

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

OPEN MEETING VIA TELEPHONE CONFERENCE CALL

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

Monday,
November 18, 2024
1:00 p.m.

COMMITTEE MEMBERS:

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

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G

1
2 MR. BLASSINGAME: Good morning. My name is
3 David Blassingame, and I am pleased to open this meeting
4 of the Motor Vehicle Industry Regulation Advisory
5 Committee. For ease of reference, I will refer to this
6 advisory committee as MVIRAC, which is the acronym for
7 this committee.

8 It is 1:09 p.m., and I am calling this MVIRAC
9 meeting for November 18, 2024 to order. I want to note
10 for the record that the public notice of this meeting,
11 containing all of the items on the agenda, was filed with
12 the Office of Secretary of State on November 8, 2024.

13 This meeting is being held by telephone
14 conference call, in accordance with the Texas Government
15 Code, Chapter 551.125. Members of the public may attend
16 this meeting in person at 4000 Jackson Avenue, Building 1,
17 Lone Star Conference Room, Austin, Texas, 78731. Also,
18 members of the public may attend this meeting by clicking
19 on the Webex link in the posted agenda for this meeting
20 following the instructions to attend the meeting via
21 Webex. In addition, members of the public may attend this
22 meeting remotely by calling the toll free number which is
23 listed on the posted agenda for this meeting, along with
24 the access code.

25 At this time, I'm 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 the advisory committee members and those who
5 are presenting. Callers will be removed for any
6 disruption, 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 assist
11 the court reporter in getting an accurate record. Please
12 identify yourself before speaking. Speak clearly and
13 slowly; remember that there may be a slight delay due to
14 the conference format, so please wait a little longer than
15 usual to respond to participants.

16 Do not speak over others. Please ask the
17 presiding officer to speak and be sure and get recognized
18 before speaking. And for members participating in the
19 room, please remember to press the button on your
20 microphone to unmute before speaking, then press the same
21 button to mute again after speaking.

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

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

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

7 Please identify the specific item you are
8 interested in commenting on, your name and address, and
9 whether you are representing anyone or speaking for
10 yourself. If your comment does not pertain to a specific
11 item, we will take it as a comment during the public
12 comment portion of the meeting. When addressing the
13 advisory committee, please state your name and affiliation
14 for the record.

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

23 Advisory committee members, if you become
24 disconnected from the call, please rejoin as soon as
25 possible. If you encounter technical difficulties, please

1 reach out to our technical support team at
2 Board.tech.help@TxDMV.gov.

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

6 Member Bradburn?

7 MR. BRADBURN: Bradburn present.

8 MR. BLASSINGAME: Member Donnelly?

9 MR. DONNELLY: Member Donnelly present.

10 MR. BLASSINGAME: Member Doran?

11 MR. DORAN: Member Doran present.

12 MR. BLASSINGAME: Member Durant?

13 MR. DURANT: Member Durant present.

14 MR. BLASSINGAME: Member Elam? Member Elam?

15 (No response.)

16 MR. BLASSINGAME: Member Ferguson?

17 MR. FERGUSON: Member Ferguson present.

18 MR. BLASSINGAME: Member Gonzalez? Member

19 Gonzalez?

20 (No response.)

21 MR. BLASSINGAME: Member Hall?

22 MR. HALL: Member Hall present.

23 MR. BLASSINGAME: Member Hayter?

24 MR. HAYTER: (No audible response.)

25 MR. BLASSINGAME: Member Hicks?

1 MR. HICKS: Member Hicks present.

2 MR. BLASSINGAME: Member Murphy? Member
3 Murphy?

4 (No response.)

5 MR. BLASSINGAME: Member Prather, Sr.? Member
6 Prather, Sr.?

7 (No response.)

8 MR. BLASSINGAME: Member Provost?

9 MR. PROVOST: Present.

10 MR. BLASSINGAME: Member Sims? Member Sims?

11 (No response.)

12 MR. BLASSINGAME: Member Sralla?

13 MR. SRALLA: Member Sralla present.

14 MR. BLASSINGAME: Member Stark? Member Stark?

15 (No response.)

16 MR. BLASSINGAME: Member Sullivan?

17 MR. SULLIVAN: Member Sullivan present.

18 MR. BLASSINGAME: Member Thomas?

19 MS. THOMAS: Present.

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

22 (No response.)

23 MR. BLASSINGAME: And I, David Blassingame, am
24 present too. We have a quorum.

25 I'm going to go over these real quickly.

1 Member Elam, are you present?

2 (No response.)

3 MR. BLASSINGAME: Member Gonzalez?

4 (No response.)

5 MR. BLASSINGAME: Member Murphy?

6 (No response.)

7 MR. BLASSINGAME: Member Prather, Sr.?

8 (No response.)

9 MR. BLASSINGAME: Member Sims?

10 (No response.)

11 MR. BLASSINGAME: Member Stark?

12 (No response.)

13 MR. BLASSINGAME: Member Vitela?

14 (No response.)

15 MR. BLASSINGAME: We have a quorum because we
16 have eleven members present, so we are about to start the
17 meeting.

18 The purpose of this committee is to assist the
19 department in obtaining feedback regarding important
20 legislation, policy making and rulemaking. The MVIRAC
21 provides valuable input for the department by advising on
22 issues related to regulations of the motor vehicle
23 industry.

24 Agenda item 2.A. Consider procedures to
25 implement House Bill 718 for license plate disposition for

1 motor vehicles sold at auction or on consignment.

2 Members, I will now move on to agenda item 2.A
3 and turn the meeting over to Annette Quintero, director of
4 the Vehicle Titles and Registration Division, for an
5 overview of the draft proposed new rule.

