

TEXAS DEPARTMENT OF MOTOR VEHICLES
CUSTOMER SERVICE AND PROTECTION ADVISORY COMMITTEE
MEETING

Texas Department of Motor Vehicles
Lone Star Conference Room
4000 Jackson Ave., Building 1
Austin, Texas 78731

and

via Webex

Friday
September 20, 2024
9:00 a.m.

COMMITTEE MEMBERS:

KRISTEN HOYT, Presiding Officer
CARROLL SMITH, 1st Vice Chair
CHERYL JOHNSON, 2nd Vice Chair
JOHN AMES (absent)
DOROTHY BROOKS (absent)
TINA CARTER (absent)
LAIRD DORAN
PHIL ELAM (absent)
CHRISTOPHER GASTON
RUBEN GONZALEZ
MARK "JIM" HARDICK
RUSSELL HAYTER
CHARLES HICKS
LORI KING
TRACI McCULLAH (absent)
MATTHEW NANCE
RAYMOND "RAY" OLAH
JACKIE POLK (absent)
JEANETTE RASH (absent)
BRUCE STIDHAM
SUSAN SUTTON
FORD WAGNER (absent)
CHRISTOPHER WALL

Staff:

LAURA MORIATY, General Counsel

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

(9:01 a.m.)

1
2
3 MS. HOYT: Good morning. My name is Kristen
4 Hoyt, and I am pleased to open this meeting of the
5 Customer Service and Protection Advisory Committee. For
6 ease of reference, I will refer to this Advisory Committee
7 as CSPAC, which is the acronym for this committee.

8 It is 9:02 a.m. and I am now calling the CSPAC
9 meeting for September 20, 2024, to order. I want to note
10 for the record that the public notice of this meeting,
11 containing all items on the agenda, was filed with the
12 Office of Secretary of State on September 12, 2024.

13 This meeting is being held by telephone
14 conference call in accordance with Texas Government Code
15 Chapter 551.125. Members of the public may attend this
16 meeting in person at 4000 Jackson Avenue, Building One,
17 Lone Star Conference Room, Austin, Texas, 78731.

18 Also, members of the public may attend this
19 meeting by clicking on the Webex link in the posted agenda
20 for this meeting and following the instructions to attend
21 the meeting via Webex. In addition, members of the public
22 may attend this meeting remotely by calling the toll free
23 telephone number, which is listed in the posted agenda for
24 this meeting along with the access code.

25 At this time, I am asking all attendees, please

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

7 I would like to remind all participants that
8 this is a conference call meeting. Because this meeting
9 is being held by conference call, there are a few things
10 that will help to make the meeting run smoothly, and
11 assist the court reporter to get an accurate record.

12 Please identify yourself before speaking.
13 Speak clearly and slowly. Remember that there may be a
14 slight delay, due to the conference call format, so please
15 wait a little longer than usual before responding to
16 participants.

17 Do not speak over others. Please ask the
18 Presiding Officer to speak, and be sure to get recognized
19 before speaking.

20 And for members participating in the room,
21 please remember to press the button on your microphone to
22 unmute before speaking. Then press the same button to
23 mute again, after speaking.

24 I would also like to thank our court reporter
25 who is transcribing this meeting.

1 If you are not a member of this Advisory
2 Committee, but wish to address the Advisory Committee or
3 speak on an agenda item during today's meeting, please
4 complete a speaker sheet at the registration table prior
5 to the agenda item being taken up by the Advisory
6 Committee, or send an email to GCO_general@txdmv.gov to
7 register by providing the required information prior to
8 the agenda item and being taken up by the Advisory
9 Committee. Please identify the specific item you are
10 interested in commenting on, your name and address, and
11 whether you are representing anyone or speaking for
12 yourself.

13 If your comment does not pertain to the
14 specific agenda item, we will take your comment during the
15 general public comment portion of the meeting. When
16 addressing the Advisory Committee, please state your name
17 and your affiliation for the record.

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

1 disruption.

2 Advisory Committee members, if you become
3 disconnected from the call, please rejoin as soon as
4 possible. If you encounter technical difficulties, please
5 reach out to our technical support team at
6 board.tech.help@txdmv.gov.

7 Agenda Item Number 1, roll call and
8 establishment of quorum. I would like to call the roll
9 for the Advisory Committee members. Please respond
10 verbally, and when I call your name, please indicate if
11 you are present.

12 Member Ames, are you present?

13 (No response.)

14 MS. HOYT: Member Brooks.

15 (No response.)

16 MS. HOYT: Member Carter?

17 (No response.)

18 MS. HOYT: Member Doran.

19 MR. DORAN: Present.

20 MS. HOYT: Thank you. Member Elam.

21 (No response.)

22 MS. HOYT: Member Gaston.

23 MR. GASTON: Member Gaston is present.

24 MS. HOYT: Thank you. Member Gonzalez.

25 MR. GONZALEZ: Present.

1 MS. HOYT: Thank you. Member Hardick.
2 MR. HARDICK: Present.
3 MS. HOYT: Thank you. Member Hayter.
4 MR. HAYTER: Member Hayter is here.
5 MS. HOYT: Yes, sir. Thank you.
6 Member Hicks.
7 MR. HICKS: Here.
8 MS. HOYT: Okay. Member Hoyt, I am here,
9 present.
10 Member Johnson.
11 MS. JOHNSON: I'm present.
12 MS. HOYT: Thank you. Member King.
13 MS. KING: Present. Member King, present.
14 MS. HOYT: Thank you. Member McCullah.
15 (No response.)
16 MS. HOYT: Member Nance.
17 MR. NANCE: Member Nance, present.
18 MS. HOYT: Thank you. Member Olah.
19 MR. OLAH: Member Olah, present.
20 MS. HOYT: Thank you. Member Polk.
21 (No response.)
22 MS. HOYT: Member Rash.
23 (No response.)
24 MS. HOYT: Member Smith.
25 MR. SMITH: Member Smith, present.

1 MS. HOYT: Thank you. Member Stidham.

2 MR. STIDHAM: Member Stidham, present.

3 MS. HOYT: Member Sutton.

4 (No response.)

5 MS. HOYT: Member Wagner.

6 (No response.)

7 MS. HOYT: Member Wall.

8 MR. WALL: Present.

9 MS. HOYT: Okay. And again, I am Kristen Hoyt.

10 I am present also. So, we do have a quorum.

11 The purpose of this Committee is to assist the
12 Department in obtaining feedback regarding important
13 legislation, policymaking, and rulemaking. The CSPAC
14 advises the Department concerning issues related to
15 improving and enhancing customer service, and consumer
16 protection by the Department. Thank you all for being
17 present today.

18 The next agenda item of 2(a) will be consider
19 rule amendments to 43 Texas Administrative Code, TAC,
20 Chapter 215, Motor Vehicle Distribution. We will move --
21 turn the meeting over to Corrie Thompson, Director of the
22 Enforcement Division for an overview of the draft rule
23 amendments to 43 TAC 215.245.

24 Members, just as a reminder, if you would like
25 to comment or ask questions, please unmute yourself and

1 ask the floor -- I am sorry. That is after her
2 presentation.

3 Sorry, Ms. Thompson.

4 MS. THOMPSON: Good morning. Thank you,
5 Presiding Officer Hoyt. Corrie Thompson, Director of the
6 Enforcement Division for the Texas Department of Motor
7 Vehicles.

8 And as Presiding Officer mentioned, we are here
9 today to consider draft amendments to one of our
10 advertising rules, specifically, 215.245, and subpart C
11 specifically, here today. And that is regarding
12 availability of motor vehicles that are advertised for
13 sale by our licensed dealer community.

