

TEXAS DEPARTMENT OF MOTOR VEHICLES

BOARD MEETING

William B. Travis Building
1701 N. Congress Avenue
Room 1.111
Austin, Texas 78701

Thursday,
February 10, 2022
9:00 a.m.

BOARD MEMBERS:

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

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	7
2. Pledges of Allegiance - U.S. and Texas	8
3. Chair's Reports (deferred) Update on TxDMV's Implementation of Denial of Access to the Temporary Tag Database Rules	9
4. Executive Director's Reports (deferred)	21
A. Survey of Employee Engagement	
B. Update on TxDMV Law Enforcement Communication Efforts	
C. Awards, Recognition of Years of Service, and Announcements	
 ACTION ITEMS	
5. Pre-licensing Policy and Rulemaking Discussion regarding Applicants for Licensure (ACTION ITEM)	20
 RULE ADOPTIONS	
6. Chapter 217. Vehicle Titles and Registration (ACTION ITEM) Amendments, §§217.2, 217.4, 217.23, 217.28, 217.36, 217.45, 217.46, and 217.89 (Relating to titling and registering motor vehicles, including SB 876, allowing a person to apply for title and registration of a motor vehicle with any willing county) (Published November 12, 2021 - 46 Tex. Reg. 7762)	36
7. Chapter 217. Vehicle Titles and Registration (ACTION ITEM) Amendments, §217.56 (Relating to obtaining registration under the Unified Carrier Registration System Plan and Agreement prior to registering under the International Registration Plan; cleanup) (Published November 12, 2021 - 46 Tex. Reg. 7769)	49
 RULE PROPOSALS	
8. Chapter 217. Vehicle Titles and Registration (ACTION ITEM) Amendments, §217.5 (Relating to Evidence of Motor Vehicle Ownership)	55

9.	Chapter 217. Vehicle Titles and Registration. (ACTION ITEM) Amendments, §217.9 (Relating to Bonded Titles)	59
BRIEFING AND ACTION ITEMS		
10.	Specialty Plate Designs (ACTION ITEMS)	64
	A. Classic Black-Silver - New Design proposed under Transportation Code §504.801	
	B. Classic Blue-Silver - New Design proposed under Transportation Code §504.801	
	C. Classic Pink-Silver - New Design proposed under Transportation Code §504.801	
11.	Legislative and Public Affairs Committee Update (BRIEFINGS ONLY)	67
	A. Briefings on Legislative Implementations	
	B. Briefing on 88th Regular Legislative Session Recommendations Development Schedule	
	C. Briefing on Motor Vehicle Industry Regulations Advisory Committee (MVIRAC) Meeting and Recommendations	
	D. Briefing on TxDMV Review of Potential Enhancements to Temporary Tags	
	1. AAMVA's October 2020 Temporary Tag Best Practices Guide	
12.	Finance and Audit Modify Contract Approval Procedures Adopted on May 2, 2019 (ACTION ITEM)	89
13.	Delegation of Authority to the Executive Director to Approve the Contract to Modify the Texas International Registration Plan System (TxIRP) to Implement Senate Bill 1064 (ACTION ITEM)	93
14.	Renewal of the Contract for Software Maintenance and Support for the TxIRP (ACTION ITEM)	95
15.	Delegation of Authority to the Executive Director for the Approval and Execution of the End-User Information Technology Outsourcing Contract(s) (ACTION ITEM)	99
CLOSED SESSION		
16.	The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551: Section 551.071	9 104

Section 551.074
Section 551.076
Section 551.089

17. Action Items from Closed Session
- Appointment of Internal Audit Director under Texas Government Code Section 2102.006(a) 105
 - Appointment, employment, evaluation, salary, reassignment, duties, discipline, or dismissal of, as well as any complaints or charges concerning, TxDMV staff including, but not limited to, the Executive Director, Deputy Executive Directors, General Counsel, Associate General Counsels, and any other TxDMV staff who are employed to work as an attorney at TxDMV. 107
18. Public Comment none
19. Adjournment 108

P R O C E E D I N G S

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

5 It is 9:00 a.m., and I am now calling the Board
6 meeting for February 10, 2022, to order. I want to note
7 for the record that the public notice of this meeting,
8 containing all items on the agenda, was filed with the
9 Office of Secretary of State on February 2, 2022.

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

15 I want to welcome those who are with us for
16 today's Board meeting. Face coverings and social
17 distancing are not required at this meeting, but each
18 individual attending the meeting has the right and
19 responsibility to decide for themselves based on their
20 personal circumstances. It is your choice, and you are
21 welcome here at this meeting of the DMV.

22 If you wish to address the Board or speak on an
23 agenda item during today's meeting, please complete a
24 speaker's sheet at the registration table or send an email
25 to GCO_General@TxDMV.gov. That's GCO_General@TxDMV.gov.

1 Please identify in your email the specific item you're
2 interested in commenting on, your name and address, and
3 whether you are representing anyone or speaking for
4 yourself. If your comment does not pertain to a specific
5 agenda item, we'll take your comment during the general
6 public comment portion of the meeting.

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

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

18 There are a few things that will assist in
19 making the meeting more smoothly and also assist our court
20 reporter in getting an accurate record: please identify
21 yourselves before speaking, speak clearly, do not speak
22 over others, and please ask the chairman to proceed and be
23 sure to get recognized before speaking.

24 I would like to also thank our court reporter
25 who is transcribing this meeting. To make sure we have an

1 accurate recording of this meeting, it's very important
2 that Board members and anyone presenting today identify
3 themselves before speaking and speak clearly and slowly.

4 Before we begin today, I'd like to remind all
5 presenters and those in attendance of the rules of conduct
6 at our Board meetings. In the department's rule Section
7 206.22, the Board chair is given authority to supervise
8 the conduct of our meetings. This includes the authority
9 to determine when a speaker is being disruptive of the
10 meeting or is otherwise violating the timing or
11 presentation rules just discussed.

12 And now I'd like to have a roll call of the
13 Board members. Please respond verbally when I call your
14 name.

15 Member Alvarado, are you here?

16 MR. ALVARADO: Here.

17 MR. BACARISSE: Member Gillman?

18 MS. GILLMAN: Here.

19 MR. BACARISSE: Member Graham?

20 MR. GRAHAM: Here.

21 MR. BACARISSE: Member McRae?

22 MS. McRAE: Here.

23 MR. BACARISSE: Member Omumu?

24 MS. OMUMU: Present.

25 MR. BACARISSE: Member Prewitt?

1 MR. PREWITT: Here.

2 MR. BACARISSE: Member Scott?

3 MR. SCOTT: Here.

4 MR. BACARISSE: And Member Ramirez is absent
5 today; we'll note that for the record.

6 And let the record reflect that I, Charles
7 Bacarisse, am here too, so we have a quorum.

8 And I think we're ready now to move to item 2,
9 which is pledges of allegiance to the U.S. and Texas
10 flags. So I'll turn it over to Member Gillman to lead us
11 in the U.S. Pledge. Please rise.

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

13 MR. BACARISSE: Now Member Graham will lead us
14 in the pledge to the Texas flag.

15 (The Texas Pledge of Allegiance was recited.)

16 MR. BACARISSE: Thank you, members. Please be
17 seated.

18 This morning, since we have a couple of
19 important closed sessions to do, one in which we are
20 interviewing candidates for the posted position of
21 internal auditor, I would like to move the next agenda
22 item out of order and go to item 16, which is closed
23 session, so that we may interview the two candidates that
24 are here with us today.

25 I'd prefer not to ask them to wait through the

1 entire meeting before they can interview with us. So with
2 your permission, we will now recess into closed session so
3 we make take agenda item number 16 out of order.

4 It is now 9:04 a.m. on February 10, 2022, and
5 we'll go into closed session under Government Code
6 Sections 551.071, 551.074, 551.076, and 552.089.

7 For those of you in the audience, I anticipate
8 being in this session for maybe as long as two hours.
9 We'll reconvene in open session after that.

10 And with that, we are recessed from the public
11 meeting and we'll go into closed session.

12 (Whereupon, at 9:04 a.m., the meeting was
13 recessed, to reconvene this same day, Thursday, February
14 10, 2022, following conclusion of the executive session.)

15 MR. BACARISSE: It's now 12:49 p.m., and thank
16 you all for hanging with us. We are ready to return to
17 open meeting. It's 12:49, and the Board of the Texas DMV
18 is back in open session.

19 So no action items were taken in that session,
20 and we can now move on to agenda item number 4, which was
21 my report, and I really have none. But I do understand
22 that there is someone here to speak and signed up under my
23 section, so if you want to speak to me about my report
24 which I didn't give, you're welcome to. We'll hear you
25 now.

1 MS. AUCOIN: For the record, Aline Aucoin,
2 associate general counsel for TxDMV.

3 So for agenda item number 3 --

4 MR. BACARISSE: Number 3. Sorry.

5 MS. AUCOIN: -- and there are three
6 commenters. And I'll just name them in order and after
7 the first one goes, then I'll name the second one.

8 MR. BACARISSE: Thanks, Aline.

9 MS. AUCOIN: The first one in order is Mr.
10 Kohler.

11 MR. BACARISSE: Okay, yes. Welcome, Mr.
12 Kohler. Come right on up here.

13 MR. KOHLER: I was really looking forward to
14 your report.

15 MR. BACARISSE: I'm saving it for April.

16 MR. KOHLER: Just to remind the Board
17 members -- Mr. Chairman, Madam Vice Chair and Board
18 members, thank you so much for allowing me to be here
19 today -- David Kohler, K-O-H-L-E-R, law enforcement here
20 in Central Texas.

21 I was going to -- I wanted to hear your speech
22 and compliment and appreciate everything that the Board
23 has done over the last several months and moving in a
24 positive direction over this.

25 The one thing I did want to address, Miss Vice

1 Chair, in the January 27 meeting you questioned 17-
2 character VINs and you were advised it was corrected.
3 That was the partial truth. The characters, the periods,
4 the colons and exclamation points, that's been addressed.

5 The addressment of the VIN verification is still an
6 issue.

7 February 5, this past Saturday, these two
8 buyers' tags were printed from a legitimate franchised
9 dealership. One buyer's tag has 18 characters and one
10 buyer's tag has 15 characters. When that car is involved
11 in a criminal offense, we cannot run that VIN to verify
12 the true registration of that car, whether it's Texas or
13 it's an out-of-state vehicle.

14 And that's what I wanted to bring up and
15 demonstrate. And if you have any questions, I'd be more
16 than happy to try to answer them.

17 MR. BACARISSE: Thank you, Mr. Kohler.

18 Members, any questions of Mr. Kohler on this
19 point?

20 MS. GILLMAN: I have a question.

21 MR. BACARISSE: Yes, Member Gillman.

22 MS. GILLMAN: Because I'm sort of unfamiliar
23 with the software. Does the software allow you to have 18
24 characters --

25 MR. KOHLER: Our Texas software doesn't.

1 MS. GILLMAN: -- or 15 characters?

2 MR. KOHLER: I'm sorry. I thought you were
3 asking me, I thought you were finished. I didn't mean to
4 interrupt.

5 MS. GILLMAN: I don't know who exactly I'm
6 addressing, who can answer. When you print a buyer's
7 tag -- because I'm a franchised dealer -- from my office,
8 does the software allow 15 characters in a VIN versus 18
9 characters in a VIN? Isn't that what you were saying?

10 MR. KOHLER: Correct. The answer is yes.

11 MS. GILLMAN: I didn't know that.

12 MS. MELLOTT: We do not have VIN decoding
13 software on the system. I mean, it's definitely something
14 we're looking at and we think it's a great idea.

15 One of the things we've run into in the past
16 with looking at the VIN decoding software has been we have
17 trailers that have less than 17 VINs. We have homemade
18 trailers that have small VINs. We have some states that
19 use up to 22 VINs.

20 MS. GILLMAN: It's not a mandatory 18 or 17.

21 MS. MELLOTT: Right. And also, when brand new
22 vehicles come in, a lot of times they're not even loaded
23 into the VIN software before they're being sold, so they
24 reject those. There's just things we have to look at and
25 look into further.

1 MS. GILLMAN: Thank you.

2 MR. BACARISSE: Members, any other questions of
3 Mr. Kohler?

4 (No response.)

5 MR. BACARISSE: Thank you, sir. We appreciate
6 your time and coming down and staying with us here.

7 MR. KOHLER: Thank you.

8 MR. BACARISSE: Yes, sir.

9 Okay. That's on item number 3. Item number
10 4 -- oh, I'm sorry.

11 MS. AUCOIN: Aline Aucoin, for the record.

12 We have the second commenter and that is Cpl.
13 Mike Bradburn.

14 MR. BACARISSE: Yes, sir. Sorry about that,
15 Corporal.

16 CPL. BRADBURN: I was also going to support you
17 after you spoke, sir.

18 (General laughter.)

19 MR. BACARISSE: Maybe I should say something.
20 No, I'm kidding. Please, I'm glad you're here. Go ahead,
21 sir.

22 CPL. BRADBURN: Good morning, Mr. Chair and
23 members of the Board. My name is Mike Bradburn. I'm a
24 corporal for Constable Stacy Suits. I'm on the Clean Air
25 Task Force.

1 Although I serve on the MVIRAC committee, I am
2 here not speaking in that capacity, not cleared to be able
3 to speak. I'm here as a law enforcement detective. I
4 wanted to give you a historical perspective.

5 You're going to see where we were a year ago
6 and where we are today with what's going on, it's working.

7 In 2021, there were 17 independent licensed dealers I
8 identified as part of our investigation. This does not
9 consider dealers who were operating prior to 2021. These
10 dealers are part of an organized criminal group that
11 started selling buyer tags as early as 2018. As soon as a
12 dealer is revoked, they move on to the next license.

13 In 2021 it is estimated these 17 dealers
14 created approximately 1.2 million buyer tags that were
15 distributed at the international level. This was
16 approximately 36 percent of all independent tags last
17 year. There are other dealers selling tags that were not
18 part of our investigation, but that number gives you a
19 point.

20 With the recent implementation of House Bill
21 3927, there was an immediate impact. I wanted to bring
22 that to the Board. Now that you are using that authority,
23 we used to see 25,000 tags each week from these criminal
24 dealers, 25,000 tags. We're now seeing numbers in the low
25 hundreds.