6 MS. QUINTERO: Good afternoon. I am Annette
7 Quintero, director of Vehicle Titles and Registration
8 Division.

9 Before you is a briefing item related to House
10 Bill 718 and the disposition of license plates for
11 vehicles sold at auction or on consignment. House Bill
12 718 requires license plates to remain with the vehicle
13 when sold, however, there are exceptions, like when a
14 vehicle is sold with a specialty plate.

15 Our board recently adopted amendments to
16 Chapter 217 and 215 of the Texas Administrative Code to
17 implement House Bill 718. The initial proposal for
18 Chapter 215 contained a provision that would require
19 auctions to store license plates removed from vehicles
20 sold out of state. In working with the National Auto
21 Auction Alliance and various auctions through the
22 rulemaking process, we realized additional considerations
23 needed to be made for vehicles sold through an auction.
24 That is the purpose of this briefing item today.

25 We evaluated the statute and determined a more

1 business-centric approach that will still uphold the
2 premise of House Bill 718 and mitigate fraud. The draft
3 rule language provided to the committee outlines proposed
4 requirements for vehicles sold at wholesale auctions,
5 public auctions, or other consignment sales. A key
6 requirement across all scenarios is that dealers must
7 first remove the license plate assigned to the vehicle
8 prior to proceeding with any sale. This foundational step
9 ensures compliance with statute and rules government
10 license plate management and proper system updates brought
11 on by House Bill 718.

12 For vehicles sold at wholesale auction or on
13 consignment, the selling dealer must remove the license
14 plates, mark the plates as void, and either destroy,
15 recycle or return them to the department or county.
16 Additionally, the dealer is required to update the license
17 plate system. As a result, the vehicle delivered to the
18 auction in this scenario will not have a license plate
19 attached, however, a dealer temporary plate must still be
20 attached to the vehicle during transport to the auction.

21 For vehicles sold at public auction, the
22 selling dealer is required to remove the license plates
23 and maintain them in their secure storage area until the
24 vehicle is sold. If the purchaser is a Texas retail
25 buyer, the dealer must securely transfer the license

1 plates to the buyer and update the license plate system in
2 accordance with any retail sales to a Texas buyer. If the
3 vehicle is sold to a dealer for export or to an out-of-
4 state buyer, the dealer must mark the license plates as
5 void, destroy, recycle or return them to the department or
6 county, and update the license plate system. A buyer's
7 temporary license plate may only be issued to an out-of-
8 state buyer if it is required to transport the vehicle
9 from Texas.

10 For vehicles consigned by a seller who is not a
11 licensed Texas dealer, the license plates must be removed
12 and securely stored in the selling dealer's secure storage
13 area during the consignment period. If the purchaser is a
14 Texas retail buyer, the license plate must be securely
15 provided to the buyer and the license plate system updated
16 in accordance with any retail sale to a Texas buyer. If
17 the vehicle is sold to a dealer for export or to an out-
18 of-state purchaser, the dealer must mark the license
19 plates as void, destroy, recycle or return the license
20 plates to the department or county, and update the license
21 plate system.

22 We ask for your input on whether the draft
23 language addresses the typical auction and consignment
24 scenarios and provides clear guidance on the disposition
25 of license plates. We also ask for your input on whether

1 there are other scenarios related to auctions that need to
2 be addressed relative to license plate disposition.

3 This concludes my update. I'm happy to answer
4 any questions.

5 MR. BLASSINGAME: Members, just as a reminder,
6 if you want to comment or ask questions, please unmute
7 yourself and ask for the floor, then wait to be recognized
8 before speaking.

9 Are there any questions for Ms. Quintero?

10 MR. DONNELLY: Member Donnelly, I'd like the
11 floor.

12 MR. BLASSINGAME: Member Donnelly, you have the
13 floor.

14 MR. DONNELLY: I apologize, that was a lot of
15 words there. So the way I'm reading the beginning, the
16 first part there is that if you're a dealer and you're
17 sending a car to the auction, you do not send the plates,
18 you destroy the plates. Am I accurate?

19 MS. QUINTERO: If you are a dealer and you are
20 selling your vehicle at auction, you keep your plates. If
21 you're selling the car, when the vehicle is sold, if the
22 vehicle is sold to a Texas buyer, the dealer is
23 responsible for getting the plates to that Texas buyer.
24 If the vehicle is sold to an out-of-state purchaser or for
25 export, then the dealer can destroy the plates.

1 MR. DONNELLY: Okay. Because I'm looking at
2 this and it says wholesale motor vehicle auction -- let's
3 see, a dealer that consigns or delivers from their
4 inventory for sale at a wholesale motor vehicle auction
5 marks any license plate issued to the vehicle as void,
6 destroys or recycles and updates the database. I don't
7 find that to be consistent with what you just said, but
8 I'm also definitely not the smartest person in the room.

9 (General laughter.)

10 MS. MORIATY: Yes. So this is Laura Moriaty,
11 general counsel.

12 So the concept here is that a dealer who is
13 consigning to a motor vehicle auction would just destroy
14 the plates. And our theory -- and this is part of what
15 we're here to do today is to get an understanding of how
16 this business actually works -- our understanding was that
17 wholesale motor vehicle auctions were dealers selling to
18 dealers or exporters or other folks of that nature, and
19 not to private individual Texans. So once the plate was
20 destroyed, the dealer on the other side of the transaction
21 would get a new plate from their inventory and be able to
22 move onward. Or if it was going export only, they would
23 put their dealer plate on it and take it out to another
24 state or further traffick that vehicle.

25 There's been some comments that were raised

1 that we may not have a full understanding of how that
2 process works. So all committee members, please help us
3 understand if we're missing things that are going to cause
4 problems.

5 MR. DONNELLY: I don't see missing any, but
6 what it does say is if I take your car in on trade and I
7 decide I'm not going to resell that car; I'm going to send
8 it to the auction, I'll destroy the plates. If my buddy
9 buys that car and brings it to his lot and reconditions
10 the car and sells it, he will issue plates from inventory
11 when it sells.