14 So, the current language and rule reads that if
15 an advertised price pertains only to one specific motor
16 vehicle, then an advertisement must disclose the motor
17 vehicle's stock number or the VIN. And so, the
18 advertising rules we have listed have consumer protection
19 elements for them. So, this rule in particular would be
20 to prevent a bait and switch tactic, to allow a consumer
21 to do some additional research on the vehicle that is
22 being advertised for sale to determine if there is
23 anything that would turn them away from that vehicle, and
24 look for another. But to gather additional details about
25 that vehicle.

1 And this rule is up for discussion today
2 because we received information at the Department
3 indicating that VINs were actually being pulled from
4 dealer advertisements and then being used on stolen or
5 damaged vehicles. And then, those vehicles being resold
6 with that erroneous information. So, this is often called
7 VIN flipping or VIN cloning, where those criminals are
8 finding the VINs from that advertisement, and then using
9 it on those stolen or damaged vehicles inappropriately.

10 So, the rule currently again, specifies that
11 when you have one vehicle that you are offering for sale
12 at that specific price, you have to include that
13 additional identifier. Currently, the rule language reads
14 the stock number for that vehicle or the VIN. And so, up
15 for discussion today by the members is, do we make any
16 changes to that language concerning the inclusion of the
17 VIN?

18 The Department has put together draft rule
19 language that reads as follows: if an advertised price
20 pertains only to one specific motor vehicle, then the
21 advertisement must also disclose the vehicle's stock
22 number, which must be unique to the specific motor vehicle
23 advertised or the last four digits of the VIN.

24 And so, that draft language proposed by the
25 Department is what we would like to open up to the

1 membership for discussion.

2 MS. HOYT: Thank you, Ms. Thompson.

3 Members, as a reminder, if you want to comment
4 or ask questions, please unmute yourself and ask for the
5 floor, then wait until you are recognized before speaking.

6 Are there any questions for Ms. Thompson?

7 MR. HARDICK: Member Hoyt?

8 MS. HOYT: Yes. Who is speaking?

9 MR. HARDICK: This is Member Hardick.

10 MS. HOYT: Hi, Member Hardick. Yes, sir.

11 MR. HARDICK: So, the way it states right now
12 is just the stock number or the last four digits of the
13 VIN number in order to identify that vehicle in the ad.
14 Correct?

15 MS. THOMPSON: The current rule language is
16 stock number or VIN, which would indicate the full VIN for
17 the vehicle. The proposed draft language changes that by
18 adding some specific identifying language that is
19 connected to the stock number, and then also restricting
20 the VIN to the last four digits rather than the full
21 number.

22 MR. HARDICK: Okay. I would be for not using
23 the VIN number at all. Yes, as long as that is left out.

24

25 Because that does happen, and any information

1 that the consumer might need, additional information on
2 that vehicle, once they contact the dealer, I think most
3 dealers are open to showing them whatever they wanted to
4 see. So, that would be the way I would vote.

5 MS. THOMPSON: Corrie Thompson, Director of the
6 Enforcement Division again. I just wanted to make a
7 clarifying point on that recommendation.

8 So, the draft rule language proposed currently
9 by the Department changes that from the full VIN to the
10 last four digits of the VIN. But I believe that I heard a
11 separate recommendation to just remove the VIN in its
12 entirety.

13 MR. HARDICK: Yes.

14 MS. HOYT: Member Hardick, we will take
15 recommendations in the next agenda item, so hang on to
16 that thought.

17 Any other questions for Ms. Thompson about her
18 comments?

19 MR. DORAN: Presiding Officer Hoyt, this is
20 Member Doran. May I be recognized?

21 MS. HOYT: Yes, please, Member Doran.

22 MR. DORAN: Thank you.

23 So Corrie, you talked about the Agency being
24 provided with information. Can you go into a little bit
25 greater detail about what that information entailed? Were

1 there statistics or data that attribute certain auto theft
2 to this type of crime or practice?

3 MS. THOMPSON: Corrie Thompson, Director of the
4 Enforcement Division. No, the Department did not receive
5 any specifics.

6 And we had one individual reach out to us,
7 indicating that dealers had presented this as a problem
8 with advertisements that a membership with an association
9 were a part of -- and brought that to the association's
10 attention. And so, it was brought to the Department.

11 And so now, the Department is here considering
12 whether or not a change is warranted based on that
13 information. We have looked at it internally, and looked
14 at the makeup of the VIN. And there are various things
15 that could happen here that people can discuss as
16 recommendations.

17 But we can do various things. The Department
18 is proposing leaving in the last four numbers. We could
19 remove it, in its entirety, or we could leave it as is and
20 have the full VIN there. Again, it can go both ways,
21 right.

22 So, there are consumer protection elements
23 attached to having the VIN there. It lets the consumer do
24 a title check beforehand without having to reach out to
25 the dealer separately.

1 But we heard from a separate member here, just
2 now, that dealers are likely very willing to provide that
3 information outside of the advertisement as well. And so
4 it is good to have that information for the Committee to
5 consider here.

6 MR. DORAN: May I ask a follow-up question?

7 MS. HOYT: Yes.

8 MR. DORAN: Okay. Thank you. Thank you for
9 that response.

10 So, the way I view this, this is a significant
11 change because we really don't necessarily understand what
12 all the consequences might be to the consumer or to other
13 stakeholders for making this change. And those could be
14 inconvenience to the consumer, right. It could have some
15 measurable impact in a positive way, for law enforcement.

16 But we haven't yet in the course of this conversation
17 quantified that.

18 And there are some -- you know, there could be
19 other factors at play, right. Whether it is the financial
20 cost that a dealer would have to incur to make the switch,
21 maybe we will hear from some of our dealer members today
22 on that.

23 My follow-up question is, are there any other
24 states that have tried to address this problem at all?
25 And if so, have they pursued this type of proposal?

1 MS. THOMPSON: Thank you for the question.
2 Corrie Thompson, Director of the Enforcement Division.

3 The Department does not currently have any
4 statistics from other states, or information regarding how
5 they have handled this matter.

6 MR. DORAN: May I ask one more follow-up
7 question? And then I will -- Member Doran again.

8 Does the Agency have a position if this issue
9 were to be, let's say, the subject of a study that the
10 Legislature asked the Agency to do, to get that
11 information. And when I say, a study, I am not saying it
12 would be the sole and exclusive responsibility of the
13 Agency to do this study, but would perhaps involve law
14 enforcement agencies, DPS, local law enforcement, et
15 cetera, to maybe paint a more comprehensive picture as to
16 the return on investment, so to speak, that we might get
17 from this kind of proposal.

18 MS. THOMPSON: Corrie Thompson, Director of the
19 Enforcement Division.

20 So, for clarification, is the question: would
21 the Agency be able to gather that information if asked to
22 do so from the Legislature? Yes, the Agency does have the
23 ability to go out and gather information from other
24 states. And of course, if tasked with doing so, the
25 Department would be able to gather that information.

1 MR. DORAN: Thank you.

2 MR. HICKS: Chairman Hoyt, Member Hicks. May I
3 be recognized?

4 MS. HOYT: I am sorry. Say that one more time?

5 MR. HICKS: Member Hicks. May I be recognized?

6 MS. HOYT: Yes, sir, Member Hicks.

7 MR. HICKS: Thank you.

8 Ms. Thompson, has there been any research into
9 the manufacturer requirements? When we run
10 advertisements -- I am a franchise dealer. So, we have
11 four different franchises.