1 The criminals are moving on to two things: low
2 level dealers, which I know Brian is already working on,
3 we're working together -- and fake tags. They're taking
4 legitimate tags, they're making tampered documents that
5 the Board doesn't regulate, so that's a win right there.

6 I personally believe we're going to see
7 additional low level dealers pop up because IP addresses
8 show they have a lot of licenses right now. As such, I
9 believe they should be fingerprinted pre-licensing and
10 afterwards if you haven't done it, and have premise
11 inspections.

12 One issue we do face daily is the lack of
13 access to the eTAG system. I don't want to beat a dead
14 horse, but it would be a lot easier to have that than do
15 it on request for a 10-day wait.

16 I'll leave it at that. I wanted you to know
17 the success. I am going to speak one more time later, so
18 I'm just letting you know. I'm available for questions.

19 MR. BACARISSE: Members, any questions?

20 Yes, Member Graham.

21 MR. GRAHAM: Thank you for taking the time to
22 come down and speak. We are really interested to hear
23 what each of y'all have to say because we want to get this
24 right. We want to get it right for you, we want to get it
25 right for the citizens of the state and for this agency.

1 One question that I would have is -- and I
2 would agree with you, the sense that I'm getting from the
3 information I'm getting is that some of the actions we've
4 taken are really beginning to make serious improvements.
5 Now they're going to shift it, just instead of making tags
6 out of our system, they're just going to start printing
7 fake tags because they're paper tags. Right? Until we
8 can address that situation, we're just going to have to
9 deal with the next problem in the whack-a-mole scheme,
10 basically.

11 But I did have the thought to myself -- and
12 this is the first time I've done something other than just
13 think it -- is I wonder if we have the capacity, or how
14 quickly we could change the design or the color of our
15 temporary tags to try to throw a wrench into the creation
16 of these fraudulent fake tags. Although, as soon as we
17 print those, I guess they can just copy those, so there's
18 probably no way around it. But like you, I think that's
19 what our next battle is going to be until we can figure
20 out a solution to it.

21 CPL. BRADBURN: I would agree it is confusing
22 to law enforcement right now. Of course, every day across
23 the entire nation we support investigations and they'll
24 take a tag from a Toyota dealer, manipulate it, say it's a
25 Lamore tag, one that we shut down. And right now it's

1 confusing as heck on nationwide law enforcement.

2 We're putting bulletins out and educate them
3 because before they just had the Texas tag, and now
4 they're going to get more likely a tampered tag, which I
5 would think in the future going forward they're going to
6 realize it's a fake tag. You run it in the system, it
7 comes back as a Toyota and you've got a Chevy, it's a fake
8 tag.

9 So I mean, it's a step in the right direction,
10 and I don't know about changing colors. That's up to
11 y'all. It may be a good idea, it may not be.

12 MR. GRAHAM: Yeah, gotcha. And certainly, just
13 speaking for myself, I think it needs to be a priority of
14 the agency to figure out how to get y'all that data in
15 some way, and that's something we'll be talking about, I'm
16 sure.

17 Thank you.

18 CPL. BRADBURN: Thank you.

19 MR. BACARISSE: Yes, sir. Thank you.

20 Members, anyone else?

21 (No response.)

22 MR. BACARISSE: Okay. Thank you.

23 Aline.

24 MS. AUCOIN: For the record, Aline Aucoin.

25 We have one more speaker on item number 3 and

1 that's Mr. Escribano.

2 MR. BACARISSE: Sergeant, how are we doing
3 today?

4 SGT. ESCRIBANO: Mr. Chairman, I'm doing fine.

5 MR. BACARISSE: Good.

6 SGT. ESCRIBANO: I'm doing fine.

7 MR. BACARISSE: Sorry for the delay.

8 SGT. ESCRIBANO: I'm Sgt. Joe Escribano with
9 the Travis County Constable's Office, Precinct No. 3, and
10 that's who I'm speaking for.

11 Mr. Chairman, thank you and the Board for your
12 hard work over the past several months bringing this
13 situation to an end -- or trying to bring it to an end.

14 MR. BACARISSE: The beginning of the end.

15 SGT. ESCRIBANO: Everything that you have been
16 doing so far has been good. It really has. We are
17 addressing the problem.

18 Yesterday during the Legislative and Public
19 Affairs Committee meeting, I listened to Mr. Luna and Mr.
20 Ge present a very viable administrative solution to this
21 problem, including the much needed additional
22 investigative personnel. That was very good, very good.
23 I commend them for that.

24 With that said, I think that that addresses
25 probably about 50 percent of the solution because it

1 addresses the administrative portion of it, which is
2 extremely important because that's where it all starts.
3 The other 50 percent is the addition of the Travis County
4 Constable's Office Precinct No. 3 resources, and by way of
5 our network of over 370 law enforcement agencies FTEs --
6 and that would be your FTEs right there as far as help.
7 Not taking away that they really do need those FTEs, but
8 you would have an additional 370, including state and
9 federal agencies that would be at your disposal to help
10 you.

11 We are in daily contact with these agencies and
12 we are recognized as a subject matter expert in the field
13 of Texas tag investigations. They come from everywhere.

14 Director Mellott, our offer to assist your
15 agency still stands and it will continue to stand. We are
16 here to help you. Let's work together and end the cycle
17 of having to go through the hoops to go ahead and get
18 information.

19 Granting us the same access that your
20 investigators of the Texas DMV of webDEALER and the eTAG
21 system for the much needed and real-time reporting, we do
22 need that. I've been asking for that for a long time and
23 I think it's time that we go ahead and obtain that. We
24 came to you in 2017 with an extended hand and that hand is
25 still open today and we are willing to work with you and

1 do whatever we've got to do.

2 That's my only comment. I put myself down for
3 3, 4 and 5 but this is the only comment I've got.

4 MR. BACARISSE: Thank you, sir, appreciate it.
5 Members, any questions?

6 (No response.)

7 SGT. ESCRIBANO: Thank you very much.

8 MS. McRAE: Thank you. We appreciate it.

9 MR. BACARISSE: We're staying on it, we're not
10 done. Thank you.

11 That's all the commenters on item 3. I'd like
12 to now move to item 4, and Ms. Mellott has said that she
13 would like to pass on her comments because there will be a
14 lot more of them at our next meeting to report out on.
15 However, we may have some people who wish to make a public
16 comment on item 4.

17 MS. AUCOIN: For the record, Aline Aucoin.

18 For item number 4, we have two commenters. One
19 is Sgt. Escribano, and I believe he just said that he made
20 all of his comments

21 MR. BACARISSE: He just passed.

22 MS. AUCOIN: The second is Mr. Kohler.

23 MR. BACARISSE: Mr. Kohler, you can come back.

24 MR. KOHLER: (Speaking from audience.) I'll
25 pass.

1 MR. BACARISSE: All right. Mr. Kohler passes,
2 for the record. Thank you, gentlemen.

3 So now I'd like to move to item 5 which has to
4 do with the pre-licensing policy and rulemaking on
5 applicants for licensure. So I would turn this over to
6 Shelly for her to lay out the issue.

7 MS. MELLOTT: Thank you, Mr. Chairman.

8 Good morning, members -- good afternoon now.

9 As you know, there's been a request from law
10 enforcement and stakeholders, including recommendations
11 from our advisory committee, namely the MVIRAC committee,
12 to have additional controls in place to keep the bad
13 actors from obtaining GDN licenses from the department.
14 The Board has already asked the department to initiate
15 rulemaking for fingerprinting applicants to address
16 criminals circumventing our name-based background check
17 requirements by using stolen identities, and you asked us
18 to do this in the last Board meeting.

19 The purpose of item number 5 being on the
20 agenda today is to streamline the application process for
21 licensing while ensuring the department gets the
22 information needed to fully vet potential GDN license
23 holders. We're asking the Board to direct the department
24 to initiate rulemaking while the agency further explores
25 the legal and operational impacts of additional pre-

1 licensing checks the department may conduct on applicants
2 for GDN licenses. The goal is not to put any barriers in
3 place for licensees, but rather to make sure we're
4 requesting the needed information during the pre-licensing
5 vetting process.

6 Our director of the Motor Vehicle Division
7 discussed a few ideas for the department to explore,
8 including additional site visits, requesting additional
9 information on an application for license and additional
10 documentation that can be required to ensure the applicant
11 can meet our premise requirements. If the Board approves
12 the department initiating rulemaking, this will allow us
13 to begin drafting the potential policy considerations
14 while we're also exploring the impacts of those policies,
15 so the Board has a fuller picture of what that means prior
16 to the Board's consideration of the rules for adoption.

17 I acknowledge this will have an impact on both
18 the department as well as the industry, and it is
19 important that we be transparent in how we provide and
20 seek feedback. I ask the industry and all impacted
21 parties to provide honest and constructive feedback to the
22 department as we go through this expedited process so the
23 Board can determine the most appropriate policy direction
24 on this important matter.

25 What is being recommended is for the TxDMV

1 Board to instruct the department to initiate proposed
2 rules related to pre-licensing requirements for GDN
3 applicants, for the department to publish the proposed
4 rules in the *Texas Register* for public comment, and for
5 the department to bring the rules and any public comments
6 back to the Board in a future Board meeting to consider
7 for final adoption.

8 Our goal here is to be responsive to our
9 stakeholders and law enforcement partners while also
10 looking at ways to pursue policy changes that do not
11 disrupt the over 20,000 legitimate dealers that contribute
12 to the citizens and economy of the state.

13 So with that, Mr. Chairman, that ends our
14 request.

15 MR. BACARISSE: Thank you for laying that out
16 for us. Thank you.

17 Members, are there any questions of Shelly in
18 this regard?

19 I see one down there. Mr. Graham.

20 MR. GRAHAM: Shelly, would you kind of outline,
21 just for my benefit, what the timeline looks like? We
22 initiate rulemaking, we have a period of time where you
23 work with stakeholders, stakeholders are involved.

24 MS. MELLOTT: Right. We would put rules out
25 for public comment, and this would be pre-licensing rules,

1 around the application process. And we would put those
2 out for public comment -- I'm actually working with
3 general counsel on this.

4 MS. JOHNSTON: Monique Johnston, for the
5 record, director of the MVD, Motor Vehicle Division.

6 I imagine we'd put it out for public comment
7 and also probably maybe reconvene our members of the
8 MVIRAC committee so they can provide feedback on some of
9 the suggestions they have, and whether they feel these
10 would be effective in helping us vet the applicants that
11 are coming through to apply for a GDN license. And then
12 we'd reconvene them again to go over the public comments
13 and then bring all of that information back to the Board
14 for consideration.

15 MR. BACARISSE: Before our April meeting?

16 MS. GILLMAN: That was my question. What's the
17 time frame?

18 MS. JOHNSTON: I guess that would be a question
19 for maybe Legal, if we could have that advisory committee
20 reconvened by then and then have the public comments if
21 rules were posted. I don't if that would be possible. I
22 know that they have to be posted for 60 days. Right?

23 MS. MELLOTT: Thirty.

24 MS. JOHNSTON: Thirty.

25 MS. AUCOIN: For the record, Aline Aucoin.

1 So we have to publish for comment 30 days but I
2 think that April is super, super aggressive.

3 MR. BACARISSE: That's what we want to be, but
4 can we make it is the question.

5 MS. AUCOIN: I mean, almost to the point of
6 impossibility.

7 MR. GRAHAM: You know, it's absolutely critical
8 that we engage our stakeholders, and when I say
9 stakeholders, in my mind we don't limit to committee
10 members. This is a big deal and will impact a lot of
11 people, and so we have important partners out there who
12 are not on the committee necessarily, so I don't want to
13 exclude them either in the early process.

14 So that's something, I think, for us to talk
15 about is how do we engage all those parties in what is a
16 very important subject. And I agree, you know, in order
17 to meet the deadline for April, I mean, you would have to
18 have this group of stakeholders and committee members
19 together scheduled and come out with something in three
20 weeks, probably, which is going to be extraordinarily
21 difficult or impossible.

22 In any case, I was just kind of wanting to walk
23 through that in my mind, so in all likelihood, probably 90
24 days before we have something in front of us on the first
25 round of consideration.

1 MS. MELLOTT: Probably the June meeting would
2 be my guess.

3 MR. GRAHAM: June for that and then it would be
4 the subsequent meeting for passage if it worked through.
5 So thank you. I just wanted to understand that timeline.

6 MS. MELLOTT: Member Graham, I think the
7 request is for us to bring them back to the Board for
8 adoption, so we would have the proposal, we'd meet with
9 the stakeholders and the committee, we'd have the
10 proposal, we'd get the public comment, and then we would
11 bring rules back to the Board for adoption in June.

12 MR. GRAHAM: Oh, great.

13 MR. SCOTT: Mr. Chairman?

14 MR. BACARISSE: Yes, Member Scott.

15 MR. SCOTT: What about moving the April meeting
16 to May? You know, there's a sense of we want to keep
17 moving as quickly as we can, as expeditiously, so maybe we
18 just move the April meeting to May where we can get to it.

19 MR. BACARISSE: Does that help with the
20 calendar?

21 MS. AUCOIN: Aline Aucoin, for the record.

22 And we will need to get a determination letter
23 from the Regulatory Compliance Division as well.

24 MR. BACARISSE: Sure.

25 MS. AUCOIN: And they also have a

1 responsibility to post the rules for comment for a 30-day
2 period.

3 MR. BACARISSE: They can do it concurrently,
4 but yet that is a challenge. Right?

5 MS. AUCOIN: Not concurrently with DMV.

6 MR. BACARISSE: Okay.

7 MS. AUCOIN: Once we publish, then we provide
8 it to the Regulatory Compliance Division and they have
9 their process.

10 MR. BACARISSE: Yeah, okay. So it's sequential
11 in that regard. Right?

12 MS. AUCOIN: You know, I'm not certain.

13 MR. BACARISSE: You know, we're in new
14 territory here and I'm trying to move us as rapidly as we
15 can without losing our minds or making a mistake.