12 MS. MORIATY: That's right, if your buddy is a
13 dealer.

14 MR. DONNELLY: Right, a dealer. I'm sorry.

15 Okay. That's my understanding. I think that's
16 represented here and I didn't find it to be consistent
17 with what you just said.

18 MS. QUINTERO: Thank you for clarifying.

19 MR. DONNELLY: Thank you.

20 MR. BLASSINGAME: Any other members?

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

23 MR. BLASSINGAME: Yes, sir, Member Hicks.

24 Just from a practical standpoint -- this
25 doesn't happen often but it does. I'm a franchised

1 dealer -- we take in a car in trade and we take the plates
2 off. We take it to the auction, it runs through the
3 auction process and it doesn't draw the value we
4 anticipated it would draw. We pull that vehicle back and
5 then we decide to recondition and retail the car.

6 When that does happen, then certainly we want
7 to delay the destroying of the plates upon the time that
8 we send it to the auction. We want to wait until the
9 final determination is made if we are going to in fact
10 sell that as a retail unit or through the auction process.

11 So again, it's not a high number of vehicles that happens
12 with, but that is a practical situation that occurs today.

13 Does that make sense?

14 MS. MORIATY: This is Laura Moriaty, general
15 counsel. I just want to ask for clarification. So you
16 would recommend -- I can't share a screen today due to the
17 wonkiness of this app -- in our draft 215.163(a), you
18 would recommend that rather than consigns or delivers that
19 we change that to sells?

20 MR. HICKS: Correct. Yes, ma'am. I think that
21 would clarify the language. Because once the decision is
22 made to sell that through the auction network, then the
23 process of destroying a plate certainly makes sense.

24 Any dealer buying it would reissue plates to
25 the new retail buyer when they sell the vehicle after we

1 sell it at auction. So if you change that language to
2 when it sells instead of consigns, I think that cleans it
3 up.

4 MR. DONNELLY: Member Donnelly, I'd like the
5 floor.

6 MR. BLASSINGAME: Member Donnelly, the floor.

7 MR. DONNELLY: It would seem like to me that if
8 you send the car to the auction, whether it sells or not,
9 it would be consistent to destroy the plate because it
10 went to the auction. And if it comes back to the
11 dealership to go to inventory, a new plate would be
12 issued. That for some reason makes more sense than saying
13 send 100 cars to the auction, sell 80, the other 20 you've
14 got to get those license plates out and store them for
15 sale, whereas the other 80 are sold after the car goes to
16 the auction. Just a point of clarification, maybe.

17 MR. BLASSINGAME: Thank you.

18 MR. HICKS: This is Member Hicks. Could I
19 respond?

20 MR. BLASSINGAME: Member Hicks, go ahead.

21 MR. HICKS: I think Member Donnelly makes a
22 great point. It would certainly be less logistically
23 challenging for us as dealers to try and take those plates
24 and connect those plates to the vehicle. Certainly if we
25 were to destroy those plates once a vehicle is consigned

1 and have the option -- or really it's the solution to be
2 able to issue new plates if we end up retailing that
3 vehicle. That's certainly another way to resolve that
4 unique situation when we do send the car to auction and
5 ultimately bring it back and decide to retail it.

6 MR. BLASSINGAME: Any other comments or
7 questions for Ms. Quintero?

8 MR. DONNELLY: Member Donnelly would like the
9 floor.

10 MR. BLASSINGAME: Member Donnelly, you've got
11 the floor.

12 MR. DONNELLY: So therefore, I really like the
13 simplicity of the fact, so long as it's okay with the DMV,
14 that the sending the car to the auction becomes the event
15 that triggers the destruction of the license plate, rather
16 than the sale of the car. That being said, it seems like
17 this verbiage says that.

18 MR. BLASSINGAME: Member Murphy, you've got a
19 hand up?

20 MR. MURPHY: The sale of a car to an adjoining
21 state where the customer lives in Louisiana, Oklahoma, New
22 Mexico and they buy a car in Texas, what plate goes on
23 that car, if they're going to register it when they get
24 back home in the county where they live, I presume?

25 MS. QUINTERO: Annette Quintero.

1 Quick question, Member Murphy. Are you
2 talking -- and I may have missed this and I apologize --
3 is that vehicle being sold on behalf of a dealer or on
4 behalf of an auction?

5 MR. MURPHY: Dealer.

6 MS. QUINTERO: So when you sell that vehicle to
7 an out-of-state purchaser, you would put an out-of-state
8 plate on that vehicle.

9 MR. MURPHY: Thank you.

10 MR. BLASSINGAME: Any other questions from the
11 group?

12 MR. HALL: This is Member Hall.

13 MR. BLASSINGAME: Member Hall, you have the
14 floor.

15 MR. HALL: Thank you.

16 So we ran this rule language through the
17 legislative committee of the National Auto Auction
18 Association. What I will say in terms of the language
19 that is there, we were comfortable with the language that
20 is there that dealers would remove the plates and destroy
21 the plates before the vehicles came to auction. We felt
22 like what that would accomplish is once the dealer made
23 the decision that the vehicle was going to go to auction,
24 that would make the binary choice in that case that the
25 dealer would destroy the plate.

1 If the vehicle sold at auction, then the buying
2 dealer would have inventory that they would assign. If
3 the vehicle went out of state and there was no plate
4 decision that had to be made today, vehicles are not
5 moving through auction with plates, so an out-of-state
6 dealer would not be getting the vehicle today without a
7 plate. So under these new rules, they would also not be
8 getting the plate with the car.

9 If the vehicle did not sell at auction and went
10 back to the dealer, that dealer, if they decided to not
11 run it back through auction and decided for some reason
12 they wanted to go ahead and retail it, then they would
13 have their inventory that they could just assign to that
14 vehicle at that point, that they wouldn't need to go back
15 and try to retrieve that plate. We were comfortable with
16 that.