12 Oftentimes, they require the full 17-digit VIN
13 for an ad to be considered compliant for co-op purposes
14 and also, just as a franchise dealer, for that ad to meet
15 state law. But most importantly, a manufacturer would
16 require that we have the full VIN. Has there been any
17 research into whether or not the manufacturers would
18 support the move to four digits for the VIN?

19 Thank you.

20 MS. THOMPSON: Thank you. Corrie Thompson,
21 Director of Enforcement.

22 The Department does not currently have any
23 information on manufacturer requirements concerning those
24 specifications that they put on their franchise dealers to
25 place in their advertisements. We do not have that

1 information at this time.

2 MR. HICKS: Thank you. Again, Member Hicks.

3 As a follow-up, are there any manufacturer reps
4 on the Committee who might know that?

5 MR. DORAN: This is Member Doran. I will just
6 chime in. I can't speak for other manufacturers.

7 And I would actually have to do some research
8 internally to understand what Toyota and Gulf States
9 Toyota specific requirements are of the dealers, as it
10 relates to the advertising that you are describing. I
11 think that is an excellent point to bring up, and one that
12 we should thoughtfully consider.

13 MR. HICKS: Thank you.

14 MR. SMITH: Chairman Hoyt, Member Smith.

15 MS. HOYT: Yes, Member Smith.

16 MR. SMITH: I certainly understand what this is
17 intended to get at, and would not oppose that. But one of
18 the things that I think we need to consider and look
19 into -- many shoppers, if it is a new car, these shoppers
20 not only want to see the information that we as dealers
21 post, but they also want to see the Monroney sticker.

22 The Monroney sticker has a lot of information
23 that we simply cannot get in our ads, from fuel economy to
24 annual fuel costs. And those Monroney stickers, of
25 course, identify the vehicle in full VIN. Used car buyers

1 typically most always want to see a CARFAX on a used
2 vehicle that they are shopping. And they want to do that
3 at the time they are shopping, not after they have
4 identified vehicles.

5 And of course, the reason I am getting at this
6 is because when we as dealers show links to either a
7 Monroney sticker or a CARFAX, or other entity that does
8 vehicle information, and you go to those sites, those
9 sites are going to have the full vehicle ID. And I think
10 we have got to consider very strongly that what we are
11 doing from a consumer standpoint, who wants this
12 information, and the DMV and the dealers' inability to
13 prevent that information from being accessible, being
14 hyperlinked to either of those sites.

15 (Pause.)

16 MS. HOYT: Thank you.

17 Any other comments, Members?

18 MR. NANCE: This is Member Nance. May I be
19 recognized?

20 MS. HOYT: Yes, Member Nance.

21 MR. NANCE: Director Thompson, you had
22 mentioned title checks, and I just had a follow-up
23 question about title checks. If I understood you right,
24 you had said that a consumer using this information in the
25 proposal, either a unique identifying stock number or the

1 last four digits of the VIN -- I had understood that you
2 had said that a consumer could use that information to do
3 a title check.

4 And just because I am not familiar with this,
5 could you elaborate on where a consumer would go to do
6 that and how they would use that information to complete
7 the title check?

8 MS. THOMPSON: Corrie Thompson, Director of
9 Enforcement. I don't believe we have anybody with us from
10 VTR, but I do believe that you need the full VIN in order
11 to conduct the title check, and we do have links on the
12 Department website at txdmv.gov.

13 I think that the moniker is Don't buy a wreck,
14 do a title check. It has links to various entities that
15 consumers can pay a nominal fee in order to conduct that
16 check prior to deciding to enter into the purchase of a
17 vehicle.

18 MR. NANCE: Okay. So, this is Member Nance.
19 So just -- if I am understanding you right, a specific
20 dealer stock number or the last four digits of the VIN
21 would not be sufficient to do a title check. Is that
22 right?

23 MS. THOMPSON: That would be my understanding.
24 Corrie Thompson, again.

25 MR. NANCE: Okay. And then, I have one more

1 question about the process. I appreciate some of the
2 members' concerns about wanting to hear from stakeholders.

3 But am I correct that this would be a proposal
4 with additional opportunities for public comment from
5 stakeholders before this proceeds further? Could you
6 elaborate just a little bit on where we are in the
7 process, and the opportunities for stakeholder comment?

8 MS. MORIATY: This is Laura Moriatty, General
9 Counsel of the DMV. Yes. So, we are at a very
10 preliminary stage of this process.

11 If this were to go forward, we would have
12 another opportunity for stakeholder response to the
13 proposal of the rule. And you could even come to the
14 Board meeting and comment in person before the rule was
15 proposed. And there will be another opportunity to
16 comment at the adoption of the rule.

17 So, if this goes forward into rulemaking, there
18 will be more official opportunities for public comment.
19 This is an early effort by the Agency to basically take
20 the temperature from this Committee and get input on what
21 issues you were all spotting in this proposal, so that we
22 can decide whether we even want to go down the official
23 rulemaking path.

24 MR. NANCE: Okay. Yes. Thank you. That is
25 helpful.

1 I, like other members, I am also interested in
2 how stakeholders are -- you know, their approach to this,
3 and what other states are doing, and how this interacts
4 with some of the other requirements that other members had
5 mentioned. So, thank you. That is helpful.

6 MR. HAYTER: Member Hayter has a question.

7 MS. HOYT: Member Hayter. Yes.

8 (No response.)

9 MS. HOYT: Member Hayter. Yes.

10 MR. HAYTER: Sorry. Would the Department's
11 proposal prohibit the dealers from displaying the entire
12 VIN, or this is just an option?

13 MS. THOMPSON: I will let -- Corrie Thompson.
14 I will let General Counsel correct me if I am wrong, but I
15 do not see that the limitation on the four digits would
16 prohibit the dealer from then choosing to add the
17 additional identifiers for the VIN, outside of the four.

18 As long as they were compliant with the rule,
19 they had either the stock number or the last four digits
20 of the VIN, if the rule were to be amended to read that
21 way. I don't see that that would prohibit them from
22 including the additional numbers.

23 MR. HAYTER: Thank you.

24 MR. GONZALEZ: This is Member Gonzalez.
25 Permission to speak.

1 MS. HOYT: Yes, Member Gonzalez.

2 MR. GONZALEZ: Yes. My experience, by showing
3 just the four digits of the VIN number on a brand new
4 vehicle, there is not much that can be done as far as
5 obtaining a title history, because there is no record for
6 that new vehicle, as a title being issued.

7 I would favor including the four-digit VIN
8 number for a brand new vehicle. Now, on a used vehicle,
9 that would be a little bit more different. But I don't
10 think there is no harm in showing the four-digit VIN
11 number on the advertisement, and it does give the option
12 to the dealer to show the stock number or the four-digit
13 VIN number.

14 And if people wanted to do a title check, for
15 example, on a used vehicle, they do need to get a complete
16 serial number of the vehicle. Or if they want to use it
17 for a stolen vehicle activity, then that is where there is
18 more harm on a used vehicle in showing the complete VIN
19 number.

20 On a brand new vehicle, just showing four
21 digits, it is not going to harm anybody. There is no
22 title record on it because it is a brand new vehicle. So,
23 I think, I believe that showing the four-digit VIN number
24 on a brand new vehicle would not create any harm to the
25 consumer.

1 That is my commentary on that proposal. Thank
2 you.

3 MS. HOYT: Yes. Thank you, Member Gonzalez.
4 Member King, you have your hand raised.

5 MS. KING: Yes, ma'am. Thank you. I would
6 like to say that I agree with Member Gonzalez.

7 As a tax office, we are seeing a huge uptick in
8 stolen vehicles and cloned VINs. And I believe
9 offering -- making this a rule, I feel the benefits
10 outweigh any potential impact to the consumer or the
11 dealer.

