the AAMVA
19 Operations and Customer Experience Committee for a four-
20 year term. As a committee member, she will provide
21 oversight and guidance in developing standards, technical
22 solutions, best practices, guidelines and other
23 initiatives.

24 Next, I'd like to recognize our Motor Vehicle
25 Division director, Ms. Monique Johnston. Monique will

1 serve on the Multi-Stage Vehicle Working Group Committee
2 as a representative for the DMV, and as treasurer of the
3 National Association of Motor Vehicle Boards and
4 Commissions Executive Board. Because of her unique
5 qualifications, experience with aspects of multi-stage
6 vehicles for dealer and manufacturer licensing and
7 regulation, she will research these issues and develop
8 guidance that will provide agencies and regulators the
9 ability to make more informed decisions regarding
10 jurisdiction, laws, rules, policies, procedures, and
11 everything else in between concerning and regarding
12 titling and registration practices, as well as dealer
13 licensing requirements. So congratulations to Monique.

14 And then finally, we've got two appointments
15 for our very own deputy director, Mr. Roland Luna. Roland
16 will serve as a member-at-large for the Standing Vehicle
17 Committee. In this role, he will collaborate with other
18 jurisdictions, executives to provide oversight and
19 guidance to various programs aimed at developing
20 standards, technical solutions, best practices, guidelines
21 and other initiatives. These efforts will enhance vehicle
22 and roadway safety, prevent vehicle theft and fraud, and
23 promote consumer protection.

24 Additionally, Roland was appointed as chair of
25 the AAMVA Autonomous Vehicle Subcommittee. In this role,

1 he will collaborate with jurisdictional members, law
2 enforcement, federal agencies and other stakeholders to
3 gather, organize and share information across the country.

4 This subcommittee will also develop best practices to
5 assist with member jurisdictions in regulating autonomous
6 vehicles and testing of drivers who operate them.

7 So, Amanda, Monique, Roland, congratulations on
8 your appointment. I'm very proud of all of you, and I'm
9 sure you will serve the AAMVA community very well.

10 Members, please join me in congratulating them.

11 (Applause.)

12 MR. AVITIA: Chairman, members, agenda item 4.B
13 can be found on page 8 of your board materials. This item
14 serves as a briefing item on the ribbon cutting ceremony
15 for the Midland-Odessa Regional Service Center.

16 On January 7, the DMV staff hosted a
17 ribbon-cutting ceremony to celebrate the grand reopening
18 of the Midland-Odessa Regional Service Center. TxDMV
19 staff members, including leadership, were present to
20 commemorate the significant milestone and the support that
21 is much needed in the Midland-Odessa RSC. Manager Nemy
22 Baeza and her team joined us in celebrating the fresh
23 start for their new center.

24 The following tax assessor-collectors were in
25 attendance: Robin Harper with Andrews County, Lindy

1 Wright with Ector County, Tina Flores with Glasscock
2 County, and Vicki Heylin from Ward County.

3 Since 2009, the Texas Department of Motor
4 Vehicles has been providing services to counties in 19
5 areas. During the fiscal year 2024, the Midland-Odessa
6 office handled 4,908 calls and served 31,992 customers,
7 including commercial registration and account
8 transactions.

9 I want to thank Nemy and her lovely staff for
10 being so hospitable and helping us along the way. I
11 appreciate that team and look forward to seeing them again
12 all very soon.

13 Chairman, if I may continue to agenda item 4.C?

14 MR. BACARISSE: Please.

15 MR. AVITIA: Thank you.

16 Agenda item 4.C can be found on page 11 of your
17 board materials.

18 The MVCPA Grants, Budget and Reporting
19 Committee met in San Antonio on January 16 through 17.
20 They received presentations from 62 law enforcement grant
21 applicants, many of whom were new to the process.
22 Attendees included police chiefs, assistant chiefs, and
23 grant administrative staff.

24 This was the largest gathering of law
25 enforcement agencies for the program to date. Their joint

1 efforts will enhance data sharing and collaboration across
2 the state.

3 Additionally, the Senate Bill 224 Advisory
4 Committee met in Austin on January 22. In attendance were
5 representatives from Texas DPS, Texas Department of
6 Licensing and Regulation, metal recycler stakeholders, and
7 of course, the Motor Vehicle Crime Prevention Authority
8 task force commanders. The committee heard operational
9 updates from Senate Bill 224 grant recipients from Potter
10 County Sheriff's Office and the El Paso Police Department.

11 Chairman, members, I want to thank William for
12 doing such a great job in the Motor Vehicle Crime
13 Prevention Authority. Over his tenure he has just done a
14 tremendous job and I appreciate him very much.

15 Chairman, if I may continue on to agenda item
16 4.D?

17 MR. BACARISSE: Please.

18 MR. AVITIA: All right. At this time, I'd like
19 to recognize our employees who have reached a state
20 service milestone. We always celebrate these employees as
21 a way to show our appreciation for their years of service
22 and dedication to the citizens of Texas.

23 I'll begin with 20 years of state service:
24 first, we have Ivan Alvarez, Vehicle Titles and
25 Registration Division; Dean Lamb, Information Technology

1 Services Division.

2 Next with 25 years of state service: Tiffany
3 Roybal with the Motor Carrier Division.

4 Thirty years of state service: Heath Jackson
5 with the Enforcement Division.

6 And finally, with 35 years of state service:
7 Ms. Melissa Bennett with the Motor Carrier Division.

8 Chairman, I'd like to share a few words about
9 Mr. Heath Jackson, who is here this morning with us.

10 Heath Jackson serves as an investigator for the
11 Enforcement Division, and joined the Texas Department of
12 Motor Vehicles in December of 2024, after nearly 30 years
13 of distinguished service with the Texas Department of
14 Criminal Justice. Heath was elevated to the rank of
15 assistant warden of the Polunsky Unit in Huntsville during
16 his tenure. Heath has already proven to be an adaptive
17 learner and a fantastic addition to the Houston team.

18 Heath, congratulations on your 30 years of
19 state service.

20 Chairman, members, if you would please join me
21 at the front of the dais for a photo opportunity with
22 Heath.

23 (Pause for presentation and photos; applause.)

24 MR. BACARISSE: While we're all getting back in
25 place, I want to take a moment of personal privilege, if I

1 may, and recognize one of our own board members for his
2 family business. Graham International is now celebrating
3 60 years in business, with Graham Trucking Center 25
4 years. That's really impressive.

5 (Applause.)

6 MR. BACARISSE: Member Graham has passed out
7 these beautiful Mardi-Gras-esque sorts of things that we
8 are wearing up here, so that's the reason for this
9 celebration. And also, small business is the backbone of
10 this country, and when they run, we all win. So thank you
11 for everything you and your family are doing, have done
12 and will do in the future. Congratulations.

13 MR. GRAHAM: Thank you, Mr. Chairman.

14 MR. BACARISSE: We'll now move on to agenda
15 item number 5, which are rule adoptions, and we're going
16 to ask Chris Hayden to come up and walk us through it.

17 So, Mr. Hayden, the floor is yours.

18 MR. HAYDEN: Good morning, Chairman Bacarisse,
19 board members, Director Avitia. For the record, I'm Chris
20 Hayden, the deputy chief financial officer for the
21 department.

22 The materials that I bring for you today begin
23 on page 13 of your board book. This is an action item.
24 The staff is recommending that the board adopt the
25 proposed revisions to sections in 43 Texas Administrative

1 Code, Chapter 210.

2 The rule proposal was presented to the board on
3 October 24, 2024, and published in the *Texas Register*.

4 There were no public comments to this rule proposal.

5 Chapter 210 deals with contract management and
6 delegation of signature authority. The amendments and
7 repeals will make the rules consistent with statute,
8 remove unnecessary language, organize the rules in a clear
9 and concise manner, and make the rules consistent with
10 current processes, procedures and terminology.

11 The department conducted this review in
12 compliance with the Government Code 2001.039. The
13 revisions will not change any current practices of the
14 department nor will it result in a significant fiscal
15 impact.

16 If the board adopts, staff anticipates
17 publication in the February 28, 2025, issue of the *Texas*
18 *Register* and an effective date of March 6, 2025.

19 This concludes my remarks and I'm happy to
20 answer any questions.

21 MR. BACARISSE: Members, any questions for Mr.
22 Hayden on this item?

23 (No response.)

24 MR. BACARISSE: Seeing none, Mr. Hayden, thank
25 you for walking us through that.

1 MR. HAYDEN: Thank you.

2 MR. BACARISSE: Laura, are there any public
3 comments?

4 MS. MORIATY: No, sir, no public comments.

5 MR. BACARISSE: Okay. Thank you.

6 The chair would entertain a motion on agenda
7 item 5.

8 MR. PREWITT: Mr. Chairman?

9 MR. BACARISSE: Yes, Member Prewitt.

10 MR. PREWITT: Mr. Chairman, I move that the
11 board approve the adoption of the proposed revisions to 43
12 Texas Administrative Code, Chapter 210, as recommended by
13 staff, for publication in the *Texas Register*. In
14 addition, I move the board grant the department the
15 authority to make non-substantive changes to the preamble
16 and text, as recommended by the Office of the Texas
17 Secretary of State, for purposes of filing in the *Texas*
18 *Register*.

19 MR. BACARISSE: Thank you.

20 Is there a second to that motion?

21 MS. OMUMU: I second, Mr. Chairman.

22 MR. BACARISSE: Member Omumu, thank you.

23 Any further discussion on this motion?

24 (No response.)

25 MR. BACARISSE: I will now call for the vote.

1 Member Alvarado?

2 MR. ALVARADO: Aye.

3 MR. BACARISSE: Member Gillman?

4 MS. GILLMAN: Aye.

5 MR. BACARISSE: Member Graham?

6 MR. GRAHAM: Aye.

7 MR. BACARISSE: Member Jones?

8 MR. JONES: Aye.

9 MR. BACARISSE: Vice Chair McRae?

10 MS. McRAE: Aye.

11 MR. BACARISSE: Member Omumu?

12 MS. OMUMU: Aye.

13 MR. BACARISSE: Member Prewitt?

14 MR. PREWITT: Aye.

15 MR. BACARISSE: Member Schlosser?

16 MR. SCHLOSSER: Aye.

17 MR. BACARISSE: And I, Bacarisse, vote aye as
18 well. It's unanimous. Thank you.

19 Thank you, Mr. Hayden, appreciate it.

20 Agenda item number 6 is a rule review and
21 adoption, and we have Laura at the podium to walk us
22 through it.

23 Ms. Moriatty, the floor is yours.

24 MS. MORIATY: Good morning, board and chairman.

25 My name is Laura Moriatty. I'm general counsel for the

1 Department of Motor Vehicles.

2 Today in front of you in item 6 you have the
3 rule review of Chapter 210 of your rules, which, again, is
4 the chapter on contract management.

5 As we talk about each time, every state agency
6 has to do a rule review every four years of each of its
7 chapters of rules. This one, actually, we're relatively
8 on time with. We first adopted this chapter back in 2019,
9 so we're close, this one is good.

10 As part of that rule review, you look at the
11 rules and you decide if the reasons for initially adopting
12 them continue to exist, reasons they might not or that
13 they no longer match current statutes or they no longer
14 match current practice. And indeed, in this chapter we
15 found some areas where we needed to align with comptroller
16 rules and other things. That's what you just adopted in
17 agenda item 5.

18 So now we are prepared to re-adopt all the
19 other provisions that we did not change. So this agenda
20 item will allow you to re-adopt everything, approve the
21 rule review, and get us set for another four years before
22 we have to do this again.

23 And with that, I am open to questions.

24 MR. BACARISSE: Members, any questions for Ms.
25 Moriaty?

1 (No response.)

2 MR. BACARISSE: Seeing none, thank you, I
3 appreciate it.

4 No public comments on this?

5 MS. MORIATY: No, sir, no public comments.

6 MR. BACARISSE: Very good.

7 The chair would entertain a motion on agenda
8 item 6.

9 MR. GRAHAM: I'll make a motion, Mr. Chair.

10 MR. BACARISSE: Member Graham.

11 MR. GRAHAM: I move the board approve the
12 notice of re-adoption of 43 Texas Administrative Code,
13 Chapter 210, as recommended by staff, for publication in
14 the *Texas Register*. In addition, I move the board grant
15 the department the authority to make non-substantive
16 changes to the notice of re-adoption, as recommended by
17 the Office of the Texas Secretary of State, for purposes
18 of filing in the *Texas Register*.

19 MR. BACARISSE: Is there a second to this
20 motion?

21 MS. McRAE: I'll second, Chairman.

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

23 Members, any further discussion on this motion
24 or questions?

25 (No response.)