17 I think when we get to item 2.B, we'll have
18 some additional suggestions because we're only covering
19 dealer sales, we're not covering non-dealer sales in terms
20 of wholesale auctions. And that's going to represent
21 actually a larger portion of what auctions will do, but
22 we'll cover that when we get to 2.B, if that's okay.

23 MR. BLASSINGAME: Thank you, sir.

24 MR. SRALLA: Member Sralla.

25 MR. BLASSINGAME: Member Sralla, you have the

1 floor.

2 MR. SRALLA: I was trying to read the language
3 to see would the plate remain with the vehicle while in
4 transport to the auction and then removed at the auction
5 house and taken back to the dealership?

6 MS. QUINTERO: Annette Quintero, VTR director.

7 MR. BLASSINGAME: You have the floor, Ms.
8 Quintero.

9 MS. QUINTERO: Thank you.

10 The plate would be removed by the dealer prior
11 to transporting that vehicle to auction, and the dealer
12 would then use their dealer temporary plate to transport
13 the vehicle from their dealership to the auction.

14 MR. SRALLA: Thank you very much.

15 MR. DORAN: This is Member Doran. May I be
16 recognized for a question?

17 MR. BLASSINGAME: Member Doran, you have the
18 floor.

19 MR. DORAN: So I want to go back to the
20 scenario that Member Hicks was raising and then Member
21 Hall, because this is a business operational question. So
22 let's say on January 1 you bring the vehicle to auction
23 and it doesn't bring the price that the dealer wanted --
24 I'm sorry -- July 1?

25 Oh, yeah, July 1. Good call. July 1, 2026 --

1 2025 -- January 1, 2026.

2 So the vehicle doesn't get the price that the
3 dealer wants so they take it back and they recondition it.

4 Is there any lag, any challenge in getting that vehicle
5 then to the lot to be sold, or is it as simple as pulling
6 one of the dealer's plates that they have in their
7 storage, their secured storage and just assigning it to
8 that vehicle? Is it literally that easy?

9 MS. QUINTERO: Annette Quintero.

10 It is that easy.

11 MR. DORAN: Okay. Thank you.

12 MR. DONNELLY: Member Donnelly, a question.

13 MR. BLASSINGAME: Member Donnelly, go ahead.

14 MR. DONNELLY: You'd pull the transport plate.

15 Right? You wouldn't pull an actual plate. If you bring
16 that vehicle back from the auction, you use a transport
17 plate. And a transport plate would be what would go on
18 that vehicle until the vehicle is actually sold to a
19 retail buyer.

20 MS. JOHNSTON: That's correct. The dealer
21 transport plate is what you would use to transport it back
22 from the auction. And then if you needed to get it
23 reconditioned, you would use that plate to take it to get
24 reconditioned as well and take it back to the dealership.

25 MR. BLASSINGAME: Any other questions for Ms.

1 Quintero?

2 (No response.)

3 MR. BLASSINGAME: Laura, are there any public
4 comments on item 2.A?

5 MS. MORIATY: Why, yes, sir, there are. We
6 have three public commenters that have signed up. Our
7 first one is Mark Binder from Copart.

8 MR. BLASSINGAME: We will now hear from Mark
9 Binder of Copart.

10 Please approach the podium, state your name for
11 the record, and if you are representing anyone. You'll
12 have three minutes, by the way.

13 MR. BINDER: Thank you for allowing me to
14 speak. My name is Mark Binder, it looks like Binder, B-I-
15 N-D-E-R, at Copart. Don't worry, everybody says it the
16 wrong way.

17 We have some specific concerns that I'd like to
18 make sure you're aware of. We sell a very significant
19 volume of vehicles at auction, over 200,000 a year in the
20 state, so we have a lot of experience. And our concerns
21 are specifically in Subsection (c) (1).

22 Our current operating procedures, which we
23 believe are consistent with our industry competitor, are
24 to destroy the license plates after it's determined to be
25 sold at auction. Our concern is we bring a lot of

1 vehicles in for consignment, but they're not sold and
2 they're returned back to the owner for repair or just
3 because the owner wants to keep the vehicle. And so with
4 our significant high volume, the coordination of
5 reattaching plates is something that is very challenging
6 and very labor-intensive, and something that we have a
7 significant concern on.

8 We think it would just add a lot of complexity
9 and burden to our company and to the industry. We have no
10 issue with reporting that the vehicle license plates have
11 been destroyed, and we actually suggest that the VTR-346
12 having a section adding destroyed as one of the options
13 would be a way of solving that problem.

14 So we ask that because all of our facilities in
15 our industry are in secured facilities, electric fence,
16 the public is not allowed into the vehicles, that we ask
17 that the license plates be allowed to stay on until the
18 vehicle is actually sold, or put up for sale -- excuse
19 me -- put up for sale. And then at that point, we
20 document it in connection with the Texas Department of
21 Motor Vehicles instead of creating a new form and having
22 to manually do it. We believe that's something that will
23 be helpful for the industry, as well as providing
24 information that is needed.

25 Thank you for the opportunity to comment.

1 MR. BLASSINGAME: Thank you, Mark.

2 Who's the second commenter, Laura?

3 MS. MORIATY: Does anyone on the panel have any
4 questions for Mr. Binder? I just wanted to check before
5 we move on.

6 (No response.)

7 MS. MORIATY: Okay, great.

8 So next up is Steve Bresnen, representing the
9 Insurance Auto Auctions.

10 MR. BLASSINGAME: Mr. Bresnen, please walk to
11 the microphone and approach the podium, state your name
12 for the record, and if you are representing anyone.
13 You'll have three minutes.

14 MR. BRESNEN: Thank you very much. Can you
15 hear me? The microphone is still on? Good.

16 My name is Steve Bresnen, and I'm here on
17 behalf of Insurance Auto Auctions. I'm already impressed
18 with how complicated this system is, and I'm a government
19 guy and lobbyist and not operational on behalf of IAA. So
20 if you have questions that I can't answer, we'll get you
21 an answer for sure.