16 MR. GRAHAM: Absolutely.

17 MR. BACARISSE: So I'm pushing you, and I know
18 that, but I don't want to --

19 MS. MELLOTT: Chairman, know that we will push
20 them as quickly as we can, I just can't give you a date.

21 MR. GRAHAM: And we can revisit that. We don't
22 have to hammer that out now. I was really just trying to
23 get my head around it and have a discussion about it, and
24 if we need to make adjustments --

25 MR. BACARISSE: -- to the calendar, we could

1 do that. Okay. So we don't have to answer my questions
2 today.

3 But to your point, Member Scott, a sense of
4 urgency is on us and required.

5 MR. SCOTT: Yes, but don't we already have
6 recommendations from MVIRAC?

7 MS. JOHNSTON: The recommendations that came
8 out of the last meeting were for fingerprinting and then
9 for required site visits which were discussed during the
10 committee yesterday. They did not discuss the additional
11 changes to the rules regarding the pre-licensing
12 requirements. So those suggestions that have come out of
13 us researching what we can do to tighten up the pre-
14 licensing process, they have not seen those yet.

15 MR. SCOTT: So, I'm sorry. If we push the pre-
16 licensing off to the next, would we be able to move on the
17 fingerprinting and the inspection at the April meeting?

18 MS. JOHNSTON: That I would have to defer. On
19 the fingerprinting, I know the rules -- we decided at the
20 last meeting to start publishing rules. I don't know what
21 the timeline is; I'll have to defer to Office of General
22 Counsel for that.

23 MS. AUCOIN: Aline Aucoin, for the record.

24 Our office could work as expeditiously as
25 possible with the resources that we have. I mean, at this

1 point I don't feel like I could guarantee any sort of
2 deadline other than we would earnestly work as fast as
3 possible to get draft rules published.

4 MR. BACARISSE: Okay. But that's for the
5 fingerprinting point.

6 MS. AUCOIN: Fingerprinting.

7 MS. JOHNSTON: Monique Johnston, for the
8 record.

9 For the required site visits, I believe during
10 the committee yesterday we discussed the fiscal impact of
11 implementing those, so that would require additional funds
12 for that to be implemented.

13 MR. BACARISSE: Certainly.

14 MR. SCOTT: Mr. Chairman?

15 MR. BACARISSE: Yes, Member Scott.

16 MR. SCOTT: I'm just saying if we have three
17 items, we have pre-licensing, we have fingerprinting and
18 we have site visits, I'd like to see if it's possible for
19 us to move on the fingerprinting and the pre-licensing and
20 the site visits, give the staff and give everyone, give
21 MVIRAC time, but we already have a report from MVIRAC on
22 fingerprinting.

23 MS. JOHNSTON: That is correct.

24 MR. SCOTT: So all we need to do from a staff
25 standpoint moving on fingerprinting is to develop

1 something to come back to the Board to be implemented,
2 then if it's decided, then published. Right?

3 MS. JOHNSTON: That is correct. Monique
4 Johnston, for the record.

5 At the last Board meeting they gave the
6 authority to staff to publish those, so they can already
7 be published, and then when they would come back to you
8 would be for adoption.

9 MR. BACARISSE: And so you're thinking, Member
10 Scott, that we ought to take as they come, in a sense,
11 rather than waiting.

12 MR. SCOTT: That's what I'd like to see happen.

13 MR. BACARISSE: Okay. Member Graham, I see a
14 look on your face.

15 MR. GRAHAM: Yeah. I'm just thinking about the
16 fingerprinting. So it's out being worked on currently by
17 the committee, and when we see it next, it will be for
18 adoption. Is that correct?

19 MS. MELLOTT: Correct.

20 MR. BACARISSE: Right. And we anticipate that
21 to be April, at the April meeting, if that calendar holds,
22 just fingerprinting? Is that what I'm hearing? No?

23 MS. AUCOIN: Aline Aucoin, for the record.

24 We can certainly try.

25 MR. BACARISSE: I understand.

1 MS. AUCOIN: I think that -- I'm not at a point
2 where I can guarantee that our office has the resources
3 to --

4 MR. BACARISSE: Finish that.

5 MR. PREWITT: Pardon me. Mr. Chair, John
6 Prewitt, for the record.

7 MR. BACARISSE: John, yes.

8 MR. PREWITT: What resources do you guys
9 require that you don't have right now? Are you lacking
10 resources to get this done by an April deadline, or do you
11 need more resources? And if so, what would those be?

12 MS. MELLOTT: We are currently -- I think we
13 have four or five open positions in our Office of General
14 Counsel.

15 MR. PREWITT: Okay. So would it be a
16 possibility -- again asking just a question -- do we
17 engage outside counsel to assist in the formulation of
18 this rulemaking to help us expedite the process? Would
19 that be something the agency would consider or should
20 consider?

21 MS. AUCOIN: Aline Aucoin, for the record.

22 For a state agency to engage outside counsel,
23 there is a whole process for that. We have to get
24 approval from the Attorney General's Office and that could
25 be a lengthy process. And even if we do engage outside

1 counsel, they likely won't have background experience and
2 knowledge about the fingerprinting and the pre-licensing
3 and all of the issues that are the subject matter of these
4 rules.

5 MR. PREWITT: Okay.

6 MR. BACARISSE: Just a question I have. Chair
7 Bacarisse, for the record.

8 Is there not -- and I'm asking this out of
9 ignorance -- is there not expertise within the Office of
10 Attorney General that could assist with this?

11 Understanding what you just said about fingerprinting in
12 particular, but do they have any expertise that could
13 help?

14 MS. AUCOIN: Aline Aucoin, for the record.

15 We are by statute required to use the Attorney
16 General for any outside counsel outside of our office.

17 MR. BACARISSE: Any outside counsel.

18 MS. AUCOIN: And if they're not available, then
19 we hire outside counsel, private law firms.

20 MR. BACARISSE: Got it.

21 MS. AUCOIN: I don't know whether the Attorney
22 General's Office has people with expertise on these
23 issues. I would just be guessing if I were to give you an
24 answer. I would be speculating.

25 MR. SCOTT: Mr. Chairman?

1 MR. BACARISSE: Yes, Member Scott.

2 MR. SCOTT: For the record, Paul Scott.

3 So since the last meeting, the Board directed
4 the staff to begin to work on the fingerprinting issue.

5 MS. JOHNSTON: At the January 27, yes, that is
6 correct.

7 MR. SCOTT: So we are already working on that.

8 MS. JOHNSTON: Yes, I believe they're already
9 being worked on. Yes, that is correct.

10 MR. BACARISSE: Just need more time is the
11 issue. Right? Okay.

12 Well, we may, you know, I think, depending on
13 what comes out of the conclusion of this meeting today, we
14 may want to look at trying to adjust our summer meeting
15 schedule. And if it appears that things could be ready,
16 we could call a special meeting. We're open to that.

17 But when you get a chance to kind of get your
18 head around it a little bit more, you can help us
19 understand the timing of it, and then we're just anxious
20 to move forward. But again, we don't want to make a
21 mistake and we want to have good rules, so respect the
22 process.

23 MS. AUCOIN: Aline Aucoin, for the record.

24 And we can certainly provide a briefing to the
25 Board at the April Board meeting to let you know the

1 status and where we are, but as far as for having --

2 MR. BACARISSE: It's not going to be ready
3 then.

4 MS. AUCOIN: Yeah.

5 MR. BACARISSE: All right.

6 MR. SCOTT: Do we have a sense, though, that we
7 can break these items up and not have to wait for all of
8 them?

9 MR. BACARISSE: I mean, I'm certainly open to
10 that.

11 MS. MELLOTT: The fingerprint rules will be
12 separate from the pre-licensing.

13 MR. BACARISSE: Okay.

14 MR. SCOTT: And site visits and so forth.

15 MS. MELLOTT: Yes.

16 MR. SCOTT: Okay, okay.

17 MR. BACARISSE: Okay, members. Good. Thank
18 you.

19 Monique, thank you, appreciate it.

20 MR. ALVARADO: Mr. Chairman, I'd like to make a
21 motion on item number 5, if I may.

22 MR. BACARISSE: Member Alvarado, please. I'd
23 entertain a motion.

24 MR. ALVARADO: Mr. Chairman, Christian
25 Alvarado.

1 I move that the department initiate rulemaking
2 for pre-licensing and review of applicants for and holders
3 of a franchised and independent general distinguishing
4 number. I move the department review their statutory
5 authority and business processes for conducting pre-
6 licensing review of applicants for and at renewal of a
7 GDN.

8 I move the department publish the proposed
9 rules in the *Texas Register* for public comment, and for
10 the department to bring the proposed rules and any public
11 comments back to the Board in a future Board meeting as
12 quickly as possible to consider for adoption.

13 MR. BACARISSE: Is there a second to that
14 motion?

15 MS. OMUMU: I'd like to second, Mr. Chairman.

16 MR. BACARISSE: It's seconded by Member Omumu.

17 Is there any further discussion on this agenda item as
18 laid out by Member Alvarado?

19 (No response.)

20 MR. BACARISSE: If not, I will call for a vote.
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 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 Scott?

9 MR. SCOTT: Aye.

10 MR. BACARISSE: And I, Charles Bacarisse, vote
11 aye as well. This is unanimous. Thank you.

12 So we'll now move to agenda item number 6,
13 Vehicle Titles and Registration, and Roland is going to
14 come forward and lay that out for us.

15 Thank you, Roland.

16 MR. LUNA: Hello, Chairman Bacarisse, Board
17 members. Roland Luna, Sr., Vehicle Titles and
18 Registration Division director.

19 The action item before you can be found on page
20 14 of your Board book. This action item is a request from
21 the Vehicle Titles and Registration Division for approval
22 and adoption for publication in the *Texas Register* of
23 amendments to the following sections: 217.2, 217.4,
24 217.23, 217.28, 217.36, 217.45, 217.46, and lastly,
25 217.89.

1 The purpose of the amendments to the
2 aforementioned sections is to implement Senate Bill 8776,
3 which allows any willing county tax assessor-collector to
4 process title transactions in addition to counties
5 designated by statute which includes the buyer, seller,
6 lien holder county registration transaction, in addition
7 to the owner's county of residence.

8 Senate Bill 876 is effective March 1, 2022.
9 Senate Bill 876 removes the provision that required the
10 purchaser's county of residence to be closed in order for
11 a title transaction to be processed by any willing county,
12 as well as the requirement for the owner's county of
13 residence to be closed in order for a registration renewal
14 to be processed by any willing county. Effective March 1,
15 customers have the option to submit title and registration
16 transactions to any willing county, any county willing to
17 accept them, in addition to the counties statutorily
18 required to process registration transactions.

19 The proposed sections were published for public
20 comment on November 12, 2021 and closed on December 31,
21 2021 in the *Texas Register*. The department received
22 written comments from the Lubbock County Tax Assessor-
23 Collector, the Tax Assessor-Collector Association of
24 Texas, the Texas Automobile Dealers Association, the Texas
25 Independent Automobile Dealers Association. Comments that

1 were received did not necessitate edits or changes to the
2 proposed rules, however, several of the comments were
3 specific to transactions handled by county tax offices.

4 While it is not necessary to make changes to
5 the proposed rules, we recognize the need to address the
6 comments. Information was included in the Registration
7 and Title Bulletin that is planned for distribution to the
8 counties in advance of March 1, as well as webinars that
9 are scheduled the week of February 22, and registration
10 and title release notes will also be provided.

11 The agency requests approval to adopt the
12 amended rules and approve publication in the *Texas*
13 *Register*.

14 This concludes my prepared remarks and I'll
15 take any questions that you have.

16 MR. BACARISSE: Thank you, Mr. Luna.

17 Members, any questions for Mr. Luna?

18 MS. McRAE: I have a comment, Chair.

19 MR. BACARISSE: Member McRae, Vice Chair McRae.

20 MS. McRAE: And this is just more for
21 clarification purposes, and I know we discussed this
22 yesterday in our Legislative and Public Affairs Committee,
23 but we are still awaiting clarification from the
24 Comptroller's Office as to their interpretation of where
25 the sales tax money will actually -- whether it will stay

1 with the processing county or if it will be sent to the
2 resident's county.

3 And I'd just like to go on record and say that
4 the Tax Assessor-Collectors Association has worked very
5 closely with Roland and his team since I think it was
6 March, that we've been working almost a year on this
7 trying to -- or actually I think it may have been July,
8 but working trying to get this clarified. And still at
9 this time we do not have clarification from the
10 Comptroller's Office. And I think you have been in
11 contact -- someone has been in contact and we expect
12 clarification prior to the implementation.

13 MR. LUNA: Yes, ma'am.

14 Chairman Bacarisse?

15 MR. BACARISSE: Please, Mr. Luna.

16 MR. LUNA: Roland Luna, Sr., Vehicle Titles and
17 Registration Division director.

18 Dating back to the introduced version of the
19 bill in March of 2021, myself and several other staff
20 members from the department attended the committee hearing
21 and the hearing that discussed the committee's substitute.

22 Since that time in March of 2021, we have engaged the
23 Comptroller's Office for clarification to the 5 percent
24 tax issue as to whether or not the processing county would
25 keep the 5 percent tax or if it would go to the resident

1 county.

2 And from our understanding, with our legal
3 interpretation with our Office of General Counsel, the
4 understanding was that the 5 percent would go to the
5 resident county. We have been trying to work very closely
6 with the Comptroller's Office so that we can resolve this
7 prior to the effective date of March 1 for implementation
8 of SB 876.

9 In addition to that, we have been meeting with
10 the Tax Assessor-Collectors Association. We have a
11 monthly meeting with them. This has been at the
12 forefront, ensuring that there are no surprises with the
13 implementation of the bill, as well as discussion during
14 one of the Customer Service Advisory Committee meetings in
15 late fall, early winter of 2021.

16 And if there is additional information needed
17 on this matter by the Board, we're happy to provide it as
18 soon as we have an answer from the Comptroller's Office.

19 MS. McRAE: And I do believe that the
20 programming is in place either way. Correct?

21 MR. LUNA: Yes, ma'am. So whether the resident
22 county keeps the 5 percent or it goes to the processing
23 county, that programming has been completed and will be
24 effective March 1.

25 MS. McRAE: Thank you, Roland.

1 MR. BACARISSE: Great. I appreciate y'all
2 being ready to be nimble on that whenever the decision is
3 made.

4 MR. LUNA: Yes, sir.

5 MR. BACARISSE: Thank you.

6 Members, any other questions for Mr. Luna?

7 (No response.)