1 MR. BACARISSE: Seeing none, I'll call the vote
2 on this motion, please.

3 Member Alvarado?

4 MR. ALVARADO: Aye.

5 MR. BACARISSE: Member Gillman?

6 MS. GILLMAN: Aye.

7 MR. BACARISSE: Member Graham?

8 MR. GRAHAM: Aye.

9 MR. BACARISSE: Member Jones?

10 MR. JONES: Aye.

11 MR. BACARISSE: Vice Chair McRae?

12 MS. McRAE: Aye.

13 MR. BACARISSE: Member Omumu?

14 MS. OMUMU: Aye.

15 MR. BACARISSE: Member Prewitt?

16 MR. PREWITT: Aye.

17 MR. BACARISSE: Member Schlosser?

18 MR. SCHLOSSER: Aye.

19 MR. BACARISSE: And I, Chair Bacarisse, vote
20 aye as well, unanimous. Thank you.

21 We now move to agenda item number 7, and we
22 have Ms. Quintero up there with us. Thank you. This is
23 Chapter 217, rule adoption, so I will give the floor to
24 Ms. Quintero.

25 Good morning.

1 MS. QUINTERO: Good morning, Chairman
2 Bacarisse.

3 Small correction, we are on -- oh, no, I'm
4 sorry, you're absolutely right, we are item 7.

5 MR. BACARISSE: That isn't always true, but I'm
6 glad I am this time.

7 MS. QUINTERO: Good morning, board, Executive
8 Director Avitia. I'm Annette Quintero, director of the
9 Vehicle Titles and Registration Division. I'm presenting
10 agenda item number 7 on page 41 of your board book.

11 This item is an action item for the board to
12 approve adoption of the proposed new Section 217.66 under
13 Chapter 217, Subchapter B, Motor Vehicle Registration, for
14 publication in the *Texas Register*.

15 The proposed rule establishes a specialized
16 license plate for utility rental trailers, as authorized
17 under Transportation Code 502.059 and 504.516. The
18 proposed rule is designed to address stakeholder requests
19 for a more efficient registration process for rental
20 trailer fleets frequently used for one-way trips. These
21 stakeholders highlighted the logistical challenges and
22 operational inefficiencies associated with replacing
23 registration insignia on rental trailers.

24 For example, rental trailers can be rented here
25 in Texas for a one-way trip to Arizona and then returned

1 there in Arizona. Under the current rule, the rental
2 trailer fleet companies must locate each trailer for which
3 they're renewing registration and affix a new registration
4 insignia, the sticker, to that trailer. This practice can
5 be labor-intensive and take a significant amount of time.

6 These entities attempted to change the statute
7 during the 88th Legislative Session to a non-expiring
8 plate to support a better business model, but were
9 unsuccessful. The proposed new rule is the department's
10 attempt to be as supportive as possible within the
11 existing statutory authority and are proposing the
12 following key provisions in new Section 217.66.

13 The new rule creates a specialized license
14 plate for utility rental trailers. This plate does not
15 require an expiration date or an annual registration
16 insignia for validation, as allowed under Transportation
17 Code 502.059(e). It adds a definition of rental fleet
18 requiring ownership of five or more rental trailers to
19 ensure the specialized plate is available on to businesses
20 with substantial rental operations. And it adds a
21 definition of utility trailer to limit eligibility of
22 trailers of flatbed design with low or no sidewalls and a
23 gross weight of 7,500 pounds or less, aligning with common
24 industry terminology and usage.

25 This proposed rule addresses the logistical

1 challenges and provides efficiency for rental trailer
2 fleet entities and eliminates the need to regularly attach
3 or replace registration insignia stickers. The most
4 prevalent stakeholder is U-Haul and other entities who
5 have a physical footprint in multiple states or
6 nationwide.

7 The proposed rule will save the department
8 approximately 18 cents per sticker per registration period
9 by eliminating the need for registration insignia for
10 these plates, with an anticipated volume of approximately
11 10,000 plates.

12 It is important to note the proposed rule also
13 considers the impact to law enforcement. Eligibility for
14 the specialized plate will be limited to rental fleet
15 companies with five or more utility trailers, so the
16 proposed rule would not allow an individual utility
17 trailer owner to obtain this plate. Law enforcement in
18 Texas and throughout the United States would continue to
19 have the ability to query this new plate and all other
20 plates and motor vehicles in the Texas Law Enforcement
21 Telecommunications System.

22 This rule proposal was published for comment in
23 the December 27, 2024, issue of the *Texas Register*. The
24 comment period closed on January 27, 2025. The department
25 received no comments on the proposed new rule.

1 If the board adopts the new section, staff
2 anticipates publication in the February 28, 2025, issue of
3 the *Texas Register* and an effective date of March 6, 2025.

4 This concludes my remarks. I'm happy to answer
5 any questions.

6 MR. BACARISSE: Members, any questions for Ms.
7 Quintero on this item?

8 (No response.)

9 MR. BACARISSE: Well, seeing none, the chair
10 would entertain -- sorry -- are there public comments,
11 Laura?

12 MS. MORIATY: No, sir, no public comments.

13 MR. BACARISSE: Thank you.

14 The chair would entertain a motion on agenda
15 item number 7.

16 MR. SCHLOSSER: I'll make a motion.

17 MR. BACARISSE: Member Schlosser.

18 MR. SCHLOSSER: I move the board approve the
19 adoption of proposed new section 217.66 in 43 Texas
20 Administrative Code, Chapter 217, as recommended by staff,
21 for publication in the *Texas Register*. In addition, I
22 move the board grant the department the authority to make
23 non-substantive changes to the preamble and text, as
24 recommended by the Office of the Texas Secretary of State,
25 for purposes of filing in the *Texas Register*.

1 MR. BACARISSE: Thank you, Member Schlosser.

2 Is there a second to this motion?

3 MS. McRAE: I'll second, Chairman.

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

5 We have a motion and a second. Any further
6 discussion, members, any questions?

7 (No response.)

8 MR. BACARISSE: Seeing none, I will now call
9 for the vote.

10 Member Alvarado?

11 MR. ALVARADO: Aye.

12 MR. BACARISSE: Member Gillman?

13 MS. GILLMAN: Aye.

14 MR. BACARISSE: Member Graham?

15 MR. GRAHAM: Aye.

16 MR. BACARISSE: Member Jones?

17 MR. JONES: Aye.

18 MR. BACARISSE: Vice Chair McRae?

19 MS. McRAE: Aye.

20 MR. BACARISSE: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. BACARISSE: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. BACARISSE: Member Schlosser?

25 MR. SCHLOSSER: Aye.

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

3 Thank you, Annette.

4 MS. QUINTERO: Thank you.

5 MR. BACARISSE: Agenda item number 8 is a rule
6 proposal, and Laura is back to walk us through it.

7 So, please, Ms. Moriaty.

8 MS. MORIATY: So agenda item 8 is actually just
9 the recommendations of the MVIRAC committee on the
10 proposal. The proposal is yet to come in agenda item 9.

11 So good morning, board. I'm Laura Moriaty,
12 general counsel, again.

13 You'll probably recall that back at the October
14 board meeting you adopted the rules necessary to implement
15 House Bill 718, but you'll probably also recall that on
16 staff's recommendation, you did not adopt the rules
17 related to wholesale auctions and the processes that were
18 going to surround metal license plates in the wholesale
19 auction context because we had received public comments
20 from National Auto Auction Association and other
21 stakeholders suggesting that the rules we had proposed
22 were going to really be a problem for their business
23 model. It was going to increase costs and increase time
24 and create a huge amount of havoc.

25 So we pulled those down and recommended that

1 y'all not adopt them, which you did. We went back to the
2 drawing board and presented new draft rules to the Motor
3 Vehicle Industry Regulation Advisory Committee -- which we
4 call MVIRAC -- at their meeting on November 18.

5 They gave us a couple of recommendations, that
6 Chairman David Blassingame will describe in detail in just
7 a moment when he comes up. Staff incorporated those
8 recommendations into the rule text that you have in your
9 materials on item 9 that we will be discussing at the next
10 item.

11 But with that, I will turn it over to Chairman
12 Blassingame to tell you more about the MVIRAC's meeting
13 and its recommendations.

14 MR. BACARISSE: Welcome, Mr. Chairman.

15 MR. BLASSINGAME: Board members, Board
16 president, I have the honor of serving as the director of
17 the MVIRAC. And our job is to advise the council of all
18 of the recommendations and the practicality of those
19 recommendations with respect to trade-ins, wholesale,
20 auction cars, that kind of thing. So on my committee I
21 have a number of people that are involved in those
22 different areas and they all have input so that we can
23 make a good decision on final recommendations.

24 Right now the paper tags are an issue because
25 people are printing them without selling cars, and the

1 metal tags are an issue because people have problems
2 storing them and people that wholesale them need to do
3 what they need to do with the old tags and that kind of
4 thing.

5 So that's what my committee is responsible for,
6 and with that, I will entertain any questions that you
7 have for me.

8 MR. BACARISSE: Members, any questions on this
9 item?

10 Member Gillman. Turn on your mic, please.
11 Thank you.

12 MS. GILLMAN: Can you walk through what a
13 dealer would do when they are selling a car to the
14 auction?

15 MR. BLASSINGAME: I am not prepared to do that.
16 I can walk through that.

17 MS. MORIATY: Excuse me. I could answer that
18 for you, Member Gillman.

19 MS. GILLMAN: Thank you, Ms. Moriatty.

20 MS. MORIATY: If a dealer is dropping off the
21 car at the wholesale auction, they would remove the
22 license plate and destroy it. The car would go through
23 the auction without having to track license plates. And
24 then the dealer who buys the vehicle at the wholesale
25 auction will issue a new plate.

1 MS. GILLMAN: Back where their inventory is.

2 MS. MORIATY: Right.

3 MR. BLASSINGAME: Yes, ma'am.

4 MS. GILLMAN: So it's okay to transport the
5 vehicle.

6 MS. MORIATY: So you would transport the
7 vehicle with your dealer plate if you're picking it up
8 from the auction.

9 MR. BLASSINGAME: Right.

10 MS. MORIATY: And you would transport the
11 vehicle with its own plate or with your dealer plate as
12 you're bringing it into the auction.

13 MS. GILLMAN: A dealer plate, okay.

14 MR. BLASSINGAME: Any other questions?

15 MS. GILLMAN: Thank you.

16 MR. BACARISSE: Any other questions, members?

17 (No response.)

18 MR. BACARISSE: Okay. Seeing no further
19 questions, no public comment on this.

20 Mr. Avitia.

21 MR. AVITIA: Chairman, thank you.

22 I want to thank Presiding Officer Blassingame
23 for his service and support on this advisory committee,
24 and I hope you're enjoying the whole paycheck of zero
25 dollars for all the work that you do.

1 (General laughter.)

2 MR. AVITIA: But seriously, you do a great job
3 for us and we really appreciate you and your time and
4 dedication. Thank you.

5 MR. BLASSINGAME: Thank you. And thanks to the
6 Texas Board.

7 MR. BACARISSE: Any other questions, members,
8 comments?

9 MR. JONES: Chairman, I'd like to make a
10 motion.

11 MR. BACARISSE: Yes. For purposes of a motion,
12 I recognize Member Jones.

13 MS. MORIATY: There's no motion on this one,
14 it's just briefing only. Sorry.

15 MR. BACARISSE: It's briefing only. Okay.

16 MS. MORIATY: Motion is on the next item.
17 Sorry.

18 MR. BACARISSE: Okay. We're all fired up.
19 Thank you, Mr. Blassingame.

20 MR. BLASSINGAME: Thank you.

21 MR. BACARISSE: You bet.

22 Hold that thought, Mr. Jones.

23 We now move to agenda item number 8, which is
24 the advisory committee recommendations -- sorry, 9 -- we
25 just did that. Sorry. I got all excited.

1 This is agenda item number 9 which, again, Ms.
2 Quintero is before us to walk us through the motor vehicle
3 distribution.

4 MS. QUINTERO: Good morning again, Chairman
5 Bacarisse, members, Executive Director Avitia. Again, my
6 name is Annette Quintero. I am the Vehicle Titles and
7 Registration Division director.

8 I am presenting agenda item number 9 on page 49
9 of your board book. This item is an action item for the
10 board to approve publication of the proposed new Section
11 215.163 under Chapter 215, Subchapter D, Motor Vehicle
12 Registration, for publication in the *Texas Register*.

13 The proposed new rule establishes requirements
14 for the disposition of license plates associated with
15 vehicles sold through wholesale motor vehicle auctions and
16 public auctions. The proposed new section is necessary to
17 implement the requirements of House Bill 718 enacted
18 during the 88th Legislature. HB 718 requires the
19 department to determine proposed new distribution methods,
20 systems and procedures and safeguards to protect Texas
21 citizens from license plate fraud.