12 MS. HOYT: Thank you, Member King.

13 MR. DORAN: Presiding Officer Hoyt, this is
14 Member Doran. May I be recognized?

15 MS. HOYT: Yes, sir.

16 MR. DORAN: Thank you.

17 Corrie, so a question about administrative rule
18 history here. When you were laying out the background and
19 doing the introduction of the rule proposal, you mentioned
20 bait and switch. And you may have said transparency, but
21 I think you were alluding to customer transparency in the
22 advertising process. The language that we have here in
23 (c), can you speak to kind of how that came to be?

24 And I will just kind of cut to the punch. I am
25 aware of a particular situation where we had a House

1 Transportation Chairman who traveled, you know, a couple
2 hours, I think, from his hometown to a major metropolitan
3 area within Texas to go see a vehicle that he thought was
4 in the dealer's inventory. And it had been identified
5 some way, maybe not with enough specificity, I don't know.

6 But was very angry when he arrived at the dealer only to
7 learn that they did not have that vehicle in stock as
8 advertised.

9 And I seem to recall that there were some
10 changes that were made by the Agency around advertising,
11 particularly around dealer inventory display, coming out
12 of that particular situation. And so I am just curious if
13 this existing language here was driven by concerns raised
14 by the Chairman or other members, even of the public, who
15 had concerns.

16 MS. THOMPSON: Corrie Thompson. As to the
17 history of the rules creation and adoption, I can't speak
18 specifically as to whether that is why it currently exists
19 as it does. But as to situations that you speak to, and
20 the example that you provided, yes. That is the type of
21 behavior and activity that the Department gets wind of
22 through complaints regarding advertisements, that the rule
23 does seek to prevent.

24 So, that could happen regarding a change in the
25 price of the vehicle or a change in the availability of

1 the vehicle. So, the advertisement rules are there to
2 protect the consumers, to ensure that the vehicle that
3 they see in the ad is the vehicle that is there, present
4 at the dealership when they show up, and that it is the
5 same specification, it is the same price. The other rules
6 that we are not discussing today cover similar protections
7 that way as well, too, for the consumer.

8 MR. DORAN: Thank you. A quick follow-up
9 question.

10 So I guess, just to wrap that up with a bow, we
11 are not sure whether the specific language regarding the
12 VIN number and stock number came out of a rule change that
13 may have followed from those complaints that were made,
14 let's say, over a decade ago.

15 MS. THOMPSON: That is correct. I don't have
16 that information.

17 MR. DORAN: Okay. Thank you.

18 MS. HOYT: Are there any other questions or
19 thoughts?

20 MR. GONZALEZ: Gonzalez. Permission to speak.

21 MR. SMITH: Member Smith. Question.

22 MS. HOYT: Okay. Member Gonzalez first,
23 please.

24 MR. GONZALEZ: Yes. Permission to speak.

25 Corrie, does this rule, will it include the

1 used car dealer industry also? I know it is identified in
2 the rules for the new car vehicles, pretty much. But
3 would it also extend to the used cars?

4 MS. THOMPSON: Excellent question, Member
5 Gonzalez. So, the rule actually covers in different
6 points specific provisions for new vehicles and specific
7 provisions for used vehicles. Specifically, subpart (c)
8 here, I would read to cover new vehicles and used
9 vehicles.

10 And so when you were mentioning earlier your
11 recommendation that we can discuss in the next agenda
12 item, it seemed to me that you were discussing possible
13 different parameters for new vehicles than used vehicles.

14 MS. HOYT: Thank you for the clarification.

15

16 MR. GONZALEZ: Yes. Thank you very much.

17 MS. HOYT: Member Smith.

18 MR. SMITH: Yes. Thank you. This is a
19 question for Corrie.

20 I can understand -- first of all, I don't think
21 dealers would have an objection to this rule at all. And
22 of course, we are limited an awful lot by what
23 manufacturers do, in their control of our website. But
24 that having been said, for Corrie.

25 If we have a hyperlink in our ad for CARFAX or

1 for the Monroney sticker, and then when a prospective
2 buyer, consumer, were to go to those sites -- and CARFAX
3 is the example I am using. And CARFAX would have the
4 entire serial number. Would a dealer under this rule be
5 in violation, if in fact, they could get the entire VIN
6 from a hyperlink?

7 MS. THOMPSON: Corrie Thompson. I would say
8 no.

9 Of course it would be dependent on the facts of
10 the specific case before the investigator reviewing the
11 advertisement. But I would say, as long as the ad was
12 compliant with the specifications in the advertising rule
13 as written, that there would be no issue for the dealer.

14 MR. SMITH: Okay. Do we come to a point here
15 today where we might recommend some sort of change in
16 verbiage, or additional verbiage?

17 MS. THOMPSON: That is up for discussion with
18 the next agenda item, after everybody has had a chance to
19 speak their thoughts on the proposed language.

20 MR. SMITH: Perfect. Thank you.

21 MR. HICKS: This is Member Hicks. May I be
22 recognized?

23 MS. HOYT: Yes. Member Hicks.

24 MR. HICKS: Ms. Thompson, just for point of
25 clarification, if a consumer sees a compliant ad with a

1 stock number and the last four of the VIN, and they go to
2 a dealer's website. It transfers to the dealer's website.
3 Put in that stock number, and the full VIN is part of
4 that display; the vehicle display page on that website.
5 Would the dealer still be considered compliant, and not in
6 violation?

7 MS. THOMPSON: Can you rephrase the question?
8 I think I was following you at the beginning, and I lost
9 you in the middle.

10 MR. HICKS: Yes. So, let's say we run an ad
11 for a particular vehicle, online or in print. The
12 customer gets the stock number, takes that stock number.
13 Visits a particular dealer's website, puts in that stock
14 number.

15 It is going to pull up the vehicle display page
16 that connects with that stock number. That page on the
17 dealer's website would have the full VIN.

18 So, the question would be, if the ad is
19 compliant by having either the stock number or the last
20 four digits to the VIN and that customer takes that
21 information and goes to a dealer's website. Would dealer
22 in any way be at risk, or in violation because our
23 websites do have the full VIN number? Hopefully, that
24 clarifies it.

25 MS. THOMPSON: So, I think I am understanding

1 the question correctly. Corrie Thompson here.

2 So, we are starting with the advertisement.
3 And the provision here speaks only to the advertisement
4 that is offering the one vehicle at a particular price for
5 sale in that advertisement. That advertisement has to
6 contain currently, under the current rule language, either
7 the stock number or the VIN.

8 Under the proposed language, it would either
9 have to have the stock number or the last four digits of
10 the VIN. And if a consumer filed a complaint, that is
11 what the investigator would be looking at, whether or not
12 it contained one of those two items alone. As long as
13 those two items are present, the advertising rule is
14 satisfied.

15 MR. HICKS: Okay. And to follow up on this, a
16 dealer -- if my ad is compliant, because it has one of
17 those two pieces, one of those two identifiers -- either
18 the stock number, or the last four of the VIN. We have
19 checked the box for a compliant ad.

20 If the consumer takes that information and
21 visits our website, puts in that stock number, and is able
22 to access the full VIN, is the dealer considered still
23 compliant? I believe we are, under the language.

24 But I just want to make sure that -- and it
25 does relate to Member Smith's comments about a hyperlink,

1 where they can just simply click a button in a digital ad
2 and access a CARFAX report with the full VIN. We are
3 looking to make sure. We want to be transparent and
4 provide all the information we can to a consumer, whether
5 that is the Monroney, CARFAX, or any other element that
6 would help them make an informed decision.