8 MR. BACARISSE: Are there any public comments
9 on this, Aline?

10 MS. AUCOIN: Aline Aucoin, for the record.

11 We have one commenter, Karen Phillips.

12 MR. BACARISSE: Great. Ms. Phillips.

13 Thank you, Roland.

14 MS. PHILLIPS: Good afternoon. Karen Phillips,
15 GC with TADA.

16 As much as I appreciate how challenging the
17 language that was adopted by the legislature is, my
18 members would still like to have some guidance with
19 respect to what does it mean for a county to be willing to
20 accept applications. In other words, are we going to have
21 to call on a registration or application by application
22 basis if we can't go to the county of residence, the
23 county where it's financed or the county that it's sold
24 in?

25 Are we going to have to contact another

1 county -- say I need to go to Montgomery County, am I
2 going to have to call that county, Montgomery County, and
3 ask, will you be willing to accept an application or
4 applications? And what will you need from me as a dealer
5 in order to make that determination?

6 And so we would still like to have some
7 guidance, because I know I'm going to get that question
8 come March 1. What counties can I go to other than the
9 three statutory counties as provided by law? How am I
10 going to know if a county is willing to accept my
11 paperwork? Am I going to send it and then they're going
12 to deny it? And will I need to get a bond for that county
13 in order to get perhaps hard plates or in order to do the
14 full service deputy thing?

15 These are questions that we still don't have an
16 answer to. And I'm going to be getting those questions
17 because my members are going to ask those questions
18 because we still have some challenges in various counties
19 with respect to them being open, with them processing the
20 paperwork and such on a very timely basis. And so if I
21 need to go to TACA and ask those questions because the
22 agency can't provide that guidance, I'm happy to do that,
23 but the rules don't really address these questions.

24 In addition to that, I don't know when a county
25 is going to be considered closed. Are they closed if

1 they're open less than eight hours a day, five days a
2 week? Are they closed if they're open only five hours a
3 day? Are they closed if they're only open two days a
4 week?

5 So where is the line for demarcation with
6 respect to the dealers who need to process this paperwork?

7 Because we still get complaints and consumers come to us
8 with the complaints, where are my hard plates? And when
9 we contact a county, we need to be able to know what to
10 say.

11 And we're still not getting these answers and
12 the customers are complaining to us. So any guidance or
13 suggestions you have for TADA and my members, and I'm
14 certain for TIADA, would be very appreciated. Thank you.

15 MR. BACARISSE: Thank you, Ms. Phillips.

16 Any questions, members, for Ms. Phillips on
17 these issues that are definitely challenging?

18 Mr. Graham.

19 MR. GRAHAM: Well, it's really kind of a Board
20 discussion, but stay up here because somebody else may
21 have a question for you, Ms. Phillips.

22 What do we do with counties that won't reopen?

23 We have an obligation as the Texas Department of Motor
24 Vehicles to process titles, and if we don't have willing
25 partners, I guess we need to start thinking real seriously

1 about some other alternatives.

2 MR. BACARISSE: Well, you know, I'll speak as a
3 formerly elected constitutional officer in the state. I
4 had a lot of latitude as a constitutionally elected
5 district clerk back in the days. I could open or close my
6 office.

7 Now, I'd have to answer to my commissioners and
8 they could handle my budget for me if I wasn't doing my
9 job. But that is part of the challenge and the beauty of
10 Texas Government is you have independently,
11 constitutionally elected individuals, and Member McRae can
12 decide how to operate her office and it's very different
13 from what we may see in a contiguous county or
14 what-have-you.

15 So maybe some of that answer could really be
16 best answered by Vice Chair McRae. Let me recognize you,
17 please.

18 MS. McRAE: Thank you.

19 Karen, I understand your challenge and I think
20 that's going to continue to be a challenge as far as
21 knowing who is going to be classified as a willing county
22 or not. Because as I understand the way the bill is
23 written, I can be a willing county today and I can decide
24 tomorrow that I'm no longer a willing county.

25 So there are some challenges, and I think

1 because of that reason -- and I'm speaking out of turn
2 here because I cannot speak for the agency itself in that
3 capacity -- but I think because of those reasons that's
4 why DMV, the agency itself, will not be able to put on
5 their website these are the willing counties so it's easy
6 to identify because we could change our minds along the
7 way.

8 Now, with that being said, we have the
9 president of the Tax Assessor-Collectors Association,
10 Randy Riggs, in the audience, and we also have one of our
11 board members, Shay Luedecke, in the audience. We could
12 certainly try to put something, I think, on our TACA
13 website. Would the information be 100 percent accurate?
14 No, it probably will never be because of that very
15 flexible latitude that we have.

16 I don't have the solution to your question, and
17 it's not specified in statute in Senate Bill 876. I
18 apologize, that's not much of an answer, but I do
19 understand your challenge. I think as an association -- I
20 think I can speak on behalf of the association and say
21 that we would do as an association as much as we can to
22 help try to communicate that information out to the
23 dealers.

24 MS. GILLMAN: I have a comment.

25 MR. BACARISSE: Yes, Member Gillman.

1 MS. GILLMAN: I think it just should be
2 mentioned that for a dealer the impact of not being able
3 to title a car timely is not only poor customer
4 satisfaction for the great citizens of Texas, but also
5 fines and fees on the dealers when very often it's
6 completely out of our control. So I appreciate the
7 efforts for clarity. I appreciate the efforts and kind of
8 the push to be open and get the job done because it's
9 costing the dealers and often the citizens of Texas.

10 MS. PHILLIPS: That's right, and we're having
11 people run around on paper plates instead of a hard tag.

12 MR. BACARISSE: It's just exacerbating the
13 problem that way. But Vice Chair McRae has additional
14 comments.

15 MS. McRAE: And this is kind of in response to
16 Member Gillman's comment. As long as those transactions
17 are received in any county tax office within that 30 days,
18 there are no additional penalties or fines that are passed
19 on to the dealer because we have the transactions and they
20 were submitted timely.

21 And I will add that the majority of the Texas
22 counties of the 254 are open. And I think once we get
23 clarification from the Comptroller's Office on where that
24 sales tax, that 5 percent sales tax commission will go, I
25 think that will help more of the Texas counties make that

1 decision on whether they want to be a willing county or
2 not.

3 MR. BACARISSE: The challenge is that you have
4 independently constitutionally elected officers and a lot
5 of us, most of us take that oath very seriously.
6 Unfortunately there are a few counties that have yet to
7 see the wisdom in opening and they're just in the wrong
8 place is really the issue brought by volume, I understand.

9 Thank you, Ms. Phillips.

10 MS. McRAE: Thank you, Karen.

11 MR. BACARISSE: We're not going to leave this
12 alone.

13 MS. PHILLIPS: I know.

14 MR. BACARISSE: We're going to keep working on
15 it, absolutely.

16 Are there any other commenters on this agenda
17 item, Aline?

18 MS. AUCOIN: For the record, no other
19 commenters.

20 And I guess I just want to make one response to
21 Karen Phillips's comment about whether a county is closed
22 or not. The whole concept of the closed county, that a
23 county has to be closed in order to go to another county
24 has been eliminated by the statute and that's why we have
25 any willing county. That basically replaced the closed

1 county concept.

2 MR. BACARISSE: Right. And I'll say this for
3 the record -- I think I've said it but I'll say it
4 again -- I appreciate our collaborative and very close
5 working partnership with the tax assessor-collectors of
6 the state. Thank y'all.

7 I was at your meeting last summer, and if you
8 want me back this summer for more fun and conversation,
9 I'm happy to come, so you let me know.

10 MR. SCOTT: Mr. Chairman?

11 MR. BACARISSE: Yes, Member Scott.

12 MR. SCOTT: I'd like to make a motion.

13 MR. BACARISSE: Please.

14 MR. SCOTT: I move that the Board approve the
15 adoption of amendments to Chapter 217 concerning titling
16 and registering of motor vehicles, including Senate Bill
17 876 allowing a person to apply for title and registration
18 of a motor vehicle with any willing county, as recommended
19 by staff. I also move that the Board grant the department
20 the ability to make changes to the adopted sections based
21 on non-substantive corrections made by the *Texas Register*.

22 MR. BACARISSE: Thank you, Member Scott.

23 Do we have a second for that motion?

24 MS. McRAE: I'll second.

25 MR. BACARISSE: There's a second by Vice Chair

1 McRae. Is there any further discussion on this agenda
2 item, this motion?

3 (No response.)

4 MR. BACARISSE: Hearing none, I'll call the
5 vote for this issue.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Member McRae?

13 MS. McRAE: Aye.

14 MR. BACARISSE: Member Omumu?

15 MS. OMUMU: Aye.

16 MR. BACARISSE: Member Prewitt?

17 MR. PREWITT: Aye.

18 MR. BACARISSE: Member Scott?

19 MR. SCOTT: Aye.

20 MR. BACARISSE: And I, Charles Bacarisse, vote
21 aye as well. This is unanimous. Thank you.

22 Mr. Archer, please come and lay out agenda item
23 number 7 for us, please.

24 MR. ARCHER: Good afternoon, Chair Bacarisse
25 and members of the Board, Executive Director Mellott,

1 General Counsel Aucoin.

2 This item number 7 on your agenda may be found
3 at page 72 of your Board book. For the Board's
4 consideration I'm presenting these rule amendments to 43
5 Texas Administrative Code, Chapter 217 for adoption and
6 publication in the *Texas Register*.

7 The proposed amendments were published for
8 comment in the November 12, 2021, issue of the *Texas*
9 *Register*. Comment period was closed on December 13, and
10 the department did not receive any comments.

11 These rule amendments are necessary to conform
12 our rules to the Transportation Code, by requiring an
13 applicant for a vehicle registration in the International
14 Registration Plan to register under the Unified Carrier
15 Registration System plan and agreement, or UCR, under
16 federal law before applying for International Registration
17 Plan registration if the applicant is required to register
18 under UCR. By deleting certain definitions because of
19 relevant terms defined in the IRP which is incorporated by
20 reference in Section 217.56, and by incorporating by
21 reference the current edition of the IRP dated January 1,
22 2021.

23 By way of background, Texas participates in the
24 Unified Carrier Registration, which is a federal
25 registration program that is administered in 41 states in

1 the United States. Motor carriers and certain
2 transportation service providers that provide interstate
3 transportation services must register under UCR and must
4 pay the fees that are required under federal law. The
5 department believes that implementing 502.091(b) will help
6 Texas comply with the 85 percent UCR compliance rate as
7 required by the UCR state performance standards.

8 And just as an aside, I'll let you know that
9 our current compliance rate is 85.2 percent and we've
10 never fallen below 85 percent since I've been in the
11 department. The department also believes that
12 implementing this will help Texas increase its UCR
13 compliance rate because many owners of commercial vehicles
14 that travel through more than one IRP jurisdiction want to
15 get IRP registration.

16 Texas is a member of the International
17 Registration Plan, which is a vehicle registration
18 reciprocity agreement between the 48 contiguous states,
19 the District of Columbia, and the Canadian provinces, and
20 there's a total of 59 member jurisdictions in IRP. Many
21 owners of commercial vehicles that travel through more
22 than one of the member jurisdictions want to get IRP
23 registration because it's an efficient and cost-effective
24 way to obtain vehicle registration in all member
25 jurisdictions.

1 When the owner registers its vehicles with one
2 member jurisdiction under the IRP, the vehicles are only
3 required to display one license plate and that indicates
4 the vehicles are registered for all member jurisdictions.

5 Also under IRP the owner is only required to pay a
6 portion of the registration in any member jurisdiction or
7 apportioned registration. If the owner of a commercial
8 vehicle does not have IRP registration, the owner must
9 generally obtain vehicle registration in each jurisdiction
10 through which they travel, which can be very expensive.

11 There will be no financial impact to state or
12 local governments as a result of enforcing or
13 administering these proposed amendments, and at this time
14 the department intends to implement the amendments without
15 programming changes to automated systems. What we'll do
16 is we'll add a check box on the IRP application so they
17 can indicate that they have these through our
18 registration.

19 In closing, again, as I said, these amendments
20 were published in the *Register* and we had no comments, and
21 I ask the Board to adopt these rules as I laid them out.
22 And I'd be happy to answer any questions you may have.

23 MR. BACARISSE: Great. Thank you.

24 Members, are there any questions for Mr.
25 Archer?

1 (No response.)

2 MR. BACARISSE: Hearing none, are there any
3 public commenters on this item, Aline?

4 MS. AUCOIN: Aline Aucoin.

5 No comments.

6 MR. BACARISSE: No comments. Thank you.

7 Any other questions?

8 (No response.)

9 MR. BACARISSE: If not, the chair will
10 entertain a motion on agenda item 7.

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

12 MR. BACARISSE: Yes, Member Graham.

13 MR. GRAHAM: I move that the Board approve the
14 adoption of amendments to Chapter 217 concerning
15 registration under the Unified Carrier Registration System
16 Plan and Agreement before registering under the
17 International Registration Plan, as recommended by staff.

18 I also move that the Board grant the department the
19 ability to make changes to the adopted sections based on
20 non-substantive corrections made by the *Texas Register*.

21 MR. BACARISSE: Thank you.

22 Is there a second for that motion?

23 MR. SCOTT: I'll second.

24 MR. BACARISSE: Member Scott, thank you.

25 Any further discussion on this agenda item,

1 members?

2 (No response.)

3 MR. BACARISSE: Hearing none, I'll entertain a
4 vote, please.

5 Member Alvarado?

6 MR. ALVARADO: Aye.

7 MR. BACARISSE: Member Gillman?

8 MS. GILLMAN: Aye.

9 MR. BACARISSE: Member Graham?

10 MR. GRAHAM: Aye.

11 MR. BACARISSE: Member 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 Scott?

18 MR. SCOTT: Aye.

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

21 MR. ARCHER: Thank you.

22 MR. BACARISSE: Thank you, Jimmy, appreciate
23 it.

24 Now moving to agenda item number 8, Vehicle
25 Titles and Registration. I think Mr. Luna is going to

1 come back up and lay this out for us, please.