22 I have provided written comments. I've given
23 them to the staff --I don't know if those have been
24 distributed or not -- we made a suggestion for a specific
25 amendment.

1 My testimony is essentially the same as Mr.
2 Binder's. We are talking about just between these two
3 companies, we are talking about multiple hundreds of
4 thousands of vehicles. So this is a significant
5 operational consideration that these firms need to
6 address.

7 Our comments are directed at proposed
8 Subsection of 215.163. When the company takes possession
9 of the vehicle, they don't know if it's going to be
10 returned to the owner or if it's going off to be
11 consigned. So just as a lawyer, the lawyer in me says,
12 looking at the rule, it says you're supposed to take
13 action upon consignment and you don't know exactly when
14 that's going to happen. So it's a significant problem for
15 a person in the regulated industry to know that.

16 The vehicles that we're talking about are all
17 sold on behalf of insurers or financial institutions that
18 are not going out to a retail customer base, so there is
19 that. The security is significant at these yards. As
20 y'all may know, I've had a lot of experience with you
21 working on catalytic converter issues recently. As y'all
22 know, there's every reason in the world to secure these
23 vehicles in a way that's extraordinary, to say the least,
24 so the plates would be secure at all times.

25 Finally, the information -- as I understand the

1 VTR-346, the information about the license plate number on
2 the transferred vehicle is submitted already on this form.

3 What's not on the form is that the plate was destroyed.
4 And so after the consignment decision is made, the day
5 before the auction, plates removed and destroyed, marked
6 as per the suggested amendment that we made on page 2 of
7 the comments that I submitted.

8 That's the totality of my remarks, unless you
9 have a question for me that I can't answer and I need to
10 get you an answer back.

11 Yes, sir.

12 MR. DONNELLY: Member Donnelly.

13 MR. BLASSINGAME: Member Donnelly, you have the
14 floor.

15 MR. DONNELLY: I should have asked Mr. Binder
16 as well. The vehicles being sold at your auction, are
17 they owned by -- are they still owned by the original
18 owner or are they owned by the insurance company?

19 MR. BRESNEN: I think it could go more than one
20 way, but the insurance company is involved. They may not
21 have reached a settlement yet with the owner of the
22 vehicle, so I'm not sure if title is transferred yet or
23 not on that.

24 I see somebody in the background, I see Mark
25 waving his hand. I'm happy to defer to him if he knows

1 the answer.

2 MR. BLASSINGAME: Mark, you have the floor.

3 MR. BINDER: Mark Binder, B-I-N-D-E-R.

4 Any vehicle sold by an insurance company is in
5 the insurance company's name on either a clean title or a
6 salvage title or a non-repairable certificate.

7 MR. DONNELLY: But the vehicles that are being
8 sold at your facilities, are they owned by the owner, by
9 the insured or by the insurance company?

10 MR. BINDER: They're owned by the insurance
11 company if it's an insurance loss.

12 MR. DONNELLY: So the transfer of that plate
13 would have to be transferred to the insurance company, and
14 then transferred from the insurance company to -- it seems
15 like the destruction of the plate is more logical. Are
16 you guys advocating to destroy the plate or you would like
17 to be able to destroy the plate before the sale?

18 MR. BRESNEN: Yes. The plates are currently
19 destroyed, it's my understanding. The only wrinkle that I
20 was trying to point out is the reason the owner of the
21 vehicle might get it back is that maybe they didn't reach
22 settlement terms with the insurer, or maybe they couldn't
23 be located and they found out at the last minute.

24 That's my understanding. But generally
25 speaking, once the car is going to be sold, it belongs to

1 the insurance company.

2 MR. DONNELLY: So the insurance company selling
3 at the auction, does the license plate get transferred
4 into the insurance company's name?

5 MS. QUINTERO: Annette Quintero, VTR director.
6 I do not believe it does, but I can validate.

7 MR. DONNELLY: I'm trying to think procedurally
8 through this thing.

9 MS. QUINTERO: How do we capture.

10 MR. DONNELLY: Yes.

11 MR. BRESNEN: And I don't know the answer to
12 that question either.

13 MR. DONNELLY: Thank you.

14 MR. BRESNEN: You bet.

15 MR. BLASSINGAME: Thank you.

16 MR. HALL: This is Member Hall.

17 MR. BLASSINGAME: Member Hall, you have the
18 floor.

19 MR. HALL: So if they're getting a salvage
20 title, a salvage title kills registration, so that's going
21 to kill the record 100 percent of the time anyway. So
22 it's really just the clean-titled vehicles that we're
23 talking about on what happens with the license plates, and
24 then the potential whether the plates go back to the
25 owner. So what you're proposing or asking for on those is

1 essentially the authority to just store those plates with
2 the vehicle until the time that that settlement is made.

3 MR. BRESNEN: Once the decision has been made
4 that it's going to be sold on consignment, then the plate
5 is taken and physically destroyed and accounted for on the
6 VTR. Because then the car is going to be transferred and
7 the VTR-346 should cover that.

8 MR. HALL: Got it. Okay. Thank you.

9 MR. DONNELLY: Member Donnelly.

10 MR. BLASSINGAME: Member Donnelly, go ahead.

11 MR. BRESNEN: Have I dug myself deeper into the
12 ditch here?

13 MR. DONNELLY: No.

14 MR. BRESNEN: Okay, good.

15 MR. DONNELLY: I'm just trying to follow,
16 because there will have to be some way of putting in some
17 words.

18 MR. BRESNEN: Sure.

19 MR. DONNELLY: So you want the car to come to
20 your auction, you're going to take the license plate off,
21 store them until they're sold, and then if it's sold,
22 destroy them. And then if it's not sold and it goes back
23 to the insurance company, they get the license plates?