7 We just want to make sure that we are not
8 putting a dealer at risk for non-compliance, and
9 potentially causing concern down the stream.

10 MS. THOMPSON: And I realize -- Corrie
11 Thompson -- where I am confused now. So, we started with
12 the advertisement, and then we moved over to going to the
13 dealer's website where the vehicle is there again, I would
14 say, advertised for sale.

15 So I would say that we are kind of talking
16 about the same thing. So, if the consumer is obtaining
17 information, I know some dealerships maintain separate
18 websites. They have their own websites. They have
19 their websites through the manufacturer.

20 So, I would say that in either of those
21 locations, the vehicle that is being offered for sale --
22 again, if it is one vehicle being offered at a specific
23 price, then both of those locations would need to have
24 either the stock number or the VIN in both locations if it
25 was the one vehicle being offered for sale at the price.

1 And then the dealer would be compliant. There would be no
2 concerns.

3 Now again, if the consumer shows up at the
4 dealership and they are told a different price for that
5 vehicle, or they are presented with a different vehicle,
6 we are out of the advertising rules now. And then we are
7 into more something like a misrepresentation to a
8 consumer, or some other type of violation that we would be
9 looking at in our case.

10 MR. HICKS: Okay. If I am allowed to follow
11 up -- I understand where you are going. I am not trying
12 to go that deep into the process of the potential, as you
13 referred to it earlier, bait and switch, where one VIN
14 number or stock number -- and then I get there and that
15 car is not available, and a dealer attempts to switch them
16 to another.

17 Mine is more concerned with the dealers -- the
18 franchise dealers' exposure, that we would be restricted
19 to only showing the last four digits of the VIN on our
20 website -- if a customer is searching for a vehicle and
21 goes to our website. We are required to have the full VIN
22 on our website with our manufacturer.

23 So, I think we may be entering an area where
24 the language of this needs to really be considered with
25 all ramifications. Whether a dealer can stay compliant

1 with their manufacturer by having a full VIN on their
2 website, yet that would put them at risk of being
3 potentially non-compliant in the eyes of the State, based
4 on the language of this subchapter.

5 MS. THOMPSON: Again, Corrie Thompson. I do
6 believe that we heard this discussed by several other
7 members as well: if the rule were to be changed to stock
8 number, or the last four digits of the VIN, would a dealer
9 be non-compliant for showing the full VIN.

10 Again, General Counsel, you can correct me if I
11 am wrong, but I would say that the dealer would not be out
12 of compliance with the advertising rule for choosing to
13 provide that additional information. So, the advertising
14 rule is kind of the floor on the minimum of what you have
15 to provide in the ad, pursuant to the rule. If that
16 clarifies it for you.

17 MS. MORIATY: If I may, this is Laura Moriaty,
18 General Counsel.

19 So, the original request about this rule had
20 suggested that the DMV's rule was what was causing dealers
21 to have to disclose the full VIN number, and that we were,
22 therefore, causing whatever VIN washing occurs as a result
23 of harvesting from those advertisements. This is an
24 effort to get the DMV out of any causal relationship with
25 VIN washing.

1 So, that is the effort here, that it is not our
2 rule that is making people put the full VIN on their
3 website.

4 MR. HICKS: Madam Chair. Okay. I am trying
5 to --

6 MS. HOYT: Go ahead, Member Johnson.

7 MR. HICKS: Member Hicks. If you don't mind.

8 MS. HOYT: Member Hicks.

9 MR. HICKS: And I will close up and let the
10 next member speak.

11 But I am still unclear. It sounds to me like
12 if we have the stock number or we have the full VIN, that
13 would meet -- I know it meets current criteria. But the
14 language of this, we would not be in violation if we had
15 the full VIN, even though this is saying it is a minimum.

16 We would need the stock number and the last four.

17 If a dealer chose to have the full VIN, we
18 would still be compliant. Is that correct?

19 MS. THOMPSON: Correct. So, that is why
20 General Counsel was just clarifying that pursuant to our
21 rule. And the information that we received was that our
22 requirement to have the full VIN pushed -- was creating
23 issues. If there is another -- an outside factor that is
24 mandating that the dealer include the full VIN somewhere
25 in connection with the vehicle, that would be outside of

1 the Department's purview regarding regulation of
2 advertisements.

3 MR. HICKS: Thank you for the clarification.

4 MS. HOYT: Thank you.

5 Member Johnson.

6 MS. JOHNSON: Yes. Thank you. Member Johnson
7 asking to be recognized. Can you hear me?

8 MS. HOYT: We can hear you.

9 MS. JOHNSON: Okay. So, I almost feel like it
10 is the tail wagging the dog here. Because from a consumer
11 standpoint, that information -- all information needs to
12 be available to them to have the assurance that all things
13 are open and fair. Trying to prevent a criminal activity,
14 I don't think that this rule is going to change that,
15 because there are still ways for the criminal aspect of
16 the population to get those VINs. So, they just need to
17 go one step further.

18 But at the end of the day the DMV Board has a
19 manufacturer representative on the Board. So, perhaps
20 this needs to go back to the manufacturers. I have no
21 problem with removing this rule from DMV to take the
22 pressure off of them, to take the VIN out.

23 But because if the manufacturers are going to
24 require it anyway, then that is still going to put the new
25 dealers, the sellers, the franchiser dealers on the hook

1 for having to provide that information. But there is,
2 again, no real VIN until that car is titled.

3 So, I think we have to take the criminal
4 activity out of consideration here, and look at what is in
5 the best interests of our dealerships. What will the
6 manufacturers go along with? And then what is in the best
7 interest of the consumer?

8 I think providing the most information possible
9 is in the best interest of the consumer.

10 MS. HOYT: Thank you, Member Johnson.

11 Does anyone else wish to ask questions or
12 discuss this item?

13 MR. DORAN: Presiding Officer Hoyt, this is
14 Member Doran.

15 MS. HOYT: Yes.

16 MR. DORAN: I just kind of wanted to recap what
17 I think I have heard. So, I think as I understand it, the
18 language here about the four digits is permissive, not
19 mandatory. In other words, if the dealer provides the
20 full VIN, they are in compliance.

21 And then I think what I have also heard is, we
22 don't know if we are contravening the direction provided
23 to the Agency by the former Chairman of the House
24 Transportation Committee. We don't know how much the
25 consumer would be inconvenienced by this change.

1 We have focused on title checks. But consumers
2 will oftentimes shop online after hours, looking to line
3 up their financing, run a credit check, get an insurance
4 quote. We talked about CARFAX reports, recall checks. I
5 mean, there is a litany of the things that the consumer
6 can do today with that full VIN that they may not be able
7 to do, or may not be able to do as easily, as a result of
8 this change if it were mandatory.

9 Three, we don't know what the cost would be to
10 the dealer to make these changes in terms of what they are
11 dealing with with their website provider. We don't know
12 what the cost would be to the manufacturers, if the dealer
13 was relying solely on the manufacturer. We don't know
14 what the downstream costs would be if that dealer is
15 sending their inventory feed to third-party sources like
16 Cars.com, Autotrader, et cetera.

17 We don't know. And this is the most important
18 question. We don't know what the benefit would be to law
19 enforcement from this particular change.

20 I think that we can acknowledge that it is an
21 imperfect solution, especially if all they need to do is
22 just one additional click to get to the Monroney label.
23 Or the criminal could pick up the phone and call the
24 dealership, or come in and see the vehicle that they want
25 to steal the VIN number from.