2 MR. LUNA: Hello again, Chairman Bacarisse,
3 Board members. Roland Luna, Sr., Vehicle Titles and
4 Registration Division director.

5 The next two agenda items are rule proposals.
6 This one specifically is related to 217.5. The action
7 before you is a request from the Vehicle Titles and
8 Registration Division for Board approval to publish the
9 proposed amendments to Texas Administrative Code 217.5
10 related to evidence of motor vehicle ownership in the
11 *Texas Register* in accordance with the Board's statutory
12 authority. The amendments submitted for your
13 consideration can be referenced on page 89 of your Board
14 book.

15 The proposed amendments to 217.5 expand the
16 definition of evidence of ownership to provide an
17 alternative to filing lawsuits to satisfy evidence of
18 ownership requirements under Texas Transportation Code
19 501.033(b) related to assignment and reassignment of
20 identification numbers by the department. The proposed
21 amendments will allow applicants to apply for a bonded
22 title through a surety bond to serve as ownership evidence
23 when applying for an assigned or reassigned number from
24 the department.

25 When someone purchases a vehicle and the

1 vehicle identification number is missing or it cannot be
2 determined, the department has the authority under Texas
3 Transportation Code 501.033 to issue an assigned or
4 reassigned number. The department assigns a number when
5 the original manufacturer's identification number cannot
6 be determined or reassigns a number when the original
7 identification number can be determined but is missing
8 from the vehicle. In order for the department to issue an
9 assigned or reassigned number, the applicant must provide
10 valid ownership evidence.

11 Oftentimes, valid ownership evidence is
12 unavailable or cannot be connected to the vehicle without
13 the identification number. In these instances it is
14 necessary for the applicant to pursue a court order
15 awarding the applicant ownership of the vehicle. This
16 causes an undue burden to the applicant in court costs and
17 potential delays in processing.

18 A bonded title under Transportation Code
19 501.053 is existing means to establish ownership evidence
20 for a vehicle when evidence cannot be provided by the
21 applicant and the vehicle identification number is not
22 missing or undetermined. The bonded title process
23 requires the applicant to apply for a bond to the
24 department through a regional service center.

25 The department establishes the amount of the

1 bond which is one and a half times the value of the
2 vehicle and the applicant uses the information to obtain a
3 surety bond from an entity authorized to conduct surety
4 bond business in the State of Texas. The surety bond is
5 then used by the applicant to obtain the title in their
6 name at the county tax assessor-collector's office.

7 This amendment would align this process for
8 manufactured vehicles with the current processes for
9 assembled vehicles. Owners of assembled vehicles that
10 lack ownership evidence and require an assigned or
11 reassigned number may pursue a surety bond as ownership
12 evidence.

13 The agency requires your consideration for the
14 proposed amendments to Texas Administrative Code 217.5
15 related to ownership of evidence.

16 This concludes my prepared remarks and I'll
17 take any questions that you have.

18 MR. BACARISSE: Thank you.

19 Members, any questions for Mr. Luna on this
20 item?

21 (No response.)

22 MR. BACARISSE: Seeing none, is there any
23 public comment?

24 MS. AUCOIN: Aline Aucoin, for the record.

25 No comments.

1 MR. BACARISSE: Okay. With those two issues
2 taken care of, the chair would entertain a motion for
3 agenda item 8.

4 MS. McRAE: Mr. Chairman, I'd like to make a
5 motion.

6 MR. BACARISSE: Vice Chair McRae.

7 MS. McRAE: I move that the Board approve the
8 proposal of amendments to Chapter 217 concerning motor
9 vehicle titles and the evidence of ownership requirements,
10 as recommended by staff. I also move that the Board grant
11 the department the ability to make changes to the proposed
12 sections based on non-substantive corrections made by the
13 *Texas Register*.

14 MR. BACARISSE: Thank you, Vice Chair McRae.

15 Is there a second to that motion?

16 MS. GILLMAN: I'll second, Mr. Chairman.

17 MR. BACARISSE: Member Gillman, thank you.

18 Any further discussion, members, on this item?

19 (No response.)

20 MR. BACARISSE: Hearing none, I will call the
21 vote, please.

22 Member Alvarado?

23 MR. ALVARADO: Aye.

24 MR. BACARISSE: Member Gillman?

25 MS. GILLMAN: Aye.

1 MR. BACARISSE: Member Graham?

2 MR. GRAHAM: Aye.

3 MR. BACARISSE: Member McRae?

4 MS. McRAE: Aye.

5 MR. BACARISSE: Member Omumu?

6 MS. OMUMU: Aye.

7 MR. BACARISSE: Member Prewitt?

8 MR. PREWITT: Aye.

9 MR. BACARISSE: Member Scott?

10 MR. SCOTT: Aye.

11 MR. BACARISSE: And I, Chairman Bacarisse, vote
12 aye as well. Let the record reflect that was unanimous.

13 Thank you.

14 We now move to agenda item 9 and I'll turn it
15 back over to Mr. Luna.

16 MR. LUNA: Roland Luna, Sr., Vehicle Titles and
17 Registration Division director.

18 This is another rule proposal for 217.9. The
19 action before you is a request from VTR for Board approval
20 to publish the proposed amendments to Texas Administrative
21 Code 217.9 related to bonded titles in the *Texas Register*
22 under the Board's statutory authority. The amendments
23 submitted for your consideration can be referenced on page
24 104.

25 The proposed amendments to 217.9 clarify

1 portions of the rule which removed duplicative information
2 and provide alternatives for establishing the vehicle
3 value for owners of vehicles 25 years or older and owners
4 of trailers and semi-trailers. The proposed amendments
5 allow owners of vehicles that are 25 years or older
6 applying for a bonded title the option to obtain an
7 appraisal in lieu of using a national reference guide.

8 In addition, the amendments will allow the
9 owners for trailers and semi-trailers to use the
10 department's established value of the trailer or semi-
11 trailer in lieu of obtaining an appraisal.

12 As mentioned with the proposed amendments in
13 217.5 previously, part of the surety bond application
14 process is for the department to establish the amount of
15 the bond, which is one and a half times the value of the
16 vehicle. The value of the vehicle is determined by using
17 the standard presumptive value, SPV, which is based on
18 similar sales in the Texas region.

19 If SPV is unavailable, then the value is
20 determined by using a national guide such as NADA. If the
21 value is not available through either of those options, an
22 appraisal must be obtained through a Texas licensed motor
23 vehicle dealer or an insurance adjustor.

24 SPV is not available for some vehicles that are
25 older than 25 years. This leaves a national reference

1 guide as the only basis to establish the vehicle's value.

2 In some instances the national reference guide may be
3 well over the value of the vehicle that is 25 years or
4 older.

5 For example, if you have a 1965 Ford pickup
6 that may have been left in a field for many years that
7 needs to be completely restored, oftentimes, the worth
8 that is noted in the established national guide is well
9 over the value. The proposed amendments will allow the
10 owner the option to obtain an appraisal in lieu of having
11 to utilize the national reference guide.

12 Additionally, for trailers and semi-trailers,
13 especially those that are homemade, a national reference
14 guide value is often not available. To prevent an owner
15 of a trailer or semi-trailer from having to pay or obtain
16 an appraisal, this proposed amendment would allow an owner
17 the option to use values established by the department
18 based on the length of the trailer. The established
19 values of the proposed amendment were determined based on
20 observations of what typical appraised values are for
21 trailers and semi-trailers.

22 In addition, the minimum value set at \$4,000 is
23 to ensure the bond amount would not be less than \$6,000,
24 which is one and a half times the \$4,000 a surety bond
25 company would set. This is consistent with the minimum

1 value currently established for vehicles 25 years or older
2 of the same process.

3 These proposed amendments are customer-centric
4 by providing the applicant discretion when establishing a
5 value for their vehicle. The agency requires
6 consideration for the proposed amendments for
7 Administrative Code 217.9.

8 This concludes my prepared remarks and I'll
9 take any questions that you have.

10 MR. BACARISSE: Thank you, Roland, appreciate
11 it.

12 Members, any questions for Mr. Luna on this
13 item?

14 (No response.)

15 MR. BACARISSE: Seeing none, I would entertain
16 a motion for agenda item 9.

17 MS. McRAE: Mr. Chairman, I'd like to make a
18 motion.

19 MR. BACARISSE: Yes, Vice Chair McRae.

20 MS. McRAE: I move that the Board approve the
21 proposal of amendments to Chapter 217 concerning bonded
22 titles, as recommended by staff. I also move that the
23 Board grant the department the ability to make changes to
24 the proposed sections based on non-substantive corrections
25 made by the *Texas Register*.

1 MR. BACARISSE: Thank you.

2 Is there a second for this motion?

3 MS. GILLMAN: I'll second, Mr. Chairman.

4 MR. BACARISSE: Member Gillman. Okay. Thank
5 you.

6 Any further discussion, members?

7 (No response.)

8 MR. BACARISSE: Hearing none, I would like to
9 all a vote, please.

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 McRae?

17 MS. McRAE: Aye.

18 MR. BACARISSE: Member Omumu?

19 MS. OMUMU: Aye.

20 MR. BACARISSE: Member Prewitt?

21 MR. PREWITT: Aye.

22 MR. BACARISSE: Member Scott?

23 MR. SCOTT: Aye.

24 MR. BACARISSE: And I, Chairman Bacarisse, vote
25 aye as well. This is unanimous. Thank you.

1 We now move to agenda item number 10 which has
2 to do with specialty plate designs. So Roland, keep
3 going.

4 MR. LUNA: Roland Luna, Vehicle Titles and
5 Registration Division director.

6 Chairman Bacarisse, Board members, the action
7 item before you is a request from the Vehicle Titles and
8 Registration Division for Board approval or denial in
9 accordance with the Board's statutory authority for three
10 plates. The three plate designs submitted for your
11 consideration can be referenced on page 111. Each plate
12 design is from the state's specialty license plate
13 marketing vendor, My Plates. The plate designs are from
14 My Plates who seeks approval in accordance with 504.801.

15 The three plates that you see are the Classic
16 Black, Classic Blue, and Classic Pink. Each one of them
17 has a Silver sheeting over the top of it. The department
18 posted all three proposed plate designs for public comment
19 in December of 2021.

20 For the Classic Black plate with Silver
21 sheeting, 665 people liked the design and 70 did not. For
22 the Classic Blue with Silver sheeting -- which is the one
23 in the middle -- 517 people liked the design, and 105 did
24 not. For the Classic Pink and Silver, 348 people liked
25 the design and 307 did not.

1 The agency requests your consideration for
2 approval of these plates, and I will take any questions
3 that you have. And while Brian is shining the light over
4 there, I will say those have all the security features
5 that all our other metal plates have as well, I just want
6 to point that out. They have the high definition sheeting
7 as well so they have maximum reflective sheeting on there.

8 MR. BACARISSE: Texans just have a problem with
9 pink plates, I guess. Is that right?

10 MR. LUNA: Not sure. I like blue.

11 MR. BACARISSE: There you go. Thank you.
12 Members, any questions for Mr. Luna?

13 (No response.)

14 MR. BACARISSE: Is there any public questions
15 on this item?

16 MS. AUCOIN: Aline Aucoin, for the record.

17 No public comments.

18 MR. BACARISSE: Thank you.

19 If there are no questions, I would entertain a
20 motion to approve this agenda item.

21 MR. SCOTT: Mr. Chairman?

22 MR. BACARISSE: Yes, Member Scott.

23 MR. SCOTT: I move the Board approve the
24 Classic Black Silver, Blue Silver and Pink Silver plate
25 designs as presented by staff under Transportation Code

1 Section 504.801.

2 MR. BACARISSE: Thank you, Member Scott.

3 Is there a second for this motion?

4 MS. McRAE: I'll second.

5 MR. BACARISSE: Vice Chair McRae seconding.

6 Any other discussion on this item, members?

7 (No response.)

8 MR. BACARISSE: If not, I'll call the vote,
9 please.

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 McRae?

17 MS. McRAE: Aye.

18 MR. BACARISSE: Member Omumu?

19 MS. OMUMU: Aye.

20 MR. BACARISSE: Member Prewitt?

21 MR. PREWITT: Aye.

22 MR. BACARISSE: Member Scott?

23 MR. SCOTT: Aye.

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

1 We will now move on to agenda item number 11,
2 Legislative and Public Affairs Committee update. That
3 committee met yesterday under Chair Paul Scott, so Member
4 Scott, do you have some things you'd like to share?

5 MR. SCOTT: Thank you, Chair Bacarisse and
6 Director Mellott and members.

7 Yesterday, Members McRae and Alvarado of the
8 Legislative and Public Affairs Committee joined me in
9 discussing legislative and policy items important to the
10 Board.

11 We began the meeting by receiving status
12 updates on pieces of legislation passed during last year's
13 legislative session. In your Board books you will find a
14 packet of one-page summaries for each of the 27 bills of
15 major significance to the department being tracked at this
16 time. I'd like to highlight several of those for you.

17 The Board is aware of the implementation status
18 of House Bill 3927, enhancing the regulation of temporary
19 tag production and use. I congratulate both the Board and
20 department staff on the success of these activities and
21 their potential to significantly reduce the production and
22 use of fraudulent.

23 However, this is not the only work the
24 department has been undertaking the last several months.
25 In December staff completed an implementation of House

1 Bill 2152 which allows Texans to renew vehicle
2 registration online for up to 12 months past expiration.

3 Senate Bill 792 became effective January 1,
4 changing the allowed use of disabled veteran tags for
5 parking access. Disabled veterans plates must now have
6 the international symbol for access, or ISA, to access
7 disabled parking spaces. Disabled veterans whose license
8 plates are not yet up for renewal and who meet the ISA
9 standard can continue to also use disabled parking
10 placards until they are able to obtain new plates.

11 Next, Senate Bill 1815, while not requiring
12 direct implementation of the agency, was passed during the
13 last legislative session and aligns the state vehicle size
14 and weight standards with federal regulations. Some may
15 remember that this legislation was the result of Board
16 recommendations made prior to the last legislative
17 session.

18 Finally, on December 20, seven new specialty
19 license plates became available to the public. Several of
20 the new military-related plates are also available with
21 disabled veteran designation.