24 MR. BRESNEN: The plate is removed and placed
25 inside the vehicle. Then on the day before -- once it's

1 decided it's going to consignment the day before that,
2 then the plate is taken and destroyed, marked and
3 destroyed. It's not going back to the insurance company
4 is my understanding.

5 I don't know if y'all have been provided with
6 these comments or not.

7 MR. DONNELLY: I don't have that.

8 MR. BRESNEN: Okay. Then there's a suggested
9 amendment that basically says it accounts for this
10 category of vehicles. And it says you remove the plate
11 affixed to the vehicle, mark the license plate as void,
12 and destroy, recycle, or return the plate as provided by
13 another rule that's cross-referenced here.

14 Does that answer your question?

15 MR. DONNELLY: Yes. Thank you.

16 MR. BRESNEN: Yes, sir.

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

19 May I ask a clarifying comment?

20 MR. BLASSINGAME: Yes, please do it, Ms.
21 Thompson.

22 MS. THOMPSON: Was it my understanding from
23 your comment that there would be a difference between blue
24 titled vehicles versus salvage, non-repairable vehicles in
25 terms of the plate moving forward versus being destroyed?

1 MR. BRESNEN: I didn't intend to say that
2 because if I had, it would have been over my own head.

3 MS. THOMPSON: Okay. So in the instance of a
4 blue titled vehicle moving forward, then the person would
5 be without the plate because it will have been destroyed
6 by the auction. Correct?

7 MR. BRESNEN: What we're suggesting is that the
8 plate gets destroyed unless the vehicle is going back to
9 the owner, in which case the plate would go back with the
10 owner.

11 MS. THOMPSON: Thank you.

12 MR. BLASSINGAME: Are there any other comments?

13 MR. DORAN: This is Member Doran with a
14 question.

15 MR. BLASSINGAME: Member Doran, go ahead.

16 MR. DORAN: So, Steve, what about a motorcycle,
17 how would that work? Because you can't necessarily put
18 the plate in the vehicle.

19 MR. BRESNEN: I'm quite certain that they have
20 the means to secure the vehicle on the property.
21 Obviously you can't put it in the vehicle unless there's a
22 saddlebag or something like that. I'm not sure how they
23 secure those. I know it's a sensitive subject and these
24 folks are used to handling just about any kind of motor
25 vehicle.

1 MR. DORAN: Thank you.

2 MR. BLASSINGAME: Are there any other public
3 comments?

4 MR. SRALLA: Member Sralla.

5 MR. BLASSINGAME: Member Sralla, go ahead.

6 MR. SRALLA: My suggestion on that, as a
7 motorcycle dealer, is that if that is what the rule is
8 going to be, that there be some sort of a pouch or
9 something that must be affixed with the tag on there to
10 make sure that it does get destroyed rather than being in
11 a separate place. You know, similar to a car, obviously
12 if you put in the front seat where you're going to sit
13 down and drive the car, you're going to see that tag
14 there. I would suggest that there be some way to make
15 absolutely sure that it's affixed to that motorcycle
16 somehow.

17 MR. BLASSINGAME: Any other comment?

18 MS. MORIATY: Yes, sir, we have one more public
19 comment, Mike Browning from Manheim and NAAA.

20 MR. BLASSINGAME: All right. Mike, please move
21 to the podium, state your name for the record and if
22 you're representing anyone. You'll have three minutes.

23 MR. BROWNING: Mike Browning, Manheim San
24 Antonio, Manheim Company, and I also represent the
25 National Auto Auction Association.

1 Most of the questions were answered, so I
2 filled out the form before so I don't have much to say. I
3 do want to thank the committee for everything you did.

4 I do have a question, maybe just a
5 clarification of commercial vehicles, just to make sure we
6 understand the plates. And I'll say a commercial
7 Santander Bank repossession, when that plate comes in, we
8 will destroy that plate as soon as it's consigned for
9 sale. Is that correct?

10 MR. BLASSINGAME: Ms. Quintero?

11 MS. QUINTERO: Annette Quintero, VTR director.
12 I'm unsure. Can I get back to you?

13 MR. BROWNING: Absolutely.

14 MR. HALL: This is Member Hall.

15 MR. BLASSINGAME: Member Hall, go ahead.

16 MR. HALL: Yeah, that's the basis of -- I was
17 going to do it under 2.B but you're saying 2.B is going to
18 be motions, so would now be the time to discuss any other
19 items we need to cover? Because commercial vehicles,
20 which is what Mike is talking about, is one of the
21 categories of vehicles.

22 MS. MORIATY: So if we have questions of staff
23 or questions of presenters, we do that in 2.A, and then in
24 2.B y'all get to raise any issues you want to deliberate.
25 But the way it's supposed to be set up is you make a

1 motion and do it in that context in 2.B. But we could do
2 it in the form of a question right now and it would fit
3 within this item.

4 So just so I'm clear, sir, your idea is that
5 you have a commercial vehicle that's owned by a bank, not
6 by a dealer, and it's being consigned by the bank at
7 auction. Is that right?

8 MR. BROWNING: That's correct, whether it's a
9 bank or a leasing company or a rental company, the people
10 that aren't actually dealers that send cars, which
11 probably represents 60 percent of our business, or a cool
12 half million cars. Right? So exactly we want to
13 understand the process for those plates.

14 MS. MORIATY: Right. So in theory, that would
15 be (c) (1), which is the same provision we've been
16 deliberating. The dealer would remove and securely store
17 the license plate during the period of consignment, and
18 then send it with whatever kind of purchaser ends up
19 happening. So you wouldn't necessarily destroy it unless
20 it was going out of state or for export.