1 So, because the proverbial we don't know
2 whether the juice is worth the squeeze, I am very much
3 gravitating towards wanting the Agency to study this,
4 rather than us coming to a recommendation that this is a
5 positive change, without knowing the answers to some of
6 those questions. So, maybe that wasn't a question. Maybe
7 that was a summation.

8 I apologize. But that is where I stand on this
9 currently. Thank you.

10 MS. HOYT: Thank you, Member Doran.

11 Any other comments or questions about Ms.
12 Thompson's presentation?

13 (No response.)

14 MS. HOYT: Okay. Seeing none, Ms. Moriarty, are
15 there any public comments on Item 2(a)?

16 MS. MORIATY: Yes, ma'am. We have three public
17 comments. The first one is from Drew Campbell, from the
18 Alliance for Automotive Innovation.

19 MS. HOYT: Okay. We will now hear from Drew
20 Campbell. Please state your name for the record. And
21 you will have three minutes.

22 MR. CAMPBELL: Thank you, Chairman. Thank you,
23 Members. Thanks for the opportunity.

24 My name is Drew Campbell. I am here
25 representing the Alliance for Automotive Innovation, for

1 the manufacturing arm of the automobile retail industry.

2 And without sounding like I am from the
3 Department of Redundancy Department, in going through
4 everything that you have already heard today, there is a
5 lot of things we don't know. We don't know how many of
6 these activities go on. We don't know whether or not this
7 would actually help law enforcement.

8 But the one thing I do know, because I was here
9 when we implemented this rule way back in the 1980s; back
10 then, we had the newspapers. We didn't have the internet.

11 So, there wasn't access to the VIN.

12 And this was all set in place to protect the
13 consumer. And I think that is where we ought to be on
14 this.

15 And I am here on behalf of the Alliance today
16 to ask the Committee if they would please, let's take
17 another hard look at this thing. Let's get together with
18 the manufacturers.

19 I know that we have individual manufacturers
20 who produce and put together the websites for the dealers.

21 And they do it, not just in Texas, but they do it
22 nationwide. Hence, anything they do nationwide is going
23 to be affected by what shows up here in Texas, and vice
24 versa. And we are talking about millions of dollars of
25 investment that will cost the manufacturers, but

1 eventually cost the consumers.

2 And so, I would very much like to pledge today
3 that we are here to work with you. We are here to provide
4 information. If we can come to a conclusion that hey,
5 this is really going to stop VIN washing -- but I know
6 that personally -- because when this first came up, I
7 thought, well, I am going to go see if I can really do
8 this.

9 I went to the NHTSA website, and guess what.
10 You can pretty much build any VIN off that website you
11 want. If you have four numbers and you know who the
12 manufacturer is, it is all right there, just for anybody
13 to do.

14 And I would suggest to you that most consumers
15 are not criminals. They are out there looking to buy a
16 car. But most criminals, all this is, is just a little
17 impediment along the way. But if there is a way for us to
18 really do some good, not only for law enforcement, but for
19 the consumers as well, we are here to work with you.

20 And with that, thank you. I would be happy to
21 answer any questions.

22 MS. HOYT: Thank you. Thank you, Mr. Campbell.

23 MR. CAMPBELL: Thank you.

24 MS. MORIATY: Our second speaker is Cathy
25 Dewitt from General Motors.

1 MS. HOYT: Okay. We will now hear from Cathy
2 Dewitt. Please state your name at the podium. And you
3 will have three minutes. Thank you.

4 MS. DEWITT: Good morning. My name is Cathy
5 Dewitt, and I am with General Motors.

6 We would also like to echo the concerns. We do
7 believe not being able to provide the full VIN number
8 might be in violation of our federal requirement of the
9 Monroney label. It also defeats the intentions of the
10 consumer protection that the Monroney label provides.

11 We do think that access for consumers is
12 important. We do also have concerns of what -- especially
13 the smaller dealers, of the cost of changing systems to do
14 that.

15 We are more than happy to help with this issue
16 and provide expertise. And I am more than happy to follow
17 up with our group to see if they have any information by
18 state, if anyone is tackling this in any other way. So,
19 we would love to participate in doing that.

20 MS. HOYT: Thank you, Ms. Dewitt. Thank you
21 for your time.

22 MS. MORIATY: Our third speaker is Chris
23 Shields from Toyota Motors.

24 MS. HOYT: Okay. We will now hear from Chris
25 Shields. Please approach the podium. State your name for

1 the record, and if you are representing anyone.

2 You will have three minutes. Thank you for
3 being here.

4 MR. SHIELDS: Thank you. My name is Chris
5 Shields. I am a consultant for Toyota.

6 My testimony was based on a reading of the rule
7 that you would prohibit us from having the full VIN. I
8 want to thank Members Hicks and Smith in particular for
9 their line of questioning, which kind of helped tease this
10 out a little bit.

11 Some of you may know there was another hearing
12 on this same issue in a different committee. And I think
13 the understanding of this proposal is very different than
14 what has been expressed here.

15 So, I am going to hopefully not get in too much
16 trouble by veering from the testimony that I was asked to
17 come and provide, by simply saying that Toyota's primary
18 position is that we recognize there is a problem here.
19 And we want to help solve the problem. And we support the
20 adoption of a rule that would help solve the problem.

21 But our understanding of the rule as we read
22 it, it would not help solve the problem, because there
23 continue to be multiple other avenues of access for
24 criminals to the full VIN information. We don't feel that
25 this rule prohibits that, even with the better

1 understanding of the draft rule that I have now that
2 access would clearly still be available.

3 So, I think Toyota's request simply would be
4 that this is an issue that requires further consideration
5 and discussion and impact. It doesn't make sense to us to
6 adopt a rule that may cost a lot of money and may not
7 really solve the problem that we are all hoping to
8 address.

9 So, that would be my testimony. I am happy to
10 answer any questions. Thank you.

11 MS. HOYT: Thank you, Mr. Shields.

12 Okay. Are there any other public comments?

13 MS. MORIATY: No more public comments.

14 MS. HOYT: Okay. So with that, we will move on
15 to Agenda Item 2(b), Recommendations of Advisory Committee
16 for presentation to the Board.

17 So, now that the Committee has been briefed by
18 TxDMV staff on the proposed draft amendments to Chapter 43
19 TAC, Chapter 215, Motor Vehicle Distribution, Section
20 215.245, Availability of Motor Vehicles. It is now time
21 to discuss and vote on any recommendations that we see as
22 an Advisory Committee, that we would like to present to
23 the TxDMV Board.

24 To assist the court reporter in getting an
25 accurate record, please cite to the blue page number at

1 the top right-hand side of your written materials, and the
2 line number located on the left-hand side of the draft
3 Amendments to Chapter 215, when discussing any portion of
4 the provisions in the written materials that TxDMV staff
5 provided to you. Any recommendations from this Advisory
6 Committee should be made in the form of a motion that this
7 Advisory Committee votes on, unless TxDMV staff are
8 willing to accept an informal comment.

9 An example of a motion is: I move that this
10 Advisory Committee recommend to the TxDMV Board that the
11 proposed amendments to Section 215.245 should be modified
12 to add a clause that says X.

13 Members, do you have any recommendations to
14 present to the DMV Board, regarding the draft amendment to
15 Chapter 215, Motor Vehicle Distribution?

16 MR. SMITH: Presiding Office Hoyt. Member
17 Smith.

18 MS. HOYT: Yes. Member Smith.

19 MR. SMITH: It is my understanding that we
20 would follow this with a vote up or down on this. And I
21 think that people, members and speakers have raised
22 questions that may indicate whether or not we should vote
23 for it.

24 However, I would like for us to look at Exhibit
25 B, page one of two. The area that we are talking about

1 beginning on line 15.