22 The proposed new 215.163 is necessary to
23 clarify license plate disposition and reporting
24 responsibilities of both dealers and wholesale motor
25 vehicle GDN holders when offering a motor vehicle for sale

1 at auction or on consignment. The rule ensures compliance
2 with Transportation Code 503.063 and 504.901, which become
3 effective July 1, 2025.

4 215.163(a), Wholesale Motor Vehicle Auctions,
5 establishes the requirement for handling license plates
6 assigned to vehicles sold at wholesale auction, whether by
7 a GDN holder to another GDN holder or on consignment for a
8 non-GDN holder. The requirements include marking the
9 license plate as void, destroying, recycling or returning
10 the plate as required under 215.158, and completing a
11 vehicle transfer notice to notify the department of the
12 sale.

13 215.613(b), Public Auctions, establishes a
14 dealer's responsibility when selling a vehicle with
15 assigned license plate at public auction. A dealer must
16 securely store any assigned license plates in compliance
17 with 215.150(f) until the vehicle is sold.

18 When the purchaser is a Texas retail buyer, the
19 dealer must securely transfer the plates to a new retail
20 buyer and update the license plate database, unless the
21 buyer has a specialty or personalized plate.

22 If the purchaser is a dealer, export buyer, or
23 out-of-state buyer, the selling dealer must mark the
24 license plate as void, destroy, recycle or return the
25 plate, and update the license plate database.

1 If the purchaser is an out-of-state buyer, the
2 dealer may only issue a buyer's temporary license plate if
3 it is necessary to transport the vehicle to another state.

4 This provision ensures that the license plate
5 disposition is handled consistently to prevent fraud or
6 misuse.

7 215.163(c), Other Consignment Sales, covers
8 dealer responsibilities for consignment sales outside of
9 an auction. A dealer must remove and securely store any
10 assigned license plates during consignment, as required in
11 215.150(f). The dealer may use a dealer's temporary plate
12 to demonstrate the consigned motor vehicle to potential
13 buyers, and upon sale, the dealer must provide the
14 assigned plate to the Texas retail buyer unless the buyer
15 has a specialty or personalized plate.

16 If the vehicle is sold to an out-of-state
17 buyer, for export or to a Texas dealer, the dealer shall
18 mark the plate as void, destroy or recycle and update the
19 license plate database. Special provisions apply to
20 salvage vehicles or total loss vehicles sold by GDN
21 holders on consignment for non-GDN holders, such as
22 insurance or finance companies. In these cases, the
23 dealer must mark the license plate as void, destroy,
24 recycle or return the plate, and update the license plate
25 database.

1 This provision ensures proper license plate
2 disposition across various consignment sales while
3 minimizing fraud risks. Many auction GDN holders already
4 have established systems for collecting and disposing of
5 license plates, so this rule is unlikely to impose
6 additional costs to them.

7 To ensure minimal impact, the department
8 engaged in extensive discussions with stakeholders while
9 drafting this rule. As a result, we are prepared to
10 implement electronic file transfers to streamline updates
11 to the license plate database and facilitate vehicle
12 transfer notifications.

13 If approved, the proposed rule will be
14 published for public comment in the *Texas Register*. The
15 comment period will remain open until March 31, 2025.

16 This concludes my remarks, and I'm happy to
17 answer any questions.

18 MR. BACARISSE: Thank you, Ms. Quintero.

19 Members, any questions on this item? Member
20 Graham.

21 MR. GRAHAM: So if someone does have specialty
22 plates, they remove the plates and --

23 MS. QUINTERO: They keep their plates. So if I
24 have a specialty plate and I am selling my vehicle at
25 auction, I keep my personalized specialty plates.

1 MR. GRAHAM: And that then gets transferred to
2 whatever vehicle they go to.

3 MS. QUINTERO: That's right.

4 MR. GRAHAM: So this is just kind of a broad
5 question, but I know just looking at my fleet, when we
6 decide it's time to trade in a truck or sell a truck and
7 replace it -- which happens monthly -- pull the plates,
8 destroy them, you ship me new plates. And I sit there and
9 I often go, man, how many times a day is this happening
10 across the state of Texas where these plates are just -- I
11 mean, how many plates, it's just insane, right? A large
12 number.

13 And if we have the ability to take a specialty
14 plate off and reassign it, I'm just going to ask the
15 question: Why can't that be done with fleet plates or
16 other plates? Just out of curiosity. I'm probably poking
17 some kind of bear I don't even know. Right?

18 But I'm just curious.

19 (General laughter.)

20 MS. QUINTERO: So SB 718 seeks to accomplish
21 exactly that, so plates staying with vehicles as ownership
22 of the vehicle changes so that plates don't have to be
23 scrapped and that plate can continue to move with the
24 vehicle.

25 MR. GRAHAM: So the plates will stay moving

1 forward except for?

2 MS. QUINTERO: Auctions.

3 MR. GRAHAM: Auctions, fleets. Right?

4 MS. QUINTERO: I am not sure what the
5 requirements are for fleet plates.

6 MR. GRAHAM: Well, obviously it's a fleet plate
7 and if I'm selling it to somebody that's not on the fleet
8 program, it's got to come off. But I guess I can't
9 transfer it over to my new vehicle and it's got to be
10 destroyed.

11 Okay. That makes sense, that makes me feel a
12 little better about the big issue, the mass of
13 transactions. So, okay, thank you, appreciate that.

14 MS. QUINTERO: Certainly.

15 MR. BACARISSE: Member Schlosser.

16 MR. SCHLOSSER: Can you walk me through a
17 simplified Dealer A is taking a vehicle to auction,
18 auction disposes of the vehicle, Dealer B buys the
19 vehicle. At what point do you anticipate the plate would
20 be removed and whose responsibility would it be to destroy
21 or reassign?

22 So kind of walk me through a generic scenario.

23 MS. QUINTERO: Absolutely.

24 So if I'm a dealer and I am taking a vehicle I
25 have on my inventory to an auction and that auction is

1 selling to other GDN holders, then it is my responsibility
2 to remove the plate, scrap the plate, and transport the
3 vehicle with my temporary dealer plate.

4 MR. SCHLOSSER: So it would be Dealer A's
5 responsibility to handle the plate and destroy it, so it
6 would never be the auction disposing and discarding of the
7 plates.

8 MS. QUINTERO: In instances where I am a dealer
9 selling to an auction who is also selling to dealers, so
10 the auction is selling on behalf of GDN holders. The only
11 caveat is in those non-GDN sales at the salvage, the
12 insurance and the finance companies, auctions sell on
13 behalf of a non-GDN holder and so the auction in that
14 instance is responsible for removing and destroying the
15 plate.

16 MR. SCHLOSSER: That clarifies. Thank you so
17 much.

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

20 MR. JONES: Chairman, I'd like to make a
21 motion.

22 MR. BACARISSE: Yes, Mr. Jones.

23 MR. JONES: I move that the board approve
24 proposed new Section 215.163 in 43 Texas Administrative
25 Code, Chapter 215, as recommended by staff, for

1 publication in the *Texas Register*. In addition, I move
2 that the board grant the department the authority to make
3 non-substantive changes to the preamble and text, as
4 recommended by the Office of the Texas Secretary of State,
5 for purposes of filing in the *Texas Register*.

6 MR. BACARISSE: Thank you, Mr. Jones.

7 Is there a second?

8 MR. SCHLOSSER: I'll second.

9 MR. BACARISSE: That was Member Schlosser.

10 Thank you.

11 So there's a motion and a second. Any further
12 discussion, members?

13 (No response.)

14 MR. BACARISSE: Seeing none, I will call for
15 the vote, please.

16 Member Alvarado?

17 MR. ALVARADO: Aye.

18 MR. BACARISSE: Member Gillman?

19 MS. GILLMAN: Aye.

20 MR. BACARISSE: Member Graham?

21 MR. GRAHAM: Aye.

22 MR. BACARISSE: Member Jones?

23 MR. JONES: Aye.

24 MR. BACARISSE: Vice Chair McRae?

25 MS. McRAE: Aye.

1 MR. BACARISSE: Member Omumu?

2 MS. OMUMU: Aye.

3 MR. BACARISSE: Member Prewitt?

4 MR. PREWITT: Aye.

5 MR. BACARISSE: Member Schlosser?

6 MR. SCHLOSSER: Aye.

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

9 So we move to agenda item number 10, and
10 Annette just stays up there. This is your day.

11 MS. QUINTERO: It's my day.

12 MR. BACARISSE: It is. This is specialty plate
13 designs, so Ms. Quintero, you have the floor.

14 MS. QUINTERO: Thank you. Good morning again.
15 My name is Annette Quintero, director of Vehicle Titles
16 and Registration.

17 This is agenda item number 10, which can be
18 found on page 65 of your board book. The action item
19 before you is a request for board approval or denial of
20 one specialty plate design in accordance with the board's
21 statutory authority.

22 The following proposed plate design is from My
23 Plates, the state's specialty license plate marketing
24 vendor, and was posted for public comment in December of
25 2024. The Purdue University plate is a redesigned plate

1 and it's proposed under Transportation Code 504.851; 234
2 people liked this design and 299 did not.

3 This concludes my presentation on this action
4 item. I'm available to answer any questions.

5 MR. BACARISSE: Who is Purdue's arch rival?
6 They must have jumped on this.

7 MR. ALVARADO: Indiana.

8 MS. QUINTERO: IU.

9 MR. BACARISSE: Okay.

10 Members, any questions on this item for Ms.
11 Quintero?

12 Member Alvarado.

13 MR. ALVARADO: I'd like to be the one to make
14 the motion when it's appropriate. Our local high school
15 quarterback is the quarterback for Purdue; he likes this
16 plate recognized.

17 MR. BACARISSE: Okay, good. Hold that thought.

18 Any other questions for Ms. Quintero?

19 (No response.)

20 MR. BACARISSE: Seeing none, Member Alvarado,
21 do you have a motion to make?

22 MR. ALVARADO: I'd love to, thank you.

23 I move the board approve the specialty plate
24 design, where Hudson Card is the quarterback of Purdue
25 University, a Lake Travis High School graduate.

1 (General laughter.)

2 MR. BACARISSE: Lake Travis High School.

3 MR. ALVARADO: As presented by staff.

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

6 MS. OMUMU: I second, Mr. Chairman.

7 MR. BACARISSE: Member Omumu seconds. Is there
8 any further discussion on this item?

9 How good a quarterback is he?

10 MR. ALVARADO: He received a scholarship.

11 MR. BACARISSE: All right, good. I will now
12 call for the vote.

13 Member Alvarado?

14 MR. ALVARADO: Aye.

15 MR. BACARISSE: Member Gillman?

16 MS. GILLMAN: Aye.

17 MR. BACARISSE: Member Graham?

18 MR. GRAHAM: Aye.

19 MR. BACARISSE: Member Jones?

20 MR. JONES: Aye.

21 MR. BACARISSE: Vice Chair McRae?

22 MS. McRAE: Aye.

23 MR. BACARISSE: Member Omumu?

24 MS. OMUMU: Aye.

25 MR. BACARISSE: Member Prewitt?

1 MR. PREWITT: Aye.

2 MR. BACARISSE: Member Schlosser?

3 MR. SCHLOSSER: Aye.

4 MR. BACARISSE: And I, Bacarisse, vote aye as
5 well. Let him know he was unanimous, and the Boilermakers
6 have a new plate.

7 MS. QUINTERO: Thank you.

8 MR. BACARISSE: Is that a boiler plate/maker ?
9 I don't know.

10 Anyway, agenda item number 12 now is -- 11, I'm
11 in a hurry, don't do that -- agenda item number 11 is
12 House Bill 718 implementation update, and for that we have
13 Roland. It says Annette here again; she's all over this
14 agenda.

15 Are you coming up again, Ms. Quintero? Very
16 good.

17 Go ahead, Mr. Luna.

18 MR. LUNA: Good morning, board members,
19 Chairman, Executive Director Avitia. Roland Luna, deputy
20 executive director of the Texas DMV.

21 Today I'm going to be providing an update on
22 our implementation efforts regarding House Bill 718. As
23 you know, that's one of the significant programs, projects
24 and legislative implementations underway.

25 We have a presentation today that I will be

1 providing, and at the conclusion of the presentation, I'm
2 going to have three of our division directors, Annette
3 Quintero, Corrie Thompson, and Monique Johnston, that will
4 join me for questions if you have any questions regarding
5 our implementation efforts, especially if there are
6 specific questions about how a dealer or how a law
7 enforcement agency or how a wholesale dealer or how an
8 auction may be impacted by the implementation.