22 This work is a reminder that while department
23 and staff have been primarily focused on addressing the
24 issue of fraudulent temporary tags and their public safety
25 impacts, staff has continued to accomplish the regular

1 daily work required of the DMV to meet any needs of the
2 motoring public.

3 And we also have Keith Yawn here if anyone has
4 any questions about legislative followup.

5 MR. BACARISSE: Members, any questions for Mr.
6 Yawn? If you have any, he's here and available.

7 (No response.)

8 MR. BACARISSE: Go ahead.

9 MR. SCOTT: All right.

10 Mr. Yawn also provided the committee and
11 overview of the planned upcoming schedule for the
12 identification, analysis and approval of legislative
13 recommendations to the 88th Texas Legislature. We
14 discussed during our deliberations on the temporary tag
15 issue it can be useful for the Board to make
16 recommendations to the state legislature about ways the
17 department identifies to be more responsive to our
18 customers and regulated industries that might require
19 statutory change. While it may seem early to begin this
20 discussion, it can take time to collect these ideas from
21 our various stakeholders and appropriately vet their
22 legal, operational and financial impacts so that we have a
23 clear understanding of what we are recommending to the
24 legislature.

25 Staff is beginning the process of identifying

1 early ideas for statutory change this month through
2 internal staff and stakeholder groups. Of course, Board
3 members are also encouraged to suggest ideas for
4 consideration.

5 Staff will collect the ideas and review their
6 potential impacts throughout the spring, creating a
7 prioritized list. They hope to bring the Board an initial
8 slate of potential recommendations for our consideration
9 in the early summer. After receiving our feedback on the
10 ideas, they will further refine them as needed and bring
11 us the final list of recommendations at the end of the
12 summer.

13 While this is an aggressive schedule, the time
14 should allow the staff to use the months leading into the
15 session to educate legislators and elected official
16 offices on the statutory needs of the department.

17 Anyone have any questions so far?

18 MR. BACARISSE: Members, any questions for Mr.
19 Scott on his report?

20 (No response.)

21 MR. SCOTT: Okay. Next concerning the briefing
22 on MVIRAC, Monique Johnston and Brian Ge provided an
23 update on the Motor Vehicle Regulation Industry Advisory
24 Committee meeting and the committee's recommendations.
25 Ms. Johnson provided information about the MVIRAC's

1 recommendations to fingerprint independent GDN holders.
2 Implementing this recommendation would allow the
3 department to fingerprint approximately 83 percent of the
4 license holders, including non-franchised motor vehicle,
5 motorcycle, towable travel trailer, utility trailer, and
6 semi-trailer dealers which is 83 percent of the license
7 holders.

8 Fingerprints would be collected using the
9 Department of Public Safety's vendor, and that vendor has
10 a large nationwide network of locations. Individuals
11 being fingerprinted would have to prove their identity and
12 pay the cost, currently \$38.25 per person. Fingerprints
13 would only be required once an associated license is
14 approved and continues to be timely renewed.

15 The eLICENSING system must be modified to store
16 related criminal history information or other databases.
17 A solution must be identified that meets DPS requirements.

18 In addition to temporary tag abuse, the
19 department is also concerned about other serious
20 disqualifying crimes, such as human trafficking. So Ms.
21 Johnston provided information about the impact if the
22 Board decided to broaden the fingerprint requirement for
23 those with access to eTAG, which is approximately 92
24 percent of license holders, or all license holders.

25 Mr. Ge provided information about the MVIRAC's

1 recommendation to conduct in-person, onsite premise
2 inspections prior to a person being issued a license.
3 Implementing this recommendation would allow the
4 department to ensure that all licenses and applicants are
5 operating at the locations indicated on their applications
6 and that the locations meet the premise requirements of
7 TxDMV rules.

8 If the department were to conduct premise
9 inspections for all new applications, which based on
10 fiscal year '21 data would be approximately 4,000 premise
11 inspections, the department would need a minimum of 14
12 investigators, one supervisor, one attorney and eleven
13 vehicles, for an annual cost of about \$890,000 and a one-
14 time cost of \$275,000.

15 So if the department were to conduct premise
16 location inspections for all new and renewal applications,
17 which based on fiscal year '21 data would be approximately
18 13,900 premise inspections, the department would need a
19 minimum of 20 investigators, one supervisor, two
20 attorneys, and 13 vehicles, at an annual cost of \$1.3
21 million and a one-time cost of approximately \$325,000.

22 If the department were conduct premise
23 inspections for all new and renewal applications and
24 amendments to existing licenses, which based on fiscal
25 year '21 data would be approximately 16,300 inspections,

1 the department would need 24 inspectors, two supervisors,
2 two attorneys and 20 vehicles, at an annual cost of about
3 \$1.5 million and a one-time cost of \$500,000.

4 If we have any questions about that, Ms.
5 Johnston and Mr. Ge are here to answer any questions.

6 MR. BACARISSE: Members, any questions of our
7 staff or Chair Scott on these issues?

8 MR. GRAHAM: Yes. This is Member Graham.

9 MR. BACARISSE: Member Graham, yes, sir.

10 MR. GRAHAM: I would just like to take a moment
11 if we could, maybe talk about the opinions of this Board
12 on potential collaborative partners to achieve this. I
13 heard in the report yesterday during your committee
14 hearing, Mr. Scott, that 70 percent of these folks are
15 located in major metro areas, 30 percent are in the other
16 ginormous 250 counties in the state -- or whatever that
17 equates out to -- and so I just think we really need to
18 think about some collaboration with some partners if
19 that's where we decide to go to achieve this.

20 Rather than putting people in vehicles and
21 driving them all over the state, we have some great
22 partners, like law enforcement, in these communities,
23 boots on the ground, know the folks there, know the
24 properties, know the lay of the land, seems like there
25 might be a fit. And I was just wondering if we could just

1 talk about that a moment.

2 MR. BACARISSE: Member Gillman, did you have a
3 comment?

4 MS. GILLMAN: I also think that we should think
5 through how to best do these site visits using Texas
6 resources. I feel like inspecting all may be overkill,
7 yet inspecting the identified abusers may be the right
8 thing to do, and I think is it Braeburn -- Bradburn
9 identified 17. In earlier conversations, other
10 discussion, the abusers may be -- I'm throwing out a
11 number -- less than 500 per year, and we might utilize
12 support that already exists, other resources, certainly
13 with law enforcement, if they're identified as maybe
14 suspected fraud or abusive practices.

15 So I just think that possibly without painting
16 a broad brush and maybe wasting some tax dollars we could
17 narrow the focus in more of a rifle shot instead of
18 shotgun approach and attack the problem. So I just think
19 that there should be further discussion, all the while the
20 mission and objective is to do site visits on those
21 suspected of not really being good car dealers.

22 MR. BACARISSE: Good points, and I'll chime in
23 and just say that I think we absolutely need to know our
24 customers, every one of them. And perhaps, to your point,
25 just to amplify, we ought to look at asking the

1 legislature to really increase the funding dramatically to
2 the Motor Vehicle Crime Prevention fund which then could
3 be given out to local law enforcement for this purpose, so
4 that we're leveraging resources and partnerships and we're
5 giving resources to local law enforcement because they
6 know where the problems are on the ground.

7 So I think everything ought to be on the table
8 in these conversations. I salute your committee, Chair
9 Scott, for focusing on this, and I think we ought to put
10 everything on the table and figure out what the best
11 solution might be, or option, that we can either enact
12 through our own rulemaking capability or go back to the
13 legislature and ask for additional assistance.

14 MR. SCOTT: I'd also like to say that we are
15 currently, the department currently, if we detect a
16 problem with an application, either the photos don't match
17 up properly or there's other reason to suspect that there
18 may be a problem with the application, we are doing onsite
19 visits using current resources.

20 Is that correct, Monique?

21 MS. JOHNSTON: Monique Johnston, director of
22 the Motor Vehicle Division.

23 Yes, that is correct. During the licensing
24 process if we have concerns about the location, do not
25 feel the dealer meets maybe premise requirements or

1 there's concern about the location based on previous
2 criminal activity or issues or enforcement activity, then
3 we would request a site visit as a part of the application
4 process.

5 MR. SCOTT: Yes. So some of this stuff, doing
6 onsite visits for new applications and renewals, that's
7 going to take legislative action because we have to have
8 appropriations for that. Okay? But I would commend us
9 for looking for ways right now -- we know we have a
10 problem and there's certain things we can take action on
11 now using current resources.

12 And we're doing what we can and I would say
13 that we're going to be looking for more ways to do what we
14 can while on that site visit and so forth, doing as good a
15 job as we possibly can on making sure that we're licensing
16 the right people using the resources we have. If we want
17 to go out and decide we want to do site visits on every
18 new application, then we're going to have to leverage
19 things.

20 We're going to have to use maybe Chairman
21 Bacarisse's idea on using, you know, the Motor Vehicle law
22 enforcement, that's probably a good idea. But while we're
23 developing the legislative action that we need to take, we
24 are already looking at the problem and trying to figure
25 out what can we do right now with the resources that we

1 have. Am I correct?

2 MS. JOHNSTON: That is correct, yes, sir.

3 MR. SCOTT: Okay.

4 MR. BACARISSE: We salute that.

5 MS. JOHNSTON: Thank you.

6 MR. SCOTT: And if anybody has any more
7 suggestions on what we can do, we'd love to hear from any
8 member of staff, from the Board, stakeholders. Using
9 those resources we have, we need to keep working on this
10 every day.

11 MR. BACARISSE: Thank you, Chairman Scott.
12 Member Gillman.

13 MS. GILLMAN: I volunteer to sell the vehicles
14 to the great State of Texas.

15 MR. SCOTT: They have to be white.

16 MR. BACARISSE: Yeah, they have to be white.

17 MS. GILLMAN: That's okay, we can do that.

18 (General laughter.)

19 MR. BACARISSE: Really doing your part, I
20 appreciate that.

21 All right. Thank you, Chairman Scott, I
22 appreciate that briefing.

23 I'm sorry?

24 MS. AUCOIN: For the record, Aline Aucoin.
25 There is one commenter on agenda item 11.C

1 which is the item just covered, Cpl. Mike Bradburn.

2 MR. BACARISSE: Yes, sir, Cpl. Bradburn.

3 CPL. BRADBURN: Good afternoon. Thank you for
4 having me back.

5 MR. BACARISSE: Yes, sir.

6 CPL. BRADBURN: I actually came here with the
7 big discussion y'all just had, that's what I'm going to
8 talk about. To clarify, ad-libbing, that was 17 dealers
9 I'm investigating for a criminal enterprise. There's more
10 than that that are out there.

11 MR. BACARISSE: Oh, sure.

12 CPL. BRADBURN: Doing investigation I go out
13 sometimes to Houston, wherever, sometimes they've maybe
14 rented a spot for a day, put a sign up, but they're flat
15 out not there. You're going to need more investigators,
16 that's no doubt. That would prevent a lot of stuff.
17 That's also going to get dealers in compliance.

18 For the record, most dealers are law-abiding
19 citizens. I used to work at DMV. I deal with criminals,
20 so what I'm talking about, I'm talking about criminals.

21 I'm going to do a little advocating on the
22 investigators as well. They're civilian investigators,
23 you're sending them out every day to do inspections, to
24 investigate dealers on the administrative side. However,
25 I can tell you cartels are in dealerships.

1 Money is being laundered to go to foreign
2 entities that are very bad people. They're doing tax
3 fraud by undervaluing vehicles using their license,
4 selling this stuff. That's the minority, however, your
5 investigators are going out right now unarmed.

6 The State of Texas allows any agency to let
7 their staff carry a weapon for personal protection only if
8 you allow it; other agencies do. I would just recommend
9 you looking at that for their safety. That's something I
10 believe in.

11 With the next legislation cycle on the horizon
12 it's time for everybody to get together. You're all
13 talking about that. I can tell you the last cycle our
14 office worked with CLEAT, the law enforcement association,
15 and Jennifer specifically. We got House Bill 3927 passed,
16 we can see the success right now.

17 I'm throwing that out there, if we can work
18 together, we're already looking at the next cycle, we can
19 be an advocate for you as well. You're going to need
20 money, money for computer systems to verify VINs,
21 staffing.

22 I'll leave it at that. If you have any
23 questions, I'm available.

24 MR. BACARISSE: Thank you.

25 Members, any questions for Mr. Bradburn?

1 MS. GILLMAN: Thank you.

2 CPL. BRADBURN: Thank you.

3 MR. BACARISSE: Thank you. Appreciate the
4 additional points made. Thank you.

5 Aline, any other commenters?

6 MS. AUCOIN: No other commenters on the rest of
7 the agenda.

8 MR. BACARISSE: Okay. Thank you.

9 Chair Scott, have you got one more?

10 MR. SCOTT: Yes. I've got agenda item 11.D. --

11 MR. BACARISSE: Yes, sir.

12 MR. SCOTT: -- which is a briefing on the DMV
13 review of potential enhancements to temporary tags.

14 Roland Luna provided an update on potential
15 enhancements to the temporary tags. Mr. Luna described
16 the research conducted to identify, develop and implement
17 temp tag enhancements and also explained the American
18 Association of Motor Vehicle Administrators license plate
19 guide.

20 Mr. Luna further explained how the department
21 has implemented the majority of best practices related to
22 temporary tags and will fully implement all best practices
23 since all provisions of House Bill 3927 are in place. In
24 addition to best practices, the department will continue
25 to identify methods to combat temporary tag fraud.

1 Mr. Luna described how VTR, ITSD and MVD are
2 working together to implement the max tag and system
3 denial rules and a comprehensive review of the eTAG system
4 which identified a list of additional enhancements and
5 safeguards that might be implemented. The level of effort
6 and prioritization of these enhancements was also
7 completed since the IT programming and coordination.

8 Mr. Luna described how VTR is working with
9 other states to determine and document best practice. VTR
10 has identified several other states, New York, Ohio,
11 Florida, Nebraska, North Carolina, Utah and Nevada, and
12 will also meet with them over the next couple of weeks to
13 evaluate their practices, procedure and temporary tag
14 systems. A summary of findings will be produced and
15 provided for future coordination and implementation.