21 MR. BROWNING: All right. So maybe I'll ask
22 for even a little bit more. So Santander is not a
23 dealer --

24 MS. MORIATY: So I think what we're hearing is
25 we have a problem with (c) (1) and we have a lot of

1 different kinds of things, like our insurance folks who
2 are having to sell mass numbers, like our banks, and we
3 need to find a way to deal with (c)(1). So I think we're
4 hearing that (c)(1) is too -- when we had envisioned it,
5 we had envisioned like Memaw herself giving her vehicle to
6 a dealer and then the dealer dealing with it, as it would
7 any other vehicle that was given to or sold to it. Right?

8 And it sounds like that's not a reasonable way to be
9 thinking about it because our volume is too big.

10 So thank you. This is what you're here for is
11 to identify issues for us. And we just need thoughts on
12 how we fix that, and also still deal with Memaw and her
13 vehicle that's being sold at public auction.

14 MR. BROWNING: Absolutely. And if I could say
15 that the dealer portion, the National Auto Auction
16 Association, as Tony mentioned, agrees a hundred percent.

17 It's a great solution and the dealers are onboard.

18 MR. HALL: This is Member Hall.

19 MR. BLASSINGAME: Member Hall, go ahead.

20 MR. HALL: So in relation to (c)(1), I'll speak
21 for myself, when I was reading it, I was reading it as a
22 traditional dealer offering a consignment sale to another
23 dealer, not thinking of it as the Coparts and IAAs of the
24 world or the wholesale auto auctions of the world. Right?

25 I think those are two categories that the rules

1 actually don't contemplate at all. And so like Steve put
2 forth some language that I think addresses the salvage
3 disposition part, and then NAAA actually has some language
4 that would address the non-GDN sales, and so that was the
5 language that we had submitted sometime last week that
6 we're happy to make a motion on.

7 But essentially what that would propose is
8 treating any vehicle that goes through wholesale auction
9 the same. So if the vehicle is coming in through a dealer
10 where the dealer removes the plate and the vehicle is
11 auctioned off without a plate, that vehicles that come in
12 through the commercial accounts -- which is what Mike was
13 talking about -- that the auctions would remove those
14 plates, which is what they do today.

15 So just for a little bit of context,
16 contractually, the auctions are required to remove these
17 plates today because of the financial institutions
18 primarily, and those represent the largest volume of
19 commercial accounts are financial institutions. They have
20 concerns about the DPPA information that's associated with
21 it and they don't want those plates going with the cars.

22 The auctions remove and destroy those plates
23 today so that's the preference is to just let the auctions
24 continue to do that. So that's what the language that we
25 put forth says is that, hey, if it's a non-GDN sale, the

1 auctions will remove the plates, void the plates, destroy
2 the plates.

3 And then the one kind of nuance that I want to
4 point out in the language there is the GDN sale says
5 "consigns or delivers" that with respect to non-GDN we say
6 "consigns and delivers." So I just want to make sure that
7 that language is clear that that was actually intentional
8 as we go through -- sorry -- I just wanted to make sure
9 that that was clear as we go through those rules, that
10 language.

11 And then I know from looking at Steve's
12 language, theirs is very, very similar. They're
13 essentially proposing the same exact things for
14 essentially any vehicle that's a non-GDN sale. So
15 essentially a vehicle that goes through the salvage
16 disposition process, whether it's a salvage title or a
17 blue title, if it's gone through that process, that once
18 that vehicle is up for sale that it gets the plates
19 removed, voided and then that vehicle sells.

20 So essentially what that means is anybody
21 that's buying cars at any sort of auction knows they will
22 never get a plate, which is essentially what happens
23 today.

24 MR. BLASSINGAME: Anything else? Any further
25 comment?

1 MR. DORAN: This is Member Doran.

2 Is this the portion where we can ask staff a
3 few questions?

4 MS. MORIATY: Yes.

5 MR. BLASSINGAME: You may ask staff anything
6 you want to, Member Doran.

7 MR. DORAN: Thank you, thank you.

8 So we've heard from our commenters, such as Mr.
9 Bresnen, that there's a significant administrative burden
10 that could be relieved based upon the language that he has
11 proposed. And so I guess I'm curious from staff, I'm
12 assuming there's no issue with that if we take that up and
13 choose to make a motion to adopt that as our
14 recommendation.

15 MS. QUINTERO: Annette Quintero, VTR director.

16 MR. BLASSINGAME: Yes, ma'am.

17 MS. QUINTERO: I don't believe that we have an
18 issue as much as we would want to discuss the notification
19 portion of that language. We're talking specifically
20 about the IAA language?

21 MS. MORIATY: This is Laura Moriaty, general
22 counsel.

23 If we're talking about the IAA language, the
24 main thing that we looked at was providing a vehicle
25 transfer notification to the department indicating that

1 the plates were destroyed. That was the only element that
2 we would like to add so we make sure that we're getting
3 that information, we can check the plate off the list.

4 But other than that, I believe we've had
5 limited time with it but we think we're okay with it.

6 MR. HALL: Member Hall.

7 MR. BLASSINGAME: Member Hall, go ahead.

8 MR. HALL: Just broadly a question for staff.
9 Is that just something you could just broadly add to the
10 VTR-346, just a check box that the plate has been
11 destroyed and then just whoever reports that, reports that
12 to you?

13 MS. MORIATY: So we're a little nervous about
14 it because we're concerned that we don't want to give
15 folks who don't have the option to destroy the appearance
16 of having an option to destroy. So we're considering
17 whether we will create a separate form of the vehicle
18 transfer notification just for these contexts so that it
19 doesn't become confusing for regular folks in the public,
20 but we haven't figured that out yet. That will be part of
21 our process.

22 Sorry, Annette, were you going to say something
23 about that?

24 MS. QUINTERO: No, let me just add -- Annette
25 Quintero, VTR director.

1 So as Laura said, we are trying to figure out
2 how to do this without giving the perception that everyone
3 can destroy a plate, and also leveraging what we
4 understand is a current electronic process in your
5 organizations. So we understand that and we want to make
6 sure that the solution we provide you is also an
7 electronic process, so that we're not creating another
8 manual process. So that's what we're working on.