9 So with HB 718, just as a reminder, some of the
10 more notable items of the bill: it eliminates six
11 different paper tags; it creates metal license plates and
12 replaces those paper tags and permits; it requires the
13 plate stay with the vehicle; requires both tax assessor-
14 collectors and dealers to use webDEALER. It requires the
15 vehicle transfer notification be submitted at the time of
16 sale or transfer. Currently that is a paper process, that
17 will be an electronic process moving forward.

18 It requires rule adoption that y'all are very
19 familiar with. And then it requires that the bill be
20 implemented by July 1 of this year.

21 As part of the implementation effort, the
22 legislature appropriated 44 positions and \$35 million for
23 the biennium for the implementation efforts. And this is
24 the state of affairs and this is part of our contemplation
25 as we're implementing this bill is who our stakeholders

1 are, who we're working with.

2 And each one of these stakeholder groups
3 requires a different consideration, whether it's the
4 22,000 dealers, if it's our tax assessor-collector
5 partners, if it's the 3,000 law enforcement agencies that
6 access our data, if it's the manufacturing of the plates
7 so our partners at the Department of Criminal Justice, or
8 if it's webDEALER and the use of webDEALER.

9 So what we did to begin our implementation
10 efforts is we created some committees. And at a previous
11 board meeting, I provided an update on how we were
12 structured, what each committee was going to be
13 responsible for.

14 And an easy way to look at this is if you look
15 at HB 718 and our implementation efforts, what would each
16 committee -- and you can see the title of the committee --
17 what would they need to do to help with our implementation
18 efforts: regulatory affairs, rule adoption, license plate
19 design and manufacturing. It goes without saying, we need
20 to design the new plates that are replacing the paper
21 tags. We need to look at what our manufacturing efforts
22 are going to be for a given year and with the new plate
23 designs, how do we adjust for that as an agency.

24 When you look at technology, we understand that
25 with HB 718 there's a number of new requirements, like

1 webDEALER, the plate staying with the vehicle. So since
2 dealers are going to have to manage their plates, we need
3 to provide a tool to each dealer so that they know what's
4 in inventory, what's been used, what hasn't, do I need to
5 order new plates. So the new technology required us to
6 have a committee that was devoted to that.

7 Compliance, as you know, we have county
8 compliance that we've had for a number of years now, but
9 we have never had this responsibility of ensuring a
10 compliance with plate usage and plate inventory for
11 dealers. So we have a committee that's tasked with
12 dealing with all things compliance.

13 And then we have an implementation committee,
14 which I think is extremely unique. If you think about any
15 implementation effort, any implementation effort causes us
16 to rethink processes: what do we need to do different
17 with processes, how do we design a process so that there
18 is minimal service disruption, so that there's minimal
19 disruption, and we hope for no disruption to any of our
20 stakeholder partners.

21 And then deputies, for tax assessor-collectors
22 that own this responsibility and they own the partnership
23 with full-service deputies and limited-service deputies,
24 there's a different consideration there because they're an
25 agent on behalf of the tax assessor-collector, and then

1 the tax assessor-collector is a statutory partner of the
2 DMV. So with that, we needed to make sure that we were
3 considering all things deputies to ensure that tax
4 assessor-collectors are not adversely impacted by the
5 implementation of HB 718.

6 And then we have a training committee that
7 looked at all things training around the agency, with all
8 of our stakeholder groups. And then a communication
9 committee, how do we need to communicate to stakeholder
10 groups, when do we need to communicate, what needs to be
11 the frequency, what is the communication medium.

12 And each one of these committees has a cross-
13 pollination of division staff from different divisions all
14 over the agency that make up each one of these committees.

15 So for regulatory affairs, I'm reminding you of
16 some things that you're very familiar with. We took our
17 proposed rule packages to VTRAC, MVIRAC, various advisory
18 committees last year, received feedback. We brought the
19 proposed rules to the board.

20 The board approved for us to post. We came
21 back to the board for rule adoption, and we met our goal
22 of having the rules passed well in advance of the December
23 1, 2024, date last year.

24 So some key rule takeaways. We determined the
25 plate allocation for each dealer, the quarterly

1 distribution of license plates. We talked about safety
2 and security of plates, what constitutes plates being
3 secured. There was a number of conversations around that
4 in both the advisory committee and the board meeting.

5 We also talked about electronic processing of
6 transactions in webDEALER. We talked about training, we
7 talked about the vehicle transfer notification, we talked
8 about the plate staying with the vehicle. And then we
9 talked about the use of the license plate system, which is
10 now the inventory management system.

11 So here are the plates that were designed by
12 our license plate design and manufacturing committee, and
13 we have these plates -- Carrie, can you help with this --
14 we have these plates that I'd like the board to have a
15 chance to take a look at. And each one of these plates,
16 if you look at the dealer plate, the dealer temporary
17 plate -- so this is the plate that's going to be replacing
18 the agent and the vehicle-specific tag. Since those two
19 tag types are going away, this new dealer plate will be
20 replacing that.

21 We have the out-of-state temporary license
22 plate. This is going to be used for someone from
23 Oklahoma, Louisiana -- they come to Texas to buy a
24 vehicle, rather than us assigning a general issue plate or
25 a plate for that vehicle type, if it's a non-resident of

1 Texas, they will be assigned this plate. And you're
2 probably thinking, remember we've had some conversation
3 around this, are we going to get the plate back. No,
4 we're not going to get the plate back and I'll have more
5 about that here in just a minute.

6 And then the temporary registration plate, this
7 plate is going to be replacing the one-trip and 30-day
8 permits that you can get from tax assessor-collectors or
9 our regional service centers.

10 And then the buyer provisional plate. The
11 buyer provisional plate is going to be a multi-use plate
12 that can be used for any class of vehicle, any type of
13 vehicle so that a dealer never has to worry about not
14 having a specific plate type for that vehicle. This plate
15 can be assigned.

16 So the dealer temporary plate. The dealer
17 temporary plate is a new plate that's replacing the
18 vehicle and the agent specific tag. And you're probably
19 thinking, well, why are dealers having to have two
20 different plates.

21 Well, here's a side-by-side of the permitted
22 uses and you can see all of those for yourself. But the
23 most important one that I want to point out is when you
24 look at for personal use, for the new plate type that we
25 have, the only difference is that it cannot be used for

1 personal use. So when you think of inventory of plates
2 for dealers to ensure that they have enough plates,
3 whether it's for test drives or whether it's for service,
4 whatever it may be, in addition to the existing plate that
5 they have, dealers will also have an allotment of the new
6 dealer plate.

7 For the out-of-state buyer -- and I want to
8 focus on the out-of-state buyer plate just for a second.
9 And with our law enforcement representative, Sgt.
10 Schlosser, if you take a look at this plate, right now
11 when a vehicle is sold, there is a temporary tag that is
12 put on there now, a buyer's tag. Law enforcement is
13 extremely familiar with the visual indicators and then
14 some of the more secretive indicators that only law
15 enforcement have access to and know about. Well, how are
16 we going to replace those visual indicators that are on a
17 buyer's tag on a permanent plate now?

18 Well, if you look at any of the new plate
19 designs now and you look at to the left and the right,
20 those side markings -- what we're calling side color
21 markings -- those are unique and they really stand out
22 when you're driving down the road. And they're going to
23 be hard to duplicate -- not to say that fraudsters aren't
24 going to continue to try to be fraudsters -- but we had
25 security in mind and we had public safety in mind when

1 these plates were being designed.

2 Something else that is unique about these plate
3 types is if you look at the number of characters that we
4 have. Currently in our general issue plates there are
5 seven characters; if you would look across the plate now,
6 there's eight characters. So law enforcement will be able
7 to determine for these very unique plates that we've
8 designed, in addition to the color scheme, in addition to
9 the side color markings, you're also going to see that
10 these plates have eight characters. We're trying to
11 address the law enforcement concerns so that they have
12 some visual indicators.

13 The other thing that we're trying to do is
14 we're trying to make sure that these are distinguishable
15 for dealers whenever they're assigning plates, so you
16 wouldn't make a mistake by grabbing a general issue plate
17 when you should be grabbing an out-of-state buyer plate.

18 If you go look at the temporary registration
19 plate, this replaces the 30-day and one-trip permit.
20 These plates are going to be for our tax assessor-
21 collectors and for the regional service centers. This is
22 replacing those paper tags as well, you can see the side
23 color markings as well.

24 And then the buyer provisional plate, each of
25 the dealers will receive an allotment of these plates.

1 And I really want to focus on one piece here for the
2 dealer provisional plate, which is unique for tax
3 assessor-collectors and for dealers. So let's say that
4 you do not have a plate type for that vehicle, this buyer
5 provisional plate can be used to assign to a vehicle at
6 the time of sale. And you can look at it two different
7 ways.

8 It's a non-expiring plate which means that you
9 sell the vehicle, you submit the transaction to the tax
10 assessor-collector. And today how long is a buyer's tag
11 good for, 60 days. Well, if it takes 61 days, for
12 whatever the reason is, for that transaction to be
13 processed, in today's world what has to happen? A dealer
14 or the purchaser has to go and get a 30-day permit.

15 Well, with the buyer provisional plate, because
16 you didn't have the general issue plate, or the plate that
17 was being transferred there was an issue with it --
18 whatever the case may have been, the buyer provisional
19 plate, with it being a multi-use plate, it can be assigned
20 to the vehicle that's sold. And then it will remain valid
21 until the registration and title work in webDEALER that is
22 approved by the tax assessor-collector is completed.

23 At the time that it's completed, it will expire
24 seven days after the permanent plate is assigned to that
25 vehicle. Then that provisional plate goes back into the

1 inventory of the dealer, and it can be used again in the
2 future using the inventory management system.

3 So with our license plate design and
4 manufacturing, some notable things that we've done here.
5 We've obviously completed the plate mix for each of our
6 22,000 dealers, what is the quantity, what's the plate mix
7 that you need. And you're probably thinking, well, why is
8 plate mix important.

9 We have 22 different plate types, and think
10 about a machinery plate, how many dealers need a machinery
11 plate, probably don't. If you sell primarily passenger
12 cars and light trucks, you're not going to need those
13 types of plates. So the plate mix is very important for
14 each dealership.

15 We have also completed our contract with Taylor
16 Communications, who is going to serve as our distribution
17 center. After plates are ordered, they will be shipped
18 from Taylor Communications all over the state directly to
19 dealers, directly to tax assessor-collectors. So we're
20 really excited about this. We've also had some
21 communication between Taylor Communications, the DMV, and
22 our inventory management system vendor.

23 So direct distribution. What is going to be
24 possible with direct distribution? Well, you'll be able
25 to order, you'll be able to track plates, you'll be able

1 to run reports about your license plates.

2 But we think that there's going to be some
3 efficiency with plates being delivered, because now
4 there's a number of back-and-forth that happens between
5 the dealership and the tax assessor-collector. Well, now
6 with webDEALER being a requirement and the dealers
7 submitting the transaction on webDEALER and already having
8 an allocation of plates, the plate can be assigned at the
9 time of purchase, and the dealer will have visibility on
10 what their inventory amounts are. The tax assessor-
11 collector will know what their inventory amounts are, so
12 it will just lead to some efficiency.

13 Our technology committee. The company that we
14 are partnering with for our inventory management system is
15 Apptricity. Apptricity is a well known company, they
16 partner with a number of other entities.

17 Some of the more notable entities that they
18 partner with now to provide inventory management solutions
19 to are Verizon, the Department of Defense. Those are
20 large organizations that they provide inventory management
21 solutions for. And we have worked with them very closely
22 over the last few months since executing the contract to
23 make sure that the inventory management system is
24 integrated and aligned with all of our DMV systems.

25 So what does the IMS do? It allows everyone to

1 order, track, assign plates, run reports, know what your
2 inventory levels are. It allows for some accountability
3 to know when a plate was assigned and who assigned a plate
4 to a specific vehicle. And it allows the DMV, tax
5 assessor-collectors, and the dealers all to have
6 visibility of their plate inventory amounts.

7 So why is development of our IMS and all these
8 different systems so important? Well, when you sell a
9 vehicle, as you know, webDEALER is going to be used. And
10 there's a number of dealers and tax assessor-collectors --
11 220 tax assessor-collectors, to be exact -- that have been
12 trained and are using webDEALER in some form or fashion
13 now, so we're getting there to the 254.

14 Well, when you look at all these things, the
15 Texas Law Enforcement Telecommunications System -- that's
16 law enforcement being able to query that plate from a
17 recently sold vehicle -- the inventory management system,
18 the distribution center, our warehouse, the API -- so if
19 you're a dealer and you use DealerTrack or one of those
20 things that is an API -- we need all of those things to
21 talk to webDEALER. We need webDEALER to talk to RTS.