16 Furthermore, VTR researched and analyzed
17 tamper-evident products and services available from third-
18 party vendors that could possibly assist with eTAG
19 security. VTR is currently working with multiple vendors
20 that offer products that may be useful in enhancing eTAG
21 security. Information from these companies will be
22 compiled and discussed internally to determine the
23 viability for implementation.

24 Mr. Luna concluded by stating the TxDMV will
25 continue to monitor and evaluate any and all measures to

1 improve and secure the eTAG system.

2 Mr. Luna is here if anybody has any questions
3 about that.

4 MR. BACARISSE: Members, any questions?

5 Member Graham, I think you have a question.

6 MR. GRAHAM: I was curious if at this point you
7 have any data on how many other states utilize paper tags.

8 MR. LUNA: Roland Luna, Vehicle Titles and
9 Registration Division director.

10 It's a mixed bag, Member Graham. There are
11 some states that only use metal plates; there are some
12 states that use a combination of metal plates and
13 temporary tags. There are some states that require the
14 purchase of a new vehicle to be reflected in our version
15 of RTS, Registration and Title System. The customer would
16 have to return to the dealership three to four to five
17 days later to take possession of the vehicle. That is not
18 customer-centric.

19 So with some of those compliance regulations
20 that they have would cause an undue burden, not only to
21 the customer but could possibly impact economic
22 development here in Texas. We understand that we need to
23 strike a balance between voluntary compliance,
24 enforcement, and promoting business and commerce here in
25 the State of Texas. So while we have already reached out

1 to six states, we did reach out to an additional 42 states
2 to see what they're doing for temporary tags.

3 While AAMVA has produced the best practices
4 guide, we use that as a starting point and we don't
5 believe that that's the end-all. We think it's important
6 for us to explore additional enhancements that we can
7 implement to combat temporary tag fraud, which is why we
8 reached out to some vendors.

9 And the tamper-evident products that Chairman
10 Scott talked about, some of those include ink, secure
11 paper. They include multi-factor authentication which
12 helps identify a person's identity. And we think by
13 having these protections and these mechanisms on the
14 front-end confirming someone's identity will help prevent
15 fraud in the future. And that's why we wanted to reach
16 out to all these other states to also identify the
17 technologies that they're using, because if there's a
18 technology that they're using with temporary tag
19 regulation, we want to borrow that process if it's
20 working.

21 Did that answer your question, sir?

22 MR. GRAHAM: Well, I'm still not sure how many
23 states use paper tags.

24 MR. LUNA: I don't have a number on that, sir,
25 but it is a mixed bag. From our research so far, it is

1 paper tags and metal.

2 MR. GRAHAM: And so when -- what kind of
3 timeline before y'all have this work completed, do you
4 think?

5 MR. LUNA: Definitely by the next Board
6 meeting.

7 MR. GRAHAM: Okay. Very good. Look forward to
8 hearing that.

9 MR. LUNA: Yes, sir.

10 MR. GRAHAM: You know, clearly we have some
11 issues with our temp tags and having an idea of what else
12 is going on out there will be helpful to finding the right
13 solution -- well, not the right solution, the right
14 solutions because it's going to be many legs to that
15 table.

16 So anyway, thank you very much.

17 MR. LUNA: Yes, sir.

18 MR. BACARISSE: Hang just a minute.

19 Member Prewitt, did you have a question?

20 MR. PREWITT: Yes, Mr. Chairman. John Prewitt.

21 Just a question. Have you asked the state that
22 used metal plates versus paper plates what the difference
23 is in fraud? In other words, is there a significant
24 decrease in fraud with the use of metal plates versus
25 paper plates?

1 MR. LUNA: There is still fraud, but it's not
2 fraud involving temporary tags. There still is fraud
3 using metal plates where vehicles are stolen, plates are
4 stolen, or where there's fraud in a particular office
5 where those plates are unaccounted for and they're sold
6 from the office. Some of those states that do have metal
7 plates, they also have a law enforcement unit that is
8 embedded within the agency that provides the plates.

9 MR. PREWITT: Okay. Thank you.

10 MR. BACARISSE: Members, any other questions on
11 this subject? This is all very important. Good job.

12 MR. SCOTT: Yes, thank you.

13 I just have a further comment. I'd like to say
14 that as we look at enhancements we can make to paper tags,
15 as we look at different states, see what other people are
16 doing, I think we need to look at the things and say this
17 could be broken into several components. And I want to
18 caution us against waiting till we have all the lights on
19 green before we leave. Okay?

20 There's several pieces, so we need to identify
21 and prioritize the pieces and as quickly as we can get
22 them ready we need to take action on them. So we don't
23 need to wait for one thing because we don't have the other
24 thing ready to go yet. We get a priority and press hard
25 and keep moving.

1 MR. BACARISSE: Point well made. Thank you.

2 Members, any other questions for Mr. Luna?

3 MR. LUNA: Chairman Bacarisse, if I may?

4 MR. BACARISSE: Yes, please.

5 MR. LUNA: Part of the committee remarks
6 yesterday were to that point that Chair Scott is talking
7 about. The internal enhancements that we've identified
8 are things that we can do at the agency level without
9 additional funding, without the research from other
10 states. We have some security enhancements that we've
11 prioritized internally that we will be working on over the
12 next few months to increase identity validation, to
13 increase the verification of the vehicle, the VIN
14 decoding, ensuring that that is a legitimate vehicle prior
15 to it being sold.

16 So there's a number of things that we're
17 working on in addition to the implementation of HB 3927
18 for the denial process and the establishment of max tag
19 limits. So we have that with the enhancements that we
20 have and the external research that we're conducting to
21 make sure that we're looking at all of those things to
22 make sure that we continue to combat temporary tag fraud.

23 MR. BACARISSE: Love that. Thank you. Good
24 stuff.

25 MR. SCOTT: And we had some testimony, Mr. Ge

1 spoke to us yesterday about the specific things that we've
2 been able to do already as a result of the action the
3 Board took in January. Is that correct?

4 MR. GE: Brian Ge, managing attorney.

5 Yes, sir. So some of the things that we've
6 already been doing with the authority that the Board
7 granted us about two weeks ago, we have suspended
8 continued access to the temporary tag database for six
9 dealers. We conducted investigations on all of those
10 dealers. We have all the evidence needed to move forward
11 with further administrative action, and those dealers,
12 they're not printing tags anymore, they're not selling
13 them.

14 We have -- as Cpl. Bradburn testified earlier,
15 we have gone from 25,000-something tags a week to low
16 hundreds, and that's thanks to the efforts of our
17 investigators who drive out to these locations to conduct
18 site visits, to follow up with TACs, tax assessor-
19 collectors, to get vehicle inventory tax statements,
20 following up with all of our stakeholders, really, to get
21 what we need to shut these people off quickly and still
22 fairly.

23 MR. BACARISSE: Great.

24 Members, any questions of Mr. Ge?

25 MS. GILLMAN: Good job.

1 MR. BACARISSE: Yes. We appreciate that
2 effort, absolutely.

3 MR. GE: Thank you.

4 MR. BACARISSE: Thank you, Mr. Ge.

5 MR. GRAHAM: One thing.

6 MR. BACARISSE: Member Graham, yes, sir.

7 MR. GRAHAM: I feel like I need to ask, is
8 there anything you need today that you don't have,
9 anything this Board can do for you to assist you in this
10 process? We want to give you the tools you need to be
11 able to shut these bad actors down as quickly as possible.

12 Is there anything else you can think of that we need to
13 be working on?

14 MR. GE: To implement 3927 we don't need
15 anything else. We have all the tools that we need.

16 Again, as everyone else stated, other things
17 that we can do to deter fraud, conducting more premise
18 inspections on the front-end, having more investigators on
19 hand to just be able to look at more things. I mean,
20 those are discussions for the future, but in terms of what
21 we need right now to shut down temporary tag abusers, we
22 have what we need and we can do it.

23 MR. GRAHAM: Great. Thank you.

24 MR. BACARISSE: Thank you.

25 Members, anything else?

1 MR. BACARISSE: Thank you, Mr. Ge, appreciate
2 it. Thank you.

3 Now we want to move to agenda item number 12, a
4 report from the Finance and Audit area, and we've got
5 Glenna Bowman here and Ann Pearce coming up. Ladies.

6 MS. BOWMAN: Good afternoon, Chairman
7 Bacarisse, Board members. For the record, my name is
8 Glenna Bowman. I'm the chief financial officer for TxDMV.

9 If you will refer to item 12 on page 196 of
10 your Board materials, you will find a memo that outlines
11 the recommendation for this item, and it's followed by a
12 redline version of the contract approval procedures we
13 would like to update. I have Ann Pearce with me. She's
14 our director of Administrative Services, in case I need
15 help answering any of your questions.

16 TxDMV staff recommends that the Board approve
17 proposed updates to the contract approval procedures that
18 were adopted by the Board on May 2, 2019.

19 As you may recall, the Texas Department of
20 Transportation is in the process of moving off the Camp
21 Hubbard property where TxDMV's headquarters facility is
22 located. As part of this transition, TxDMV is taking on
23 certain facilities maintenance responsibilities. As part
24 of this transition, staff recommends changes to the
25 Board's contract approval procedures to include additional

1 exemptions from Board approval authority for certain
2 routine operations. Those things would include recycling
3 services, elevator related services, heating and
4 cooling -- we're taking over the HVAC system from TxDOT --
5 and so on, and there's a list in your materials.

6 Staff is also recommending that we exclude
7 certain real estate leases for the same location from the
8 approval procedures, but this exclusion would only apply
9 to renewals and amendments to existing leases as well as
10 new leases for the same real estate that we were occupying
11 under the prior lease. So the lease agreements are
12 typically included in our operating budget which the Board
13 approves each fiscal year, so you would still see that
14 information. And again, the exclusion does not apply to
15 the new lease for a different property, such as when TxDMV
16 is moving to a new location or adding another location, so
17 it's very specific.

18 Staff further recommends deleting Footnote 2
19 from the procedure. This excepts interagency contract
20 between TxDMV and TxDOT from the general exception for
21 interagency contracts. While the TxDOT contract is going
22 to remain in effect after the transition of the facility's
23 maintenance responsibilities from TxDOT to TxDMV, our cost
24 under that contract will be dramatically reduced because
25 we'll be paying our vendors, we're providing the

1 maintenance services rather than paying TxDOT.

2 The contract will continue, just for your
3 information, to be in effect because it will require TxDMV
4 to continue to pay TxDOT for maintenance services for some
5 of our regional service centers that they continue to do
6 maintenance on. And it will continue to govern other
7 matters between TxDMV and TxDOT, such as sharing of data
8 and systems by the two agencies, but there's not a cost
9 associated with those items.

10 Finally, we are recommending authorizing the
11 Finance and Audit Committee chairman, in addition to the
12 Board chairman, to approve the exception of a contract on
13 an emergency basis. That way we have two people who can
14 sign on an emergency basis. In the event the chairman is
15 not available, we would go to the chairman of the Finance
16 and Operations Committee.

17 And there's no financial impact associated with
18 this item. I'd be happy to answer any questions.

19 MR. BACARISSE: Members, any questions for Ms.
20 Bowman on this item?

21 (No response.)

22 MR. BACARISSE: Okay. Hearing none, I would
23 entertain a motion for agenda item number 12.

24 MS. OMUMU: Mr. Chairman, I'd like to make a
25 motion, please.

1 MR. BACARISSE: Member Omumu.

2 MS. OMUMU: I move that the Board approve the
3 modifications to the May 2, 2019, contract approval
4 procedures, as recommended by staff.

5 MR. BACARISSE: Is there a second?

6 MR. GRAHAM: Second.

7 MR. BACARISSE: Member Graham.

8 Is there any discussion on this agenda item?

9 (No response.)

10 MR. BACARISSE: Seeing none, I'll call the
11 vote, please.

12 Member Alvarado?

13 MR. ALVARADO: Aye.

14 MR. BACARISSE: Member Gillman?

15 MS. GILLMAN: Aye.

16 MR. BACARISSE: Member Graham?

17 MR. GRAHAM: Aye.

18 MR. BACARISSE: Member 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 Scott?

25 MR. SCOTT: Aye.

1 MR. BACARISSE: And I, Charles Bacarisse, vote
2 aye as well. It is unanimous.

3 Thank you, Ms. Bowman.

4 MS. BOWMAN: Thank you.

5 MR. BACARISSE: And I will move now to agenda
6 item 13 which is a delegation of authority issue. And
7 we'll turn it over to Jimmy Archer for his presentation.

8 MR. ARCHER: Good afternoon again, Mr. Chairman
9 and Board.

10 This item number 13 is found on page 201 of
11 your Board book. For the Board's consideration, I'm
12 requesting the Board delegate authority to the executive
13 director to approve the contract to modify the Texas IRP
14 System to implement Senate Bill 1064. The estimated cost
15 to update the Texas IRP System for this information is up
16 to \$250,000, and these funds were allocated by the
17 legislature in the last session.

18 Senate Bill 1064 allows a county with a
19 population of at least 3.3 million to register the
20 vehicles it owns and exclusively uses for up to eight
21 years at a time. At this time the provisions only apply
22 to Harris County.

23 Implementation of the bill requires
24 administrative rules and programming to department
25 computer systems primarily handled by our contract vendor.

1 Finance and Administrative Services and the Information
2 Technology Division are assisting MCD in the procurement
3 of this contract. Proprietary procurement is in progress.
4 Harris County fleet administration have been notified that
5 the possible completion of the implementation will likely
6 be in November of 2022.

7 In closing, again I'm requesting the Board
8 delegate authority to the executive director to approve
9 and sign a contract to modify the Texas IRP system to
10 implement Senate Bill 1064. Thank you.

11 MR. BACARISSE: Members, any questions for Mr.
12 Archer on this item?

13 (No response.)

14 MR. BACARISSE: Seeing none, I would entertain
15 a motion on this item.

16 MR. GRAHAM: Member Graham. I'll make a
17 motion.

18 MR. BACARISSE: Yes, Member Graham.

19 MR. GRAHAM: I move the Board delegate the
20 authority to the department's executive director to
21 approve the contract to modify the Texas International
22 Registration Plan System to implement Senate Bill 1064.

23 MR. BACARISSE: And is there a second on that
24 amendment?

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

1 MR. BACARISSE: Member Omumu seconds. Any
2 further discussion on this item?

3 (No response.)