2 If we -- I would propose and make a motion that
3 we amend or add to on the line 17 the following verbiage,
4 just to make it clear from a dealer's perspective. And
5 that verbiage would be: the use of a stock number or the
6 last four digits of the VIN, or the full VIN, does not
7 prohibit a dealer from including a hyperlink in the
8 advertisement that includes the VIN.

9 So just here I am trying to clear up that we
10 could link to the Monroney. We could link to CARFAX or
11 post some other title check entity and not be in
12 violation. Given the explanation from Corrie that we can
13 put a full VIN in there probably preempts this.

14 But I would just like to make it clear that the
15 way this verbiage is, we are in the clear to have a
16 hyperlink to that information.

17 So again, I will read that. The addition that
18 I am proposing says: the use of a stock number, the last
19 four digits of the VIN, or the full VIN, does not prohibit
20 a dealer from including a hyperlink in the advertisement
21 that includes the VIN.

22 I make the motion. And that is all.

23 MS. HOYT: Okay. So, we have a motion to adopt
24 the draft language in lines 15 through 17, with the
25 addition -- with an additional sentence that says: the

1 use of the stock number, the last four digits of the VIN,
2 or the full VIN does not exclude the dealer -- I am sorry.
3 I don't have the other.

4 Ms. Moriarty, maybe you can help me as you
5 always do.

6 MS. MORIATY: Okay. So, I believe the sentence
7 is: the use of a stock number, or the last four digits of
8 the VIN, or the full VIN, does not prohibit a dealer from
9 including a hyperlink to the full VIN.

10 MS. HOYT: Right. Thank you.

11 Do we have any comments?

12 MR. SMITH: Let me speak again. My motion does
13 not include adopting this. My motion was adding this
14 verbiage to the proposed amendment.

15 MS. HOYT: Correct. Yes. Adding it to the
16 current draft language in lines 15, 16, and 17. Adding
17 your comments. Adding that one sentence to the end of
18 that.

19 MR. SMITH: Correct.

20 MS. HOYT: Correct.

21 Okay. Are there any comments on that motion?

22 MR. DORAN: Presiding Officer Hoyt, this is
23 Member Doran.

24 MS. HOYT: Member Doran.

25 MR. DORAN: A question for staff. So, I very

1 much appreciate what Member Smith is trying to do in
2 trying to ensure that dealers that utilize the Monroney
3 label as part of their advertising do not get caught up in
4 a potential violation. And I think dealers have probably
5 made some investments with their website providers to
6 enable that functionality, and we don't want to see that
7 jeopardized.

8 My question, and frankly my concern is by --
9 again, part of this is framed by the conversation we all
10 just had that this is permissive, as opposed to mandatory.

11 Because I think that is kind of a game changer for many
12 of us that are in attendance here today.

13 I just want to make sure that by the inclusion
14 of the language that is being suggested by Member Smith,
15 that from an interpretation, an administrative law
16 interpretation, we are not then reading it to exclude out
17 the ability of a dealer who does not utilize the Monroney
18 label, but instead chooses to merely include the full VIN,
19 right. And that could be a smaller dealer, a rural
20 dealer, a dealer that doesn't participate with their web
21 provider.

22 You know, I think, and I will just say this.
23 The last thing, I will say this. I think we all come into
24 this thinking that these are Chevy dealers, Toyota
25 dealers. But the fact of the matter is, you could be

1 talking about a Moped dealer. You know, we are talking
2 about smaller players in the market that might not have
3 the sophistication, and the cost could be quite burdensome
4 for them.

5 So, I just want to make sure that from an
6 administrative law construction standpoint, that we are
7 not doing anything that lends itself to an argument that
8 it was the will of the Agency to exclude the ability for
9 that dealer to utilize the full VIN, whether they choose
10 to rely on a Monroney sticker or not. Thank you.

11 MS. THOMPSON: Corrie Thompson. Director of
12 Enforcement.

13 And the way that I am reading this, we are
14 saying the use of the stock number, the last four of the
15 VIN or the full VIN. So, I think that that is sufficient
16 to include the dealers that you mentioned in your comment.

17 And then with the additional language that would be more
18 pertinent to the franchise dealers should be fine.

19 MR. DORAN: Thank you so much. Appreciate it.

20

21 MS. HOYT: Thank you.

22 MR. NANCE: This is Member Nance. Can I be
23 recognized?

24 MS. HOYT: Yes. Member Nance.

25 MR. NANCE: So, I also appreciate Member

1 Smith's suggestion. But it seems to me that that might be
2 an unnecessarily complicated way to get at the point that
3 the full VIN can be disclosed.

4 And so, this might be a separate motion on my
5 part in a moment. But I would anticipate that rather than
6 trying to add language about hyperlinks, it seems to me
7 that a better approach might be to simply say something
8 like, this subsection does not prohibit an advertisement
9 from disclosing the full VIN.

10 And that kind of gets at what I think was
11 assumed but not stated in Member Smith's suggested
12 language. I think that is kind of the point the
13 stakeholders seem to be concerned about.

14 I would favor a just more straightforward
15 statement that this subsection does not prohibit the
16 advertisement from disclosing the full VIN. It seems to
17 me that that would be a simpler way of addressing this
18 important concern from stakeholders.

19 MS. MORIATY: If I may, Chairwoman. This is
20 Laura Moriatty, General Counsel.

21 I just wanted to suggest that perhaps we could
22 get at this concern by adding two words, "at least." So
23 that it said: or at least the last four digits of the
24 VIN. Would that address all of these concerns, by making
25 it clearly permissive?

1 MR. DORAN: Can you repeat that? This is
2 Member Doran. Sorry.

3 MS. MORIATY: Making it, "at least the last
4 four digits of the VIN."

5 MS. HOYT: On line 17 ?

6 MS. MORIATY: I am sorry. Yes, on line 17.

7 MR. DORAN: This is Member Doran, again. I
8 think that would provide the flexibility to cover all of
9 the situations we are discussing, correct.

10 MS. MORIATY: It seems like it to me. But I
11 want to -- I mean, the reason we are coming to this
12 Committee is to make sure you all don't see something we
13 don't see.

14 MR. DORAN: I like your suggested change.

15 MS. MORIATY: But we have a motion on the
16 table, right.

17 MS. HOYT: Yes.

18 MS. MORIATY: So, we would --

19 MR. SMITH: Chairman Hoyt. Member Smith.

20 MS. HOYT: Yes, sir.

21 MR. SMITH: May I amend my motion? May I amend
22 my motion?

23 MS. HOYT: Sure.

24 MR. SMITH: Then I would say, include the
25 verbiage that General Counsel just included, which says

1 "at least." Wherever she put that in there, that is the
2 motion.

3 MS. HOYT: Okay. So, we do have a motion by
4 Member Smith, an amendment to the original motion, to
5 include on line 17: which must be a unique specific motor
6 vehicle advertised, or at least the four digits of the
7 VIN.

8 MS. MORIATY: Madam Chair. This is Laura
9 Moriarty again. I just wanted to clarify that the revised
10 motion does not include the sentence about the hyperlink.

11 MS. HOYT: Correct.

12 MS. MORIATY: Is that correct?

13 MS. HOYT: I apologize. Yes. It does not
14 include the sentence about the hyperlink, and the -- yes.

15

16 So, we do have a motion on the table. Any
17 discussion or questions?

18 MR. HICKS: Member Hicks.

19 MR. DORAN: Member Hoyt. A quick question. Do
20 we need a second to this motion, or does that come after
21 we discuss it.