22 So when you think about the work from a
23 technological standpoint, all of these things have to sit
24 on top of RTS and RTS has to be able to talk to all of
25 those things. So when you look at how we are developing

1 these things, our Information Technology Services Division
2 has spent and continues to spend a considerable amount of
3 time on capacity and stability with webDEALER and our
4 other systems to ensure that when all dealers and all tax
5 assessor-collectors begin to use webDEALER that it will be
6 as stable as it needs to be to ensure that it can handle
7 the workload.

8 Our training committee. So what our training
9 committee has done is evaluated all the training needs for
10 all of our various stakeholder groups. You are very
11 familiar with what we're doing on the webDEALER front with
12 training both in English and Spanish available in person,
13 self-paced webinars as well, and this has been a
14 tremendous effort.

15 We started this initiative in February of last
16 year and we have trained approximately 10,000 people, and
17 we are off to a great start. We have a few months to go
18 and we hope to be able to continue to grow this number and
19 the adoption rate so that dealers and tax assessor-
20 collectors continue to use webDEALER.

21 Some other training that we are working on --
22 we are training with law enforcement agencies. We met
23 with the Texas Commission on Law Enforcement and DPS so
24 that we could develop a module for law enforcement.

25 Process changes, we're going to have some

1 training on what changed in the process, what forms are
2 new or not, is this form applicable or not. That's very
3 important and that's part of our process redesign with 718
4 so that everyone understands what the rules are.

5 We're going to have IMS dedicated training.
6 We're going to have training on distribution and then we
7 launched -- and I want to thank the Vehicle Titles and
8 Registration Division -- that communication went out and
9 we already heard a response from a large dealer that said,
10 Thank you for offering this online self-paced metal plate
11 process explaining what the metal plate process is going
12 to be with HB 718.

13 With program implementation, we have identified
14 14 different processes that are impacted by the
15 implementation of 718. And each one of them is being
16 refined to ensure that there is little to no service
17 disruption and that everyone understands what is required
18 for a particular process, whether it be a sale or anything
19 else.

20 Our communication committee has done some
21 tremendous things here and you can see all of these things
22 that are underway, whether it's website changes or snail
23 mail communication, or if it's targeted GovDelivery
24 communication, or if it's participating in a circular or a
25 monthly magazine providing an article. There has been so

1 much outreach for all of our stakeholder groups and we
2 have a number of planned communications in the next few
3 months as we grow closer to the effective date.

4 Compliance. As I said earlier, this is a new
5 responsibility for the Department of Motor Vehicles to
6 have a dealer compliance section that is going to be
7 conducting compliance reviews at dealerships. And we are
8 in the process now of finalizing what that review is going
9 to look like.

10 The staffing update. Just to jog your memory,
11 we received 44 FTEs as part of HB 718 implementation, and
12 26 of them are in Enforcement for compliance for dealers.

13 We have 13 positions that are remaining.

14 Those jobs have closed the job announcement,
15 those interviews are underway. And we anticipate having
16 the final staff members selected here in just a couple of
17 weeks.

18 Some other dealer engagements that we had
19 around the state. I want to thank TIADA for their work
20 and their invitation and partnering with TxDMV to spread
21 the word and increase awareness and education about the
22 implementation of HB 718. At some of our events we've had
23 hundreds of dealers that have participated at these events
24 and it's been really good to answer questions just going
25 back and forth about scenarios.

1 So a summary of our achievements. We have
2 completed both proposal and rule adoption. We have
3 completed the design of all of our license plates. We
4 have completed how that process is going to work from
5 ordering to distribution to receiving at a dealer and a
6 tax assessor-collector.

7 We have acquired our inventory management
8 system. We have determined how the enhancements that we
9 have -- and we identified more than 300 enhancements
10 across all of the different DMV systems -- we've
11 prioritized those enhancements and determined how they
12 need to go in sequence as they're rolled out. We have a
13 robust training plan and there's a number of communication
14 efforts that have been completed and underway.

15 And I think that we're in a really good
16 position, not only to meet our goal for July 1 of this
17 year, but to be in a place where if there continues to be
18 questions, even at the eleventh hour, we're going to be in
19 a position where we can be nimble to be responsive to
20 stakeholders.

21 None of this is possible, whether it's
22 legislative implementation, or a technology fix, or
23 working with stakeholders, without people. We have more
24 than 105 staff members across eleven divisions that are
25 involved in the implementation of 718. And really proud

1 of our staff for the way that they've responded, for their
2 innovative thoughts, for just always being available to
3 help us with whatever is needed. We're very appreciative
4 for that.

5 And with that, I'll take any questions and ask
6 the ladies to come up here and join me for the Q&A,
7 Monique and Annette and Corrie.

8 MR. BACARISSE: Thank you, Mr. Luna, for that
9 very comprehensive update.

10 Members, I'm sure you may have questions, so
11 just let me know who I can call on.

12 Mr. Jones.

13 MR. JONES: Mr. Chairman, I have several
14 questions.

15 MS. GILLMAN: Likewise.

16 MR. JONES: Deputy Executive Luna, thank you.
17 That was a very thorough summary of where we've come since
18 718 was passed. I appreciate the update. I do have a few
19 questions that I'd like to ask you and your team.

20 First of all, going back to as a dealer, when
21 we take cars to automobile auctions and we sell them, from
22 what I understand, the dealer is now 100 percent
23 responsible for any sale of the vehicle that they make at
24 an auction. They need to do a vehicle transfer
25 notification online for any car that they sell at an

1 auction. Is that correct?

2 MS. QUINTERO: That is correct.

3 MR. JONES: Okay.

4 MR. BACARISSE: Member Gillman, wait a minute,
5 turn your mic on. Thank you.

6 MS. GILLMAN: What is a vehicle transfer
7 notification?

8 MR. BACARISSE: Let me just remind you whoever
9 is speaking, please say your name for the record. Okay?
10 This is a lot of good questions back and forth, but just
11 for the record, we need you to say your name. Thank you.

12 MS. QUINTERO: Annette Quintero, Vehicle Titles
13 and Registration director.

14 The vehicle title -- sorry -- the vehicle
15 transfer notification is a form that we have both publicly
16 on our public-facing website and we also have planned to
17 build into the webDEALER transaction a dealer will create
18 as they're conducting a sale. So it notifies the
19 department that the ownership of that vehicle has been
20 transferred from the previous owner to a new owner.

21 So for example, let me give you a scenario.
22 When I go to sell my vehicle, if a vehicle transfer
23 notification is not done and the plates stay with the
24 vehicle, we could potentially see some toll tag issues or
25 issues with law enforcement officers pulling vehicles over

1 and then demonstrating in the LETS program the previous
2 owner. So the vehicle transfer notification becomes even
3 more critical than it is today because plates will stay
4 with the vehicle post July 1, 2025.

5 MR. LUNA: And, Member Gillman, if I could just
6 add a little bit of detail to that. Roland Luna, deputy
7 director.

8 Member Gillman, what the vehicle transfer
9 notification does is there's information that is contained
10 on that form.

11 MS. GILLMAN: I just need to kind of
12 understand. When I am going to sell a car to the auction,
13 I have to fill out a form after it's sold? Right now we
14 have no form.

15 MS. QUINTERO: Right.

16 MS. GILLMAN: So I send it to the auction and
17 somebody buys it, I don't know. But the selling dealer is
18 supposed to fill out a form to let you know that it went
19 to the auction or that it has sold and I fill out who it's
20 sold to?

21 MS. QUINTERO: Annette Quintero, Vehicle Titles
22 and Registration director.

23 The VTN is done when the vehicle is purchased
24 by the dealer. So I go trade in my vehicle, the dealer
25 then completes the VTN when they receive that vehicle from

1 me. And then when it goes to auction and the new dealer
2 buys, the dealer then also completes the VTN when they
3 purchase it from the previous dealer through an auction.

4 MS. GILLMAN: Selling dealer that takes it to
5 the auction does not fill it out, buying dealer does.

6 MS. QUINTERO: Selling dealer fills out the VTN
7 when they purchase the vehicle. So I'm a dealer, I buy a
8 vehicle from a customer, I do a VTN upon that purchase. I
9 take that vehicle then to an auction to be sold to another
10 GDN, that GDN when they purchase the vehicle completes a
11 VTN.

12 Once you absorb the vehicle into your dealer
13 inventory, the vehicle transfer notification needs to be
14 done.

15 MR. JONES: Mr. Chairman, can I make a comment?
16 Mark Jones, board member.

17 MR. BACARISSE: Mr. Jones.

18 MR. JONES: So as a dealer, I think it's safer
19 for the selling dealer to report when we get a check from
20 the auction for us to actually fill out the VTR or notify
21 the auction, because I'm dependent on somebody that I'm
22 not familiar with that bought the car at the auction,
23 which may not be a dealer that always adheres to the law.

24 And would I be held responsible if the notification
25 wasn't filled out by the person who purchased that vehicle

1 from me at the auction? A question. Sorry.

2 Would the selling dealer be responsible if the
3 buying dealer did not follow through and fill out the
4 vehicle transfer notification?

5 MR. LUNA: Mr. Chairman, Roland Luna, DMV.

6 We have Corrie Thompson, our director of
7 Enforcement. She's checking the language on the bill
8 because now the form is for a consumer and as part of HB
9 718, it required upon sale or transfer of the vehicle. So
10 she's checking the language to ensure who is responsible
11 for completing the form.

12 Part of our implementation is to make this
13 process electronic so that we don't have forms that are
14 lost and it's built into the system. And as soon as she
15 finds that, Chairman, if we can come back to this -- and
16 our general counsel may already have found this language,
17 because I know that everyone was trying to find the
18 language to make sure we provide clarification.

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

21 I believe we are in 501.147, if you'll give me
22 just a minute. Because if the statutory language speaks
23 to the dealer taking the vehicle into inventory, then that
24 would be our mandate to require the VTN in those
25 instances. So it would be the onus on the dealer taking

1 that vehicle in rather than the dealer bringing the
2 vehicle to auction to sell the vehicle.

3 MR. JONES: Okay.

4 Deputy Executive, I have a couple of other
5 questions. If a dealer provides demonstrators to their
6 employees or even the owner, the GDN holder, on the
7 different plates that you showed us, could you tell me
8 which one of those plates we would use for demonstrators
9 or for the owners of the dealership to drive?

10 MR. LUNA: Yes, sir. Roland Luna, Texas DMV.

11 Member Jones, it's going to be the plate that
12 you use now; it will not be the dealer temporary plate.
13 So the current plate that you have, if it's going to be
14 for employees, that plate is the one that is used.

15 MR. JONES: Okay. So the plates that we get
16 when we renew our GDN license.

17 MR. LUNA: Yes, sir.

18 MR. JONES: All right. And a question, on the
19 buyer provisional plate -- oftentimes, and it's a small
20 percentage, maybe two or three percent of the transfers
21 could potentially be held up. Maybe they have a NMVTIS
22 hold or something where we can't get the sticker for our
23 customer.

24 In that scenario, based on what you've said
25 there, it sounds like the buyer, instead of going down and

1 getting a 30-day temp tag, we would bring the customer
2 back in and put the buyer provisional plate on the vehicle
3 and allow them to use that plate until we get the NMVTIS
4 hold removed and get the actual sticker for him?

5 MR. LUNA: Roland Luna, Texas DMV.

6 A little bit different scenario, and I'll try
7 to be very clear. So if there's already a plate on the
8 vehicle, a general issue plate that is on the vehicle,
9 nothing needs to be done, because the way that it will be
10 programmed, our systems programmatically, is it will show
11 the buyer/seller information, the date of sale, all of
12 those things like it does now. But because it is
13 submitted in webDEALER to the tax assessor-collector, a
14 buyer provisional plate would not be needed because
15 there's a plate assigned to the vehicle already.

16 The buyer provisional can be used in instances
17 where you don't have that plate type. So if you needed a
18 specific plate type, not a general issue plate, and you
19 didn't have that plate type, you could use that buyer
20 provisional plate that is a non-expiring plate until the
21 transaction is approved by the tax assessor-collector.
22 And then once it's approved, you get the plate type that
23 you need, you swap them out, and you can reuse that buyer
24 provisional if needed for some other transaction.

25 MR. JONES: Okay. Thank you.

1 I have two more questions for you. You
2 mentioned earlier in the presentation that there's
3 approximately 22,000 dealers that you're dealing with. It
4 sounds like about 50 percent of the dealers have actually
5 now been trained and enrolled on webDEALER.

6 Could you confirm that, about what percentage
7 of the 22,000? Because by July 1, 100 percent of them are
8 going to need to be doing transfers through webDEALER.
9 Correct?

10 MR. LUNA: Yes, sir. So I'm going to provide
11 an overview of what we're doing with our training map and
12 then I'm going to hand it over to Annette to talk about
13 how we're using this data to focus our efforts for dealers
14 that need webDEALER training.