4 MR. BACARISSE: Hearing none and seeing none, I
5 will call the vote, please.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Member McRae?

13 MS. McRAE: Aye.

14 MR. BACARISSE: Member Omumu?

15 MS. OMUMU: Aye.

16 MR. BACARISSE: Member Prewitt?

17 MR. PREWITT: Aye.

18 MR. BACARISSE: Member Scott?

19 MR. SCOTT: Aye.

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

22 Now we move to number 14, Mr. Archer.

23 MR. ARCHER: Yes, sir. Again for the record,
24 Jimmy Archer, director of the Motor Carrier Division.

25 This is item number 14 and it is found on page

1 202 of your Board books. For the Board's consideration,
2 we're requesting the Board to approve the renewal of a
3 software maintenance and operations contract for Explore
4 Information Services for its continued maintenance and
5 operations of our Texas IRP System. This renewal should
6 be exercised so the vendor can continue to offer software
7 maintenance and support for the Texas IRP System.

8 This would be the second of three two-year
9 renewals. The cost supports the online IRP System and
10 related components. The monthly cost is \$28,025 per
11 month, or \$336,000 annually.

12 In 2005 the Department of Transportation
13 entered into a turnkey contract with Explore Information
14 Services to provide a proprietary base, custom-off-the-
15 shelf system, or COTS system, and develop modules specific
16 to Texas which became the Texas IRP System, and to
17 implement and maintain this system as a replacement for
18 existing mainframe-based IRP systems. Since the system
19 implementation, Explore has provided maintenance services
20 for software updates and enhancements and system support
21 services on an ongoing basis at the direction to Texas DMV
22 staff.

23 Texas IRP collected \$209,015,088 to the Texas
24 IRP System in fiscal year 2021. The annual cost to
25 maintain the system online is \$336,000, or one dollar for

1 every \$621.51 of revenue collected. The system supports
2 the following: fleet registration, apportioned
3 registration, token trailer registration, forestry, rental
4 trailers, PRISM, and records and review audits.

5 In closing, again I'm requesting the Board
6 approval of this renewal option for the software
7 maintenance contract. And I'm happy to answer any
8 questions you may have.

9 MR. BACARISSE: Members, any questions for Mr.
10 Archer on this agenda item?

11 MR. PREWITT: Mr. Chairman, John Prewitt.

12 MR. BACARISSE: Yes, Member Prewitt.

13 MR. PREWITT: Mr. Archer, I saw where the code
14 is continued to be owned by the vendor. Is that correct?

15 MR. ARCHER: Yes, sir, that is correct.

16 MR. PREWITT: And for the foreseeable future
17 that's the plan is to have them own the code?

18 MR. ARCHER: Yes, sir.

19 MR. PREWITT: Okay. Thank you.

20 MR. BACARISSE: Any other questions, members?

21 (No response.)

22 MR. BACARISSE: Hearing none, I'd entertain a
23 motion on agenda item 14, please.

24 MR. PREWITT: Mr. Chairman, John Prewitt.

25 MR. BACARISSE: Yes.

1 MR. PREWITT: I'd like to move that the Board
2 approve the renewal of the contract for the software
3 maintenance and support for the Texas International
4 Registration Plan System.

5 MR. BACARISSE: Okay. And is there a second?

6 MS. GILLMAN: I'll second, Mr. Chairman.

7 MR. BACARISSE: Thank you, Member Gillman.

8 I'll make a note of that, and is there any
9 further discussion on this item?

10 (No response.)

11 MR. BACARISSE: Seeing none, I'll call the
12 vote, please.

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 McRae?

20 MS. McRAE: Aye.

21 MR. BACARISSE: Member Omumu?

22 MS. OMUMU: Aye.

23 MR. BACARISSE: Member Prewitt?

24 MR. PREWITT: Aye.

25 MR. BACARISSE: Member Scott?

1 MR. SCOTT: Aye.

2 MR. BACARISSE: And I, Chairman Bacarisse, vote
3 aye as well. It's unanimous.

4 Thank you, Mr. Archer again.

5 MR. ARCHER: Thank you.

6 MR. BACARISSE: Yes, sir.

7 Wendy Barron is going to come up and address
8 agenda item number 15 for us, please.

9 Ms. Barron, thank you for being here.

10 MS. BARRON: Absolutely. Good afternoon,
11 Chairman, members of the Board. For the record, I'm Wendy
12 Barron, chief information officer.

13 I'm here today to request that the Board
14 delegate authority to the department's executive director
15 to approve and sign the end-user information technology
16 outsourcing contract, and including any renewals after
17 consulting with the Board chairman.

18 The purpose of this contract is to support the
19 over 500 tax assessor-collector offices, the 16 regional
20 service centers, and the DMV headquarters in Austin.
21 Because the solicitation for this contract is pending, we
22 don't want to publicly disclose estimated costs at this
23 time, however, it is likely that the cost will exceed one
24 million dollars.

25 The DMV IT Services Division right now does not

1 have the adequate full time equivalent staff to support
2 over 500 tax assessor-collector offices, 16 RSCs and the
3 headquarters all at the same time, so the goal of this
4 contract is to engage one or more vendors that can provide
5 the applicable and necessary labor, supervision,
6 maintenance, consultation and/or materials to provide the
7 deliverables described in the statement of work, including
8 any hardware life cycle refreshes and computer break fixes
9 or peripheral and printer support. The level of this
10 support is necessary so that we can continue to maintain
11 and secure our information technology resources and to
12 continue to provide good customer service.

13 Due to the dollar amount of the potential
14 contract, we are requesting that the Board delegate
15 signature authority to the executive director to sign the
16 contract, which is how the Board has handled prior
17 contracts under Section 2261.254. Due to the need of
18 these services and the fact that the next Board meeting is
19 scheduled for April, at this time we're also requesting
20 that the Board delegate authority to the executive
21 director to approve the contract after consulting with the
22 Board chairman. The department would like to have the
23 authority to sign the contract as soon as possible, as
24 soon as we are ready to award the contract.

25 That concludes my presentation. I'm here to

1 answer any questions you may have.

2 MR. BACARISSE: Thank you.

3 Members, any questions for Ms. Barron?

4 MS. McRAE: I have just one comment.

5 MR. BACARISSE: Yes, Member McRae.

6 MS. McRAE: We need your support.

7 MS. BARRON: Absolutely, yeah.

8 MR. BACARISSE: Critical.

9 MS. BARRON: Very important.

10 MR. BACARISSE: Any other questions, members?

11 (No response.)

12 MR. BACARISSE: Seeing none, I'll entertain a
13 motion on item number 15, please.

14 MS. OMUMU: I'd like to make a motion, Mr.
15 Chairman.

16 MR. BACARISSE: Yes, Member Omumu.

17 MS. OMUMU: I move that the Board delegate
18 authority to the department's executive director to
19 approve and sign the end-user information technology
20 outsourcing contract, including any renewals after
21 consulting with Board chairman.

22 MR. BACARISSE: Very good. Is there a second
23 to that motion?

24 MS. McRAE: I'll second that motion.

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

1 Members, any other discussion or further
2 discussion on this motion or agenda item?

3 (No response.)

4 MR. BACARISSE: Hearing none or seeing none,
5 I'll call the vote, please.

6 Member Alvarado?

7 MR. ALVARADO: Aye.

8 MR. BACARISSE: Member Gillman?

9 MS. GILLMAN: Aye.

10 MR. BACARISSE: Member Graham?

11 MR. GRAHAM: Aye.

12 MR. BACARISSE: Member McRae?

13 MS. McRAE: Aye.

14 MR. BACARISSE: Member Omumu?

15 MS. OMUMU: Aye.

16 MR. BACARISSE: Member Prewitt?

17 MR. PREWITT: Aye.

18 MR. BACARISSE: Member Scott?

19 MR. SCOTT: Aye.

20 MR. BACARISSE: And I, Chair Bacarisse, vote
21 aye as well. That is unanimous.

22 Thank you, Ms. Barron, appreciate that.

23 And at this point --

24 MR. GRAHAM: Mr. Chairman?

25 MR. BACARISSE: Yes, Member Graham.

1 MR. GRAHAM: I'm sorry to interrupt.

2 MR. BACARISSE: That's all right.

3 MR. GRAHAM: I have a question -- perhaps a
4 matter of new business but really just a request, so I'm
5 not exactly sure. I'm going to tell you what I would like
6 for you to consider.

7 MR. BACARISSE: Okay.

8 MR. GRAHAM: And then you can tell me if we can
9 talk about that.

10 (General laughter.)

11 MR. BACARISSE: Very good. All right.

12 MR. GRAHAM: The last thing I need is trouble.

13 MR. BACARISSE: I'm always open to suggestions.
14 Go ahead.

15 MR. GRAHAM: What I would like to ask is that
16 we request IT to take a look at our options on how we
17 might go about expediently providing access for law
18 enforcement to our system.

19 MR. BACARISSE: Well, that's a great question,
20 Member Graham, and that's one which I was planning to
21 address in our upcoming closed session, exactly that
22 issue.

23 MR. GRAHAM: Thank you, Mr. Chairman. At this
24 point, I'll rescind.

25 MR. BACARISSE: That's a great question.

1 You've just given folks a preview of some of what we're
2 going to talk about.

3 MR. GRAHAM: My bad. I thought we're not
4 supposed to do that, but anyway. I'll shut up now.

5 MR. BACARISSE: No, I appreciate it. No,
6 listen, I think this Board is all kind of thinking in the
7 same direction, so we appreciate that very much,
8 seriously.

9 Do we have any public comment, general public
10 comment, Ms. Aucoin?

11 MS. AUCOIN: For the record, Aline Aucoin.
12 No public comment.

13 MR. BACARISSE: Okay, thank you.

14 At this point we now need to take up agenda
15 item number 16, and we're going to go back into closed
16 session. It is 2:41 p.m., and we are going to go back
17 into closed session under Texas Government Code Sections
18 551.07, 551.074, 551.076, and 551.089.

19 For those of you in the audience, I anticipate
20 being in this session less than we were the first time.

21 (General laughter.)

22 MR. BACARISSE: And we'll reconvene in open
23 session after that and we may have some business to tend
24 to coming out of that, so hang loose.

25 We are recessed from this public meeting and

1 we're going into closed session.

2 (Whereupon, at 2:41 p.m., the meeting was
3 recessed, to reconvene this same day, Thursday, February
4 10, 2022, following conclusion of the executive session.)

5 MR. BACARISSE: It is 4:15 in the afternoon --
6 and I'm going to get on the right page here so I can write
7 that down -- and the Board of the Texas DMV is back in
8 open session.

9 The Board will now take up agenda item 17 for
10 the action items. We did not take any actions in closed
11 session but we do, I think, have some things to attend to
12 now.

13 So I'd like to entertain a motion on personnel
14 matters under consideration. Member McRae, do you have a
15 motion?

16 MS. McRAE: I do, Chairman. I move the Board
17 approve the appointment of Salem --

18 MR. BACARISSE: Wait, hold on. I'm sorry, go
19 ahead.

20 MS. McRAE: Okay. I move the Board approve the
21 appointment of Salem Chuah as Internal Audit director for
22 the Texas Department of Motor Vehicles, contingent on
23 satisfying all TxDMV Human Resources qualifications and
24 subject to any negotiations, as authorized by the chairman
25 of the Finance and Audit Committee.

1 MR. BACARISSE: Is there a second on this
2 motion?

3 MR. GRAHAM: I'll second that motion.

4 MR. BACARISSE: Mr. Graham seconds. Any
5 discussion, members, of this motion?

6 (No response.)

7 MR. BACARISSE: Hearing none, I will call for
8 the vote.

9 Member Alvarado?

10 MR. ALVARADO: Aye.

11 MR. BACARISSE: Member Gillman?

12 MS. GILLMAN: Aye.

13 MR. BACARISSE: Member Graham?

14 MR. GRAHAM: Aye.

15 MR. BACARISSE: Member McRae?

16 MS. McRAE: Aye.

17 MR. BACARISSE: Member Omumu?

18 MS. OMUMU: Aye.

19 MR. BACARISSE: Member Prewitt?

20 MR. PREWITT: Aye.

21 MR. BACARISSE: Member Scott is now absent, he
22 had a flight to catch.

23 And I, Chairman Bacarisse, vote aye, so that is
24 unanimous. Thank you.

25 Is there another item someone wishes to make a

1 motion?

2 MS. GILLMAN: Yes, Mr. Chairman, I'd like to
3 make a motion.

4 MR. BACARISSE: Member Gillman.

5 MS. GILLMAN: I move that the Board approve the
6 appointment of Daniel Avitia as acting executive director,
7 effective February 11, 2022.

8 MR. BACARISSE: And is there a second for that
9 motion?

10 MS. McRAE: I would like to second that motion.

11 MR. BACARISSE: Member McRae, vice chair.

12 Thank you.

13 Is there any discussion on this motion,
14 members?

15 (No response.)

16 MR. BACARISSE: Hearing none, I would call the
17 roll.

18 Member Alvarado?

19 MR. ALVARADO: Aye.

20 MR. BACARISSE: Member McRae?

21 MS. McRAE: Aye.

22 MR. BACARISSE: Member Gillman?

23 MS. GILLMAN: Aye.

24 MR. BACARISSE: Member Prewitt?

25 MR. PREWITT: Aye.

1 MR. BACARISSE: Member Graham?

2 MR. GRAHAM: Aye.

3 MR. BACARISSE: Member Omumu?

4 MS. OMUMU: Aye.

5 MR. BACARISSE: And I vote aye as well. That
6 is unanimous. The other two members are absent at this
7 time.

8 The chair would entertain a motion to adjourn.

9 MR. GRAHAM: So moved.

10 MR. BACARISSE: Is there a second?

11 MS. GILLMAN: Second.

12 MR. BACARISSE: This meeting is adjourned at
13 4:17 p.m.

14 (Whereupon, at 4:17 p.m., the meeting was
15 adjourned.)

C E R T I F I C A T E1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

MEETING OF: TxDMV Board

LOCATION: Austin, Texas

DATE: February 10, 2022

I do hereby certify that the foregoing pages, numbers 1 through 109, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

DATE: February 17, 2022

/s/ Nancy H. King
(Transcriber)

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