22 MS. HOYT: We would need a second.

23 MR. DORAN: Okay.

24 MR. HICKS: Member Hicks. I would second that
25 motion.

1 MS. HOYT: Okay. So, we have a motion by
2 Member Smith and a second by Member Hicks. Do we have any
3 further discussion. Or would anyone like Ms. Moriaty to
4 read that out one final time?

5 (No response.)

6 MS. HOYT: Okay. So, I see no comments, no
7 hands raised.

8 So, we will now call for the vote. When I call
9 your name, please state your name for the record and
10 whether you support the motion or not. If you support the
11 motion, please respond by saying support. If you do not
12 support the motion, please respond by saying no.

13 I do not believe Member Ames is -- Member Ames.

14 (No response.)

15 MS. HOYT: Member Brooks.

16 (No response.)

17 MS. HOYT: Member Carter?

18 (No response.)

19 MS. HOYT: Member Doran.

20 MR. DORAN: I support the motion.

21 MS. HOYT: Member Elam.

22 (No response.)

23 MS. HOYT: Member Gaston.

24 MR. GASTON: Member Gaston. I support the
25 motion.

1 MS. HOYT: Member Gonzalez.

2 MR. GONZALEZ: Member Gonzalez supports the
3 motion.

4 MS. HOYT: Member Hardick.

5 MR. HARDICK: Support.

6 MS. HOYT: Member Hayter.

7 MR. HAYTER: Support.

8 MS. HOYT: Member Hicks.

9 MR. HICKS: I support the motion.

10 MS. HOYT: Member Johnson.

11 MS. JOHNSON: Member Johnson. I support the
12 motion.

13 MS. HOYT: Member King.

14 MS. KING: Member King. I support the motion.

15 MS. HOYT: Member McCullah.

16 (No response.)

17 MS. HOYT: Member Nance.

18 MR. NANCE: I support.

19 MS. HOYT: Member Olah.

20 MR. OLAH: Member Olah. I support the motion.

21

22 MS. HOYT: Member Polk, I don't believe is
23 present.

24 (No response.)

25 MS. HOYT: Member Rash.

1 (No response.)

2 MS. HOYT: Member Smith.

3 MR. SMITH: Member Smith supports.

4 MS. HOYT: Member Stidham.

5 MR. STIDHAM: Member Stidham supports.

6 MS. HOYT: Member Sutton.

7 MS. SUTTON: Member Sutton supports.

8 MS. HOYT: Member Wagner.

9 (No response.)

10 MS. HOYT: Member Wall.

11 MR. WALL: Member Wall supports.

12 MS. HOYT: And I Kristen Hoyt support as well.

13 Okay. So, with 15 votes in support, I believe that that
14 motion does carry. Okay.

15 Do we have any other discussion or any other
16 motions on this item?

17 MR. NANCE: Member Nance. May I be recognized?

18 MS. HOYT: Yes.

19 MR. NANCE: So, I just wanted to say something
20 quick about getting feedback from stakeholders and more
21 information before final adoption of this rule. I really
22 do appreciate those concerns from stakeholders, but it
23 seems to me that the notice and comment rulemaking process
24 where we put out a proposal and allow stakeholders an
25 opportunity to comment provides that opportunity for

1 studying the issue and getting additional information on,
2 you know, whether this will be an effective way of
3 preventing the harms that have been discussed. And, you
4 know, getting feedback from manufacturers and others.

5 And it seems to me that is an opportunity for
6 staff to study the issue. So, I appreciate and agree with
7 a lot of the concerns about studying the issue further.
8 It seems to me, though, that proposing this rule, getting
9 the rule text out there for stakeholders to comment on is
10 an opportunity to gather some of that information.

11 MS. HOYT: Thank you, Member Nance. I agree
12 with you. Okay.

13 Do we have any other public comment on this
14 agenda item?

15 MS. MORIATY: No, ma'am. No public comment.

16 MS. HOYT: Excellent. Thank you. We will now
17 move on to Agenda Item number three, I apologize, the
18 public comment. And so you said there is no public
19 comment.

20 MS. MORIATY: Still no public comment. You are
21 right.

22 MS. HOYT: Thank you. Thank you.

23 Then we will move on to Agenda Item 4, for
24 adjournment. Unless there is any further business, I
25 would like to entertain a motion to adjourn.

1 MR. HICKS: This is Member Hicks. May I be
2 recognized first?

3 MS. HOYT: Yes. Member Hicks.

4 MR. HICKS: Yes.

5 Ms. Thompson, could you give us a bit of a
6 timeline. I know you said that there is going to be time.
7 This is very early in the process. What does this look
8 like over the next weeks, months before, as this moves
9 forward to adoption?

10 MS. THOMPSON: Corrie Thompson. I believe the
11 General Counsel would love to provide us with that
12 timeline.

13 MS. MORIATY: This is Laura Moriatty, General
14 Counsel. So we have -- as you well know, we have a lot of
15 rulemaking going on right now, implementing House Bill
16 718.

17 I do not anticipate that we will take this up
18 prior to session, even. I think it will be -- if we bring
19 a rule on this, it will be after session, and part of a
20 larger rulemaking package. So, we are not in any rush.

21 And if anybody has further comments or input,
22 or information they want to give us, we are definitely
23 open to all of that.

24 MR. HICKS: Thank you.

25 MS. HOYT: Thank you.

1 MR. NANCE: This is Member Nance. Just so I
2 understand the procedure. Did we -- and I am sorry if
3 this is a dumb question.

4 Have we recommended that the Board consider
5 these amendments for a proposal? Or did we just amend the
6 existing proposal with the motion that was just voted on?

7 MS. MORIATY: This is Laura Moriatty. So, you
8 did not -- the language of the motion did not recommend.

9 You simply added new language and recommended
10 that if the Board is going to do this, that they add this
11 new language. If you would like to recommend for the
12 Board to take this up, I think we would probably need a
13 separate motion.

14 (Pause.)

15 MR. NANCE: Okay. So, this proposal has not
16 been recommended to be presented to the Board as described
17 on the agenda. Is that right?

18 MS. MORIATY: Right. So, the Committee has not
19 taken the position that you all are in favor of this
20 language. What you have said is that if it is going to be
21 presented, you recommend this amendment to clarify it. I
22 think we would need a different motion if we wanted to
23 suggest that the Board definitely take this up and
24 definitely make this rule.

25 But the amendment language will be presented to

1 the Board. And your Chair will have an opportunity to
2 speak to them when they consider -- when and if they
3 consider this rule.

4 MR. NANCE: Okay. Thank you.

5 MS. HOYT: Okay. Any other comments?

6 (No response.)

7 MS. HOYT: Motion to adjourn?

8 MR. HICKS: I move. Member Hicks.

9 MS. HOYT: Okay. Member Hicks has a motion to
10 adjourn. Do I have a second?

11 MR. DORAN: Member Doran seconds.

12 MR. STIDHAM: Second.

13 MS. HOYT: Member Stidham has a second. All in
14 favor.

15 (A chorus of ayes.)

16 MS. HOYT: Let the record reflect that the
17 vote, thank you, is unanimous.

18 It is now 10:10 a.m. And we are now adjourned.

19 Thank you all for participating in this conversation and
20 being part of this Board. Thank you.

21 (Whereupon, at 10:10 a.m., the meeting was
22 concluded.)

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C E R T I F I C A T E

MEETING OF: TxDMV Customer Service & Protection
Advisory Committee

LOCATION: Austin, Texas

DATE: September 20, 2024

I do hereby certify that the foregoing pages,
numbers 1 through 58, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Elizabeth Stoddard before
the Texas Department of Motor Vehicles.

DATE: September 30, 2024

/s/ Nancy H. King
(Transcriber)

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