15 So we created a map using one of our tools at
16 the DMV that every time someone is trained, we are placing
17 it on a map with the State of Texas. And it's an
18 interactive map. When you sign up for webDEALER training
19 now online, you have put your P number. We're using that
20 for tracking purposes.

21 The other thing that we have done that the
22 board approved is that there was an exemption that was
23 passed where you do not have to take webDEALER training if
24 you have more than 100 transactions, you've been in
25 business, remember all those things that we talked about.

1 So we have removed those dealerships from the webDEALER
2 training requirement so that we're not inflating the
3 number of dealers that still need to be trained.

4 We put all that information on a map. Annette
5 and her team evaluate that every day as people take self-
6 paced training or we have one of the large regional
7 events. We have partnered with a number of tax assessor-
8 collectors to have large regional training events, El Paso
9 and the Valley, San Antonio, a number of trainings in
10 Dallas.

11 And Annette and her team evaluate this, and she
12 can tell you about how we're trending now and what those
13 numbers look like.

14 MS. QUINTERO: So we are making really great
15 progress. And as Roland mentioned, we are tracking the
16 geographic locations where we have, one, made the biggest
17 impact, but also have the biggest impact left to make.
18 And so in those respective regions and areas, we are
19 partnering with the tax assessor-collectors in those areas
20 so that we can leverage the direct relationship those
21 county tax assessor-collectors have with their dealers to
22 ensure that that communication is actually getting to the
23 dealers.

24 In addition to that, we send out direct
25 communication to dealers that we've identified as high

1 performing or high sales but also have not completed
2 webDEALER training so that we can make sure that we are
3 covering obviously all dealers. But we want to really
4 make sure we are touching those dealers that are currently
5 reflecting high sales that really need to make sure we get
6 on webDEALER.

7 MR. LUNA: And, Member Jones -- Roland Luna,
8 DMV -- the reason for that and the reason why that's so
9 important is because from a transaction standpoint at a
10 tax assessor-collector's office, getting a large volume
11 dealer on webDEALER sooner than later is beneficial for
12 our tax assessor-collector partners, which is why, as
13 Annette says, we're really trying to focus on those
14 dealerships.

15 We have also ran some analytics to determine
16 which dealerships sell less than ten, less than 25, less
17 than 50, less than 100 per month, per year. So there's a
18 tremendous amount of analysis that has gone into this
19 effort to ensure that we are focusing our efforts in the
20 right places to make sure that we're reaching out to those
21 dealerships.

22 MR. JONES: Okay. Thank you. I will follow up
23 on that.

24 So when it comes time for the dealers to be
25 able to get the plates, are they going to be blocked from

1 being able to get the plates if they haven't went through
2 the webDEALER training or they're not registered? You're
3 not going to give a dealer license plates if they are not
4 registered on webDEALER, I assume.

5 MR. BACARISSE: Ms. Quintero.

6 MS. QUINTERO: Sorry. Thank you. Annette
7 Quintero, Vehicle Titles and Registration director.

8 The plan today is to prioritize those dealers
9 that have completed webDEALER training and/or are exempt
10 from the webDEALER training requirement. The hope is that
11 by the time we get to April when we begin distribution of
12 license plates, that the majority of those dealers have
13 complied with the webDEALER training requirement and so
14 there will be very few dealers still pending that
15 compliance. And so we will target those specific dealers
16 and increase communication, identify new ways to reach
17 them so that they can get their plate distribution.

18 MR. LUNA: And by rule, Member Jones -- Roland
19 Luna, DMV -- and by rule, Member Jones, remember what the
20 board passed is that webDEALER training be completed by
21 April 30 of this year, and then we'll prioritize those
22 dealers first for their distribution and allotment. They
23 will receive theirs first, those that have completed the
24 training. So we're trying to use it more as an incentive
25 for dealers that sign up sooner than later are going to be

1 prioritized to receive their plates sooner.

2 So we hope we don't land in a situation where
3 we have a dealer that hasn't taken the training and they
4 haven't signed up for webDEALER and they haven't reached
5 out to their tax assessor-collector. We're really trying
6 to be proactive so that we don't have that situation
7 arise.

8 MR. JONES: Okay. And that comment transitions
9 into my last question and I'll leave you alone.

10 Has the department talked about or are they
11 considering identifying dealers in the state that they
12 could potentially use as guinea pigs that may start the
13 program a month or two before July 1? Because if so, I'd
14 like to throw my hat in the ring to be a guinea pig.

15 MS. GILLMAN: Me too.

16 MS. QUINTERO: Annette Quintero, Vehicle Titles
17 and Registration Division.

18 We absolutely are and we have identified some
19 dealers that will be part of our testing group, so thank
20 you for offering. Absolutely we will circle back with you
21 after the board meeting, and Board Member Gillman.

22 MR. JONES: Thank you all for your time.

23 MR. LUNA: And, Member Jones, if I may just
24 follow up on that as part of the testing. Roland Luna,
25 DMV.

1 Another component of that testing is ensuring
2 that those dealers that are receiving the plates as well,
3 that we are also doing some testing with the tax assessor-
4 collector from that county. We have a number of tax
5 assessor-collectors that we've identified to make sure
6 that we run some testing there, whether it's with
7 inventory management system, if it's allocation, whatever
8 it may be. So we have identified some tax assessors that
9 are going to help with this as well, so we'll be
10 coordinating that with your tax assessor-collector and
11 your dealership as well.

12 MR. JONES: Thank you, sir.

13 MR. BACARISSE: Member Graham.

14 MR. GRAHAM: Yes. This is Brett Graham.

15 So the process for vehicle transfer to the
16 public, that the public does today, that remains intact.
17 Correct?

18 MS. QUINTERO: Annette Quintero, VTR director.

19 Yes, it remains intact.

20 MR. GRAHAM: And within the system is there
21 any -- does the system recognize any difference between
22 someone from the public doing that and a dealer doing
23 that, or is that the same process that records the same
24 information?

25 MS. QUINTERO: Annette Quintero, VTR director.

1 The process is different. For the public there
2 is a public-facing VTN form that you can fill out on our
3 TxDMV.gov website.

4 For a dealer, what we envision post July 1 is
5 that the vehicle transfer notification process will be
6 built into the webDEALER transaction. So for the dealer
7 it will seem very seamless, almost nonexistent, but it
8 will be happening on the back-end.

9 MR. GRAHAM: Okay. And then on the -- I got my
10 notes on the seven-day, 30-day, 60-day, if you discussed
11 one and three, I missed it. So those very temporary
12 short-term paper plates today, did you cover that? I'm
13 sure you did, I just didn't catch it.

14 MR. LUNA: Member Graham, Roland Luna, DMV.
15 Happy to cover it again, sir.

16 Zach, can we go back to the red plate? He's
17 going to pull it up, that way you have something to look
18 at as well, sir.

19 So today if I go to Vice Chair McRae's office
20 and I need a 30-day permit, I am required to provide a
21 driver's license, proof of financial responsibility which
22 is my insurance, a passing inspection if applicable, and
23 then I pay the fee, \$29.75, and I obtain a paper 30-day
24 permit.

25 In the future, both that permit and a one-trip

1 permit, both of those are going to be eliminated and it
2 will be replaced with this plate type. This plate type
3 can be renewed for two additional times.

4 If you look at the top right, that's where the
5 sticker or the expiration is going to be placed. And
6 you're probably thinking, well, are we going to get the
7 plate back. No, sir. The plate will remain with the
8 person on that vehicle.

9 And how is law enforcement or anyone else going
10 to know it's valid. Well, the first indicator is going to
11 be the sticker on the top right; the second is only
12 available to law enforcement. And Member Schlosser can
13 provide information on this.

14 If an officer runs it through their mobile data
15 terminal or if they have a license plate reader that is in
16 their police unit, or if they run a telecommunications
17 check with a radio operator from their agency, they will
18 see if the vehicle is properly registered or not. So
19 they'll be able to determine from running the plate
20 whether or not that temporary registration is still valid.

21 And this addressed one of the concerns from law
22 enforcement as part of 718 to eliminate as many paper tags
23 as possible. So this is going to be replacing two paper
24 plates.

25 MR. GRAHAM: Okay. And so it's for the

1 individual that possesses the plate, the temporary plate,
2 that plate, if they eventually register the vehicle in
3 Texas, at that point they would return that plate or they
4 would destroy that plate?

5 MR. LUNA: They would keep the plate and then
6 their general issue plates that they would receive from
7 the tax assessor-collector's office would go on the
8 vehicle, and that plate would remain with them. They
9 would remove the plate and switch it out.

10 MR. GRAHAM: And then whatever they do with the
11 plate, they do with the plate.

12 MR. LUNA: Yes, sir.

13 MR. GRAHAM: Okay. And then one last question.

14 For non-attainment counties that no longer require
15 inspections, if a buyer in a personal transaction, not
16 involving a GDN holder, purchases a vehicle, then returns
17 to an attainment county to register that vehicle, will
18 that responsibility for that inspection be on the buyer?

19 MR. LUNA: If I buy a vehicle in a safety only
20 county -- let me start at the beginning for some
21 foundation. There's 17 emissions counties -- we will have
22 an 18th emissions county in 2026 -- which accounts for
23 about 65 percent of the 26 million registered vehicles
24 here in Texas.

25 If a person buys a vehicle in a safety only

1 county and it's being registered in an emissions county,
2 then an emissions inspection would be required prior to
3 registration.

4 MR. GRAHAM: So that would be the
5 responsibility of the buyer once they return to an
6 emissions county.

7 MR. LUNA: Yes, sir.

8 MR. BACARISSE: Mr. Luna, Chair Bacarisse.

9 Just curious to know who the new winner --
10 who's the new county coming on.

11 MR. LUNA: Bexar County.

12 MR. BACARISSE: Oh, fantastic.

13 (General laughter.)

14 MR. BACARISSE: Thank you.

15 Members, any other questions of the team here?

16

17 Member Gillman.

18 MS. GILLMAN: Thank you, Mr. Chairman.

19 I have to tell you that everything is clear as
20 mud. I am really confused, because most of the time when
21 you have said, for example, with the temporary
22 registration that currently at the TAC office you go to
23 there, you pay your \$29, you get an additional 30-day time
24 frame. And then the general issue plate, when it's ready,
25 goes to the buyer, but I think it's the dealer, the

1 selling dealer, and we change out the plates because we're
2 the ones that put it in webDEALER trying to get it
3 approved.

4 That's number one. So I'm confused, it doesn't
5 go to the buyer; it goes to the dealer and we switch them
6 out again.

7 Similarly, with the -- you were just giving an
8 example about the emissions counties, if you buy a -- if I
9 buy a car in a non-emissions -- I mean a safety only
10 county but I need to register it in Harris County which is
11 an emissions, then you said the buyer is responsible for
12 getting it inspected. But I disagree with that also, it's
13 the dealer that has to get that inspected in order to pass
14 webDEALER and then the plates are issued by the dealer,
15 and so the customer has to come back.

16 And so I think what I'm trying to say is the
17 logistics of this, the temporary registration, the dealer
18 temporary, the buyer provisional is what I find terribly
19 confusing. So I'm thankful that there's going to be some
20 guinea pigs.

21 And the training that you're doing is, at the
22 moment, just about webDEALER; it's not about this rules
23 and processes regarding these new plates. So I think what
24 I'm trying to say is I'm a nervous wreck.

25 Is there training with regard to these new

1 plates available to study right now that I can familiarize
2 myself and try and understand what scenarios and how it
3 will affect the dealers?

4 MR. BACARISSE: Chair Bacarisse.

5 I think for purposes of answering your
6 question, Member Gillman, perhaps Vice Chair McRae has
7 some comments to offer.

8 MS. McRAE: Yes. I think with regards to the
9 temporary plate, the red plate, that's not a dealer plate.
10 That is for an individual between two parties and they're
11 coming in for temporary registration, not involving a
12 dealer sale. The dealer sale is the other plate that you
13 have down there.

14 And the other question that you had about
15 training, there is some training on the metal plates
16 that's coming out that will be released to dealers and to
17 all of the tax assessor-collectors. I don't know how
18 close we are to that, but I think, Member Gillman, it's
19 very clear. It's just that we're talking about private --
20 what Member Graham was talking about with the VTN
21 notification or the emissions -- I'm sorry -- was between
22 a private party sale and not a dealer.

23 Am I correct?

24 MR. GRAHAM: Yes.

25 MR. BACARISSE: Mr. Luna.

1 MR. LUNA: Roland Luna, DMV.

2 Member Gillman, back to what Member Graham was
3 saying, the example that he provided and that I was
4 responding to was if he sold me a vehicle -- not as a
5 dealer, but he is a person and I bought a vehicle from him
6 and I purchased the vehicle and I live in an emissions
7 county, then it's on me. It's a person-to-person private
8 transaction sale, so the dealer would not be involved.

9 The scenario which you described where a dealer
10 is responsible for the inspection in an emissions county,
11 yes, ma'am, you're exactly right. From a dealership
12 standpoint, everything that you said is exactly right.
13 The dealer would be responsible for ensuring that the
14 emissions inspection is obtained and has a passing
15 inspection before the sale of a vehicle.

16 To your point about having training that is
17 available that explains plates, Annette, can you talk
18 about what we just launched and we're already hearing some
19 extremely positive feedback from dealers right now?

20 MS. QUINTERO: Yes, absolutely.

21 Annette Quintero, Vehicle Titles and
22 Registration director.

23 We launched, quite literally this morning, Your
24 Complete Guide to Metal Plate Implementation. It is a 20-
25 minute video. It's a great informative video that helps

1 dealers specifically understand at a high level how they
2 will be impacted and what they can expect with the 718
3 implementation. It does a great job of communicating all
4 of the ins and outs.

5 And then in addition to that, the dealer
6 training that we conduct also -- and, Corrie, help me if
7 I'm incorrect here -- but also covers 718 and the new
8 plates and what dealers can expect. So that is covered in
9 DTS training.

10 MS. THOMPSON: And so, yes, Ms. Quintero and
11 Mr. Luna are correct with the new training launched by VTR
12 this morning. Also, we conduct regular monthly dealer
13 training seminars which our attendance has been increasing
14 over the past couple of months and I expect to continue to
15 see that be the case moving towards launch.

16 We had 652 people sign up for the training that
17 was conducted this month for the first day of the two-day
18 course, and we are making mention of 718 requirements for
19 dealers. And we have just recently revised those slides
20 as well and plan to utilize those going forward in the
21 additional seminars that will be offered again monthly
22 going forward through launch as well.

23 There's also additional 718 information that is
24 available for different populations, dealers, tax
25 assessor-collectors, on the department website as well.

1 MS. QUINTERO: One more thing, Member Gillman,
2 as it pertains to the red --

3 MR. BACARISSE: Ms. Quintero.

4 MS. QUINTERO: I'm sorry. Annette Quintero,
5 Vehicle Titles and Registration director.

6 As it pertains to the temporary registration,
7 the red plate, post 7/1 dealers will have general issue
8 plates in their inventory, and so the necessity for
9 temporary registration should not be an issue for dealers
10 specifically. Because you'll have a general issue plate
11 to put on the vehicle, you won't need a temporary
12 registration plate.

13 In the interim, if a buyer's tag expires,
14 you'll need a temporary registration plate in those
15 instances.

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

18 So I think that we are all saying the same
19 thing different ways. So there are various ways to
20 utilize the red temporary registration plates. In the
21 future, they will replace the purposes of the 30-day and
22 one-trip permits.

23 When Roland was mentioning them initially for
24 use in connection with the dealers, he was speaking to
25 instances of late title transfers, so specifically wherein

1 a dealer would be required to go to the tax office, obtain
2 a 30-day permit for that buyer so that they could continue
3 to legally drive the vehicle on the street until the
4 permanent plates were received after the title application
5 had processed.

6 Going forward, as Annette mentioned, the
7 dealers will all have the standard issue plates in their
8 inventory and that is what will be issued on the day of
9 the sale to the consumer.

10 MS. GILLMAN: I did take the training last year
11 and this is just so much more specific. I'm glad you've
12 updated the slides because it wasn't -- it just didn't
13 have this information. But I look forward to it.

14 It will be great. Thank you.

15 MR. BACARISSE: Member Omumu.

16 MS. OMUMU: I just have a very quick question.

17 It sounds like you guys are ready and prepared to handle
18 the influx of inquiries that you will be receiving. I
19 guess a question that I have is we talked about
20 systemically have we stress tested the system to handle
21 the additional traffic that will be coming to webDEALER?

22 MR. LUNA: Roland Luna, DMV.

23 Absolutely, Member Omumu, we have. We continue
24 to do that. And Wendy Barron, our CIO, is here as well,
25 if we need to provide a more technical response.

1 But what we have done is we're looking at,
2 first, stability, the stability of the system now and
3 ensuring that we are working through updates to other
4 systems that tie into webDEALER. The next thing that is a
5 consideration that many of you have talked about, and it's
6 a consideration and we need to make sure that we're
7 prepared for it, is capacity. We are ensuring that there
8 is additional capacity to handle the volume of
9 transactions in webDEALER for tax assessor-collectors and
10 dealers.

11 And this stress testing that you're talking
12 about is being performed as the system is increasing in
13 capacity and stability, and IT continues to stress this
14 point and test it. That's why this is one of the more
15 important items with webDEALER to make sure that we are
16 prepared, that that way on July 1 of this year, everyone
17 continues to do business electronically without a
18 disruption.

19 MR. SCHLOSSER: Member Schlosser.

20 So, Mr. Luna, do we have a plan in place to be
21 able to provide this updated information to law
22 enforcement in a way such as roll call video, something
23 that's concise enough to get it out there that won't take
24 all day for law enforcement? Because it's a very limited
25 amount of time between now and go-live date that we need

1 to get the information out there so they know what's going
2 to happen.

3 MR. LUNA: Yes, sir. Roland Luna, DMV.

4 Member Schlosser, you're exactly right. What
5 we have done in the past is we have created a module where
6 you can go and sit in and receive the overview and learn
7 all of the nuances of 718 and what is changing that
8 impacts law enforcement. We've done that.

9 The second thing that we have done is we have
10 created advisory bulletins and one-pagers for law
11 enforcement that are sent directly to each officer that
12 has an MDT, a mobile data terminal. What we've done in
13 the past is we've worked with the Department of Public
14 Safety, we've worked with their intelligence and counter-
15 terrorism division which handles communications to law
16 enforcement, we've sent it over directly to that division
17 and they push it out directly to an officer. We envision
18 doing the same here.

19 Not only are we going to provide the in-person
20 training that is going to be provided by VTR, our
21 Enforcement Division, DPS is going to be providing it, and
22 the Commission on Law Enforcement is going to help us with
23 this as well. We're also going to provide the training to
24 any law enforcement agency that requests the material and
25 we will have the one-page reference guide that will be

1 pushed to those mobile data terminals for each officer.

2 MR. SCHLOSSER: Member Schlosser again.

3 Last week I was in Laredo at a training and
4 Dara Benoit did an excellent job explaining this to the
5 group of officers that were taking the training. My
6 recommendation is a 10-minute to 15-minute long video that
7 can be played at a roll call, so that it's a lot harder to
8 get each individual officer the information than it is to
9 get a group into a room for a short period of time, but
10 just a very short that they can play during the first ten
11 minutes of their shift, that they can learn about this and
12 then move on through their day.

13 I think it can be abbreviated in such a way
14 that they can understand what it's about. Of course, the
15 in-depth stuff would need a longer module, but it's just a
16 lot of people to get brought up to speed in a very short
17 amount of time.

18 MR. LUNA: Roland Luna, Texas DMV.

19 Member Schlosser, I think that's an excellent
20 idea. We have, as you know, the Motor Vehicle Crime
21 Prevention Authority. We have a number of trainers there
22 that are accustomed to interfacing with law enforcement.

23 I'm sure that MVCPA, as well as our Enforcement
24 Division, they could help with some voice-over with an
25 abbreviated, condensed training that could be provided at

1 show-up or roll call, whatever your agency calls that. We
2 used to call it show-up, and you know what I'm talking
3 about. We used to call it show-up.

4 MR. SCHLOSSER: We call it roll call.

5 MR. LUNA: That's an excellent idea and we can
6 incorporate that into the training effort for law
7 enforcement, absolutely.

8 MR. SCHLOSSER: That would be an excellent
9 idea.

10 MR. LUNA: Thank you.

11 MR. BACARISSE: Member McRae.

12 MS. McRAE: I would just like to say mine is
13 more about the last slide, the thank you. I want to
14 sincerely thank this agency, everyone that has been
15 involved, because you have worked tirelessly and spent
16 many hours with the tax assessors. I know because I've
17 been a part of that.

18 You have done that equally with law enforcement
19 and our dealer community. And our tax assessors, I know
20 that we're doing all that we can to be actively engaged
21 with our dealers trying to get us all to this finish line
22 of July 1. And I just want to thank you all for
23 everything y'all have done to get us to this point. I
24 know it's been a lot of man hours spent on that and I
25 sincerely appreciate each one of you.

1 MR. BACARISSE: I echo that, and I think to
2 several of the questions as I've listened to them here
3 this morning, we'll have the start date but then there
4 will be the process of learning and living with the new
5 reality as we move forward. So team, I, too, want to
6 thank you for the work that's been done and the work
7 that's going to have to continue to be done as we make
8 this transition.

9 Members, are there any other questions of this
10 great team here this morning? I know there will be at
11 some point, but for now, anything else?

12 (No response.)

13 MR. BACARISSE: Mr. Luna, thank you. Ms.
14 Thompson and Ms. Johnston and Ms. Quintero, thank you as
15 well for your time this morning.

16 This is an ongoing conversation and I know that
17 as the members of this board that are in the business have
18 further questions, you should not hesitate to reach out to
19 the staff and make sure you get the answer you need.

20 Thank you.

21 Now I'd like to move to agenda item 12 which is
22 finance and audit, and we will have an update, a briefing
23 from John Ralston.

24 So, John, good morning. The podium is yours.

25 MR. RALSTON: Good morning, Chairman Bacarisse,

1 board members and Executive Director Avitia.

2 For the record, I am John Ralston, budget and
3 forecasting director for TxDMV.

4 I'm presenting item 12.A. This is an update on
5 our FY 2026-2027 legislative appropriations request,
6 commonly known as the LAR. This item begins on page 69 of
7 your board book and is a briefing item only, and I'll be
8 going through the presentation. The first slide is page
9 72 in the board book, if you'd like to follow along that
10 way.

11 First an update on our appropriations process.

12 In August of 2024, TxDMV submitted its LAR for FY 2026-
13 2027. From September through December, the Legislative
14 Budget Board analyzed all the agency requests, we
15 responded to questions and provided additional
16 information.

17 And then in January 2025, the House of
18 Representatives and the Senate filed their respective
19 versions of the state budget bills. These are known as
20 HB 1 and SB 1, respectively. Based on the introduced bill
21 and what was in the recommendations, the LBB allowed
22 exceptional items to be revised if the need arises.

23 Next slide, please. So we'll start with the
24 introduced bills as compared to our LAR. Our LAR based on
25 requests for '26-27 is \$529.7 million over the two-year

1 period, with 902 FTEs. Both HB 1 and SB 1 introduced,
2 which are identical, fully funded that amount in our
3 request. Our requested baseline funding increases are
4 included in both bills.

5 Some of the key baseline increases that we
6 requested, and have been approved, include increases for
7 postage and license plate production, technology
8 initiatives, and increases needed for Data Center
9 services, continuation of key projects such as our
10 automation project and PC replacement to stay current in
11 technology. And we continue to invest in our facilities,
12 both at the regional service centers and the HQ
13 facilities, as we have older service centers in
14 particular. We want to make sure that those stay current
15 where needed.

16 Another key point of both bills is that they
17 both contain full funding for the Motor Vehicle Crime
18 Prevention Authority and their programs. We have fought
19 hard over previous years to achieve that full funding, and
20 that continues in '26-27 which allows them to continue the
21 strong work that they have started in '24-25.

22 Exceptional items. So our legislative
23 appropriations request had two exceptional items, and
24 these are special increases to our base: RTS
25 modernization and the request for additional FTEs. The

1 introduced bills do not include the exceptional items that
2 we have requested, however, this is not unusual at this
3 point in the appropriation process. It will go through
4 the reviews, the committee processes for those items.

5 We do want to point out that HB 1 includes --
6 in its Article 9 under general provisions, there is
7 language that intends to provide funding in a supplemental
8 appropriations bill for what's called cross-article
9 information technology program projects. And we have been
10 informed that that language and funding that item includes
11 the RTS modernization request. SB 1, however, does not
12 include this language and those will be reconciled through
13 the legislative process.

14 As allowed by the process, RTS modernization
15 out-year costs were moved to FY 2026-2027. The total
16 project cost remains the same. It also made no changes in
17 our request for additional FTEs.

18 Next slide, please. In other provisions, and
19 just kind of general information, the HB 1 and SB 1 also
20 maintain the capital budget minimums at \$500,000 and all
21 of our requested riders are included in the released
22 versions. These are what I'd refer to as tools in the
23 toolbox.

24 These items help us manage our resources. A
25 common example is the ability to carry forward unspent to

1 the next year for the completion of projects, so those are
2 very helpful for us.

3 In terms of the next steps in the calendar and
4 the process, yesterday we had our first hearing, this was
5 with the Senate Finance Committee meeting. It went very
6 well, from my perspective. It was short, no questions.
7 Executive Director Avitia did an outstanding job in giving
8 a presentation and that went very well.

9 When we went to press with this presentation,
10 the House Appropriations Committee had not been scheduled,
11 had not been set. However, as an update, we believe now
12 that is scheduled for February 24, although that is still
13 kind of a tentative situation.

14 In conclusion, we feel this is a very good
15 start to the appropriations process. There still is a lot
16 that could happen and change as we go through the
17 remaining months of the review and the session. The term
18 I've been using is that I am cautiously optimistic that
19 this will result in a very positive process for us and our
20 requests will be approved and we will have the resources
21 that we need in '26-27 to continue to combat struggles and
22 continue our progress.

23 I'm available for any questions.

24 MR. BACARISSE: Great. Mr. Ralston, thank you.

25 Members, are there any questions on the budget?

1 Member Graham.

2 MR. GRAHAM: Really just a comment that
3 obviously we're pretty well positioned. That was good news
4 that all of that was encompassed in both the Senate and
5 House Bill 1s. And so from my perspective, that really
6 just means one of two things: either it was very well
7 prepared and put together and i's dotted, t's crossed, and
8 the right people were spoken to, or Keith is a magician, or
9 perhaps it's a combination of both.

10 So anyway, congratulations. That's really good
11 work and glad to hear it. Thank you.

12 MR. BACARISSE: Member Graham, I think you're
13 right. Keith is a magician and it is a combination. Until
14 we know who the leadership is on the House side, we'll hold
15 our breath, but hopefully that will be revealed soon.

16 But, Mr. Ralston, thank you as well for your
17 excellent work and your preparation.

18 (General talking and laughter.)

19 MR. BACARISSE: Any other questions for Mr.
20 Ralston, members?

21 (No response.)

22 MR. BACARISSE: Seeing none, John, thank you,
23 appreciate it.

24 MR. RALSTON: Thank you.

25 MR. BACARISSE: Agenda item 12.B, we will now

1 hear from Mr. Jason Gonzalez, our auditor.

2 Jason.

3 MR. GONZALEZ: Good morning, Chairman
4 Bacarisse, board members, Executive Director Avitia. For
5 the record, I'm Jason Gonzalez, director of the Internal
6 Audit Division. And thanks for welcoming me to the circus.

7 (General laughter.)

8 MR. GONZALEZ: On page 76 of your board
9 materials, there's a brief summary of our current
10 engagements.

11 The first engagement is the fleet management
12 audit. The audit's objective was to evaluate the
13 effectiveness of fleet monitoring, vehicle maintenance and
14 compliance with the state fleet plan. Internal Audit
15 worked closely with the Finance and Operations fleet
16 management team. The completed audit report starts on page
17 77 of your board materials.

18 We found that fleet management had established
19 processes, but there was some inconsistency in how those
20 processes were documented and followed. We identified the
21 following strengths: the department has leveraged
22 technology, ensuring vehicles are monitored and can be
23 accessed at any time, and that fleet services collaborates
24 with the department's divisions to ensure fleet vehicles
25 are utilized and they effectively managed fleet activities.

1 As part of the project, we conducted a survey
2 of Texas DMV employees identified as fleet vehicle drivers
3 during fiscal year 2024. Sixty-two, or 31 percent of
4 drivers responded, and the survey respondents provided an
5 overall satisfaction rating of 4.36 out of 5, where 5 is
6 the highest.

7 While respondents were satisfied with fleet
8 services, they did communicate a few areas that could be
9 improved, which included: the reservation process, overall
10 vehicle condition, and general issues with available
11 technology, so the fleet management software.

12 Through our process, review and field work
13 testing, we identified two audit findings. The first
14 result was that the department generally reported data
15 accurately, however, there are some improvements that can
16 be made. The Internal Audit Division reviewed the
17 department's 70 fleet vehicles. There are multiple data
18 points such as asset name, vehicle make and model, and we
19 reconciled these data points as recorded on fleet vehicle
20 receipts and expense reports to the Texas fleet system.

21 This review identified some inaccuracies.
22 Examples of inaccuracies included vehicle division
23 assignment, odometer mileage where they were over-reported
24 in the Texas fleet system, and the vehicle's assigned
25 location.

1 We also conducted regional service center site
2 visits for the locations with the highest number of
3 assigned vehicles. Those locations included the San
4 Antonio, Houston and Austin regional service centers and
5 here at headquarters. We found that eight of the 20
6 vehicles, or 20 percent, had incorrect vehicle locations
7 reported in the Texas fleet system. We also observed that
8 a few vehicles needed car washes and three vehicles that
9 needed the updated Texas DMV logo or branding.

10 Per fleet management, during fiscal year 2024,
11 turnover and restructuring has led to some of those
12 deviations from their established processes.

13 Internal Audit made three recommendations
14 relating to formalizing policies and procedures to reflect
15 current processes: utilizing existing technology to track
16 and monitor fleet data to ensure accurate reporting, and
17 ensuring vehicle cleanliness, and application of current
18 Texas DMV logos.

19 The second audit result was that while
20 preventative maintenance was performed, it was not always
21 performed within scheduled time frames. Preventative
22 vehicle maintenance schedules reviewed included oil changes
23 and tire rotations. We reviewed preventative maintenance
24 performed on all 67 fleet vehicles and found that 54 of 67
25 vehicles, or 81 percent, had preventative maintenance

1 performed according to the maintenance schedules.

2 IAD recommended developing policies and
3 procedures to reflect current monitoring and performance of
4 vehicle maintenance. We also recommended using existing
5 systems to incorporate recordkeeping and ensuring
6 preventative maintenance is performed timely.

7 That's the first engagement. Are there any
8 questions on that?

9 MR. BACARISSE: Members, any questions for Mr.
10 Gonzalez?

11 Member Gillman.

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

13 Who is in -- I mean, what division?

14 MR. GONZALEZ: Finance and Administration, it's
15 within FAO.

16 MS. GILLMAN: Is responsible for keeping track
17 of all these items?

18 MR. GONZALEZ: They have a fleet team that does
19 that.

20 MS. GILLMAN: Okay. So these recommendations
21 go to them and then they come back to you --

22 MR. GONZALEZ: Yes, ma'am.

23 MS. GILLMAN: -- and have accountability, the
24 process.

25 MR. GONZALEZ: They do.

1 MS. GILLMAN: Thank you.

2 MR. GONZALEZ: Thank you.

3 MR. BACARISSE: Members, any other questions
4 for Mr. Gonzalez?

5 (No response.)

6 MR. BACARISSE: Seeing none, Jason, thank you.

7 MR. GONZALEZ: I still have a second one.

8 MR. BACARISSE: You've got a second one. Bring
9 it on.

10 MR. GONZALEZ: Our second engagement is the
11 Consumer Relations Division quality assurance advisory.
12 The objective of the advisory is to evaluate the Consumer
13 Relations Division's quality assurance processes.

14 The advisory service compared the quality
15 assurance metrics to other state agencies and private
16 sector call centers and identified process inefficiencies
17 and made recommendations to streamline the quality
18 assurance process. This advisory is currently in the
19 reporting phase of the engagement. We've completed our
20 work on the engagement, we've provided a report to division
21 management, and we're awaiting responses.

22 And then finally, the Internal Audit team has
23 been performing followup review of audit recommendations.
24 During the first and second quarters of the fiscal year,
25 the department has implemented 27 audit recommendations and

1 currently there are 14 audit recommendations that we will
2 continue to monitor.

3 I'd like to thank both the Internal Audit team
4 and the department management for their efforts on
5 implementing those audit recommendations.

6 And that concludes 12.A.

7 Agenda item 12.B -- I'm sorry.

8 MR. BACARISSE: We have an action item here.

9 MR. GONZALEZ: We have an action item, yes,
10 sir.

11 MR. JONES: Mr. Chairman, I'd like to make a
12 motion.

13 MR. BACARISSE: Well, hold on just a moment.
14 We'll let him lay it out.

15 Do you want to lay it out, Mr. Gonzalez?

16 MR. GONZALEZ: Yes, I'd like to do that. Thank
17 you.

18 MR. BACARISSE: Fine. Thank you.

19 But hold on, Mr. Jones, we'll call you right
20 back.

21 MR. GONZALEZ: So the Internal Audit Division
22 is requesting approval of an updated Audit Charter. The
23 updated Audit Charter can be found on page 92 of your board
24 materials.

25 The Internal Audit Charter was last approved in

1 October of 2023. In January of 2025, the Institute of
2 Internal Auditors Global Internal Audit Standards, or just
3 Standards, were updated requiring the inclusion of internal
4 audit's authority or mandate. The department's Internal
5 Audit Charter has been updated to include the Texas
6 Government Code's requirement that the department conduct
7 an internal audit program that includes an annual audit
8 plan prepared using risk assessment techniques.

9 And that concludes my update.

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

11 Mr. Jones, do you have an item?

12 MR. JONES: Yes, Chairman. I move that the
13 board approve the Internal Audit Charter, as presented by
14 staff.

15 MR. BACARISSE: Thank you.

16 Is there a second to that motion?

17 MR. GRAHAM: So made.

18 MR. BACARISSE: Member Graham.

19 So we will call the roll on this motion and
20 second.

21 Member Alvarado?

22 MR. ALVARADO: Aye.

23 MR. BACARISSE: Member Gillman?

24 MS. GILLMAN: Aye.

25 MR. BACARISSE: Member Graham?

1 MR. GRAHAM: Aye.

2 MR. BACARISSE: Member Jones?

3 MR. JONES: Aye.

4 MR. BACARISSE: Vice Chair McRae?

5 MS. McRAE: Aye.

6 MR. BACARISSE: Member Omumu?

7 MS. OMUMU: Aye.

8 MR. BACARISSE: Member Prewitt?

9 MR. PREWITT: Aye.

10 MR. BACARISSE: Member Schlosser?

11 MR. SCHLOSSER: Aye.

12 MR. BACARISSE: And I, Bacarisse, vote aye as
13 well. It's unanimous. Thank you.

14 You have a charter.

15 MR. GONZALEZ: Thank you.

16 MR. BACARISSE: Good work, Jason. Thank you,
17 we appreciate it.

18 Agenda item 15 is now -- well, you know, we
19 don't have any topics today to discuss in a closed session
20 that would require a closed session, so we'll skip agenda
21 item 13 and move to agenda item 14.

22 MS. MORIATY: Laura Moriaty, general counsel.

23 MR. BACARISSE: We don't have 14.

24 MS. MORIATY: We're actually moving to agenda
25 item 15 because 14 is action items from closed session.

1 MR. BACARISSE: Fourteen is not appropriate.

2 MS. MORIATY: Unnecessary today.

3 MR. BACARISSE: Unnecessary, right.

4 So we move to agenda item 15 which is public
5 comment. Do we have any public commenters today?

6 MS. MORIATY: No, sir, we do not.

7 MR. BACARISSE: Okay. In that case, the chair
8 would move to a motion on agenda item 16 which is a motion
9 on adjournment. Anybody want to make that motion?

10 MS. McRAE: Chairman, I'd like to make that
11 motion.

12 MR. BACARISSE: Vice Chair McRae. Is there a
13 second?

14 MR. PREWITT: Second.

15 MR. BACARISSE: Is that Member Prewitt?

16 MR. PREWITT: Yes.

17 MR. BACARISSE: Okay. Thank you.

18 I'm going to call your name, please.

19 Member Alvarado?

20 MR. ALVARADO: Aye.

21 MR. BACARISSE: Member Gillman?

22 MS. GILLMAN: Aye.

23 MR. BACARISSE: Member Graham?

24 MR. GRAHAM: Aye.

25 MR. BACARISSE: Member Jones?

1 MR. JONES: Aye.

2 MR. BACARISSE: Vice Chair McRae?

3 MS. McRAE: Aye.

4 MR. BACARISSE: Member Omumu?

5 MS. OMUMU: Aye.

6 MR. BACARISSE: Member Prewitt?

7 MR. PREWITT: Aye.

8 MR. BACARISSE: Member Schlosser?

9 MR. SCHLOSSER: Aye.

10 MR. BACARISSE: And I, Bacarisse, vote aye as
11 well. It's unanimous.

12 It is now 11:07 and this meeting of the DMV
13 Board is adjourned.

14 (Whereupon, at 11:07 a.m., the meeting was
15 adjourned.)

C E R T I F I C A T E

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3 MEETING OF: TxDMV Board
4 LOCATION: Austin, Texas
5 DATE: February 13, 2025

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 103, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Nancy King before the Texas
10 Department of Motor Vehicles.

11 DATE: February 21, 2025
12
13
14
15

16 /s/ Nancy H. King
17 (Transcriber)
18

19 On the Record Reporting
20 7703 N. Lamar Blvd. #515
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