9 MR. DONNELLY: Member Donnelly

10 MR. BLASSINGAME: Member Donnelly, you have the
11 floor.

12 MR. DONNELLY: I was under the impression that
13 we would have an electronic process. I see the electronic
14 process as far as issuing a new plate. The question would
15 be how would that old plate get into my database so that I
16 could indicate that I destroyed it?

17 The thing that I do find that I don't think was
18 addressed, or I don't see where it's addressed, is
19 repossession and what do we do in that scenario. And
20 polling members of the Independent Dealers Association,
21 our concern is saving the plates on a car that we've
22 repossessed that we've had to have a key made and such
23 where there is a working key out there with a previous
24 owner might be a concern about saving the plate.

25 I didn't think about that but somebody else

1 brought that to my attention. I just thought, okay, if we
2 had a repossession, you take the plates off, you store it,
3 recondition it or sell it at the auction, and it's pretty
4 clear. But I don't think we really addressed that.

5 And they're talking about when the banks own
6 the car, that's a repossession as well. It's a change of
7 ownership.

8 MS. QUINTERO: Question. Annette Quintero, VTR
9 director.

10 MR. BLASSINGAME: Yes.

11 MS. QUINTERO: Who would be the selling entity
12 in that scenario?

13 MR. DONNELLY: For that it would be a
14 Santander, either a related finance company or a finance
15 company, typically.

16 MS. QUINTERO: So a non-GDN selling to an
17 auction. Okay. Thank you.

18 MR. BLASSINGAME: Any further comment?

19 MR. DONNELLY: Member Donnelly. Sorry.

20 MR. BLASSINGAME: Member Donnelly.

21 MR. DONNELLY: There is the opportunity,
22 though, in a repossession where the smaller independent
23 auto dealer will retain that repossession, recondition it
24 and sell it. And so that has to be considered as well:
25 Is repossession the trigger mechanism to destroy a plate,

1 or what is the trigger mechanism to destroy the plate, if
2 it ever gets destroyed? And then I'm again saying if
3 there's no trigger mechanism, then there's no destruction.

4 MS. QUINTERO: Okay. Thank you.

5 MR. BLASSINGAME: Thank you, Member Donnelly.

6 Is there any other comment? Any further
7 questions for Ms. Quintero or Laura?

8 (No response.)

9 MR. BLASSINGAME: Hearing none, I will move on
10 to the next agenda item, agenda item 2.B. Recommendations
11 of advisory committee for presentation to the board on
12 procedures to implement HB 718 for license plate
13 disposition of motor vehicles sold at auction or on
14 consignment.

15 The committee has been briefed by the TxDMV
16 staff on the proposed new draft rule, Section 215.163,
17 license plate disposition for motor vehicles sold at
18 auction or on consignment. So it is now time to discuss
19 and vote on any recommendations that we have as an
20 advisory committee and want to present to the TxDMV Board.

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

1 Any recommendations from this advisory
2 committee should be made in the form of a motion that this
3 advisory committee votes on, unless TxDMV staff is willing
4 to accept an informal comment. An example of a motion is:

5 I move that this advisory committee recommend to the
6 TxDMV Board that the draft proposed new rule should be
7 modified to add clause that says X.

8 Members, do you have any recommendations to
9 present to the TxDMV Board regarding the draft proposal
10 new rule?

11 MR. SRALLA: Member Sralla.

12 MR. BLASSINGAME: Go ahead.

13 MR. SRALLA: On page 6 of the consignment sales
14 in (b) (2) (B), am I reading it that under this rule here if
15 we sell a unit on consignment to a Texas retail buyer that
16 they would retain the plate that was already on the
17 vehicle before?

18 MS. MORIATY: This is Laura Moriaty, general
19 counsel.

20 So, yes, that's correct. This anticipates that
21 if you sell to a member of the public who is not a GDN
22 holder, you will follow the procedures that you would
23 normally follow and provide the issued plate to the Texas
24 retail buyer. This is assuming the person who bought it
25 is in Texas.

1 MR. SRALLA: Wouldn't it be more simplified if
2 once the sale is done that the dealer dispose of that
3 plate and a new plate is issued to the new buyer, the new
4 owner?

5 MS. MORIATY: This is Laura Moriaty, general
6 counsel.

7 It would certainly be simplified, but the goal
8 of this whole House Bill 718 process has been to try to
9 keep plates with vehicles as much as possible. So we were
10 following suit on that intent of the statute in trying to
11 keep these plates with vehicles since it was being sold to
12 another Texas resident.

13 MR. SRALLA: Okay. I accept that that was the
14 intent on it. I see this could turn into a little bit of
15 a mess there.

16 MR. HALL: This is Member Hall.

17 MR. BLASSINGAME: Member Hall, you have the
18 floor.

19 MR. HALL: Is it possible to share the language
20 or are there copies, paper copies, by chance, of the
21 language that we provided, or that NAAA had provided?

22 MS. MORIATY: Our plan had been to share it
23 with screens -- that's a problem because we've got folks
24 who are remote -- but I don't have the ability to do that.
25 We can get paper copies for the folks that are here, but

1 the challenge is -- and I suppose we could email it to
2 everyone.

3 Would that be the easiest thing to do? We can
4 email it to the folks who are remote and get paper copies
5 here.

6 MR. HALL: I think it will be easier for me to
7 make the motion that way than trying to read off what we
8 have here, so I'll hold off, but I'd like to make a motion
9 on ours and then I'd also like to make a motion on what
10 IAA submitted.

11 Tameka, would you also mind providing the
12 language that IAA submitted? Thank you, appreciate it.

13 MR. BLASSINGAME: Do you want to digest that
14 before you make a motion?

15 MR. HALL: This is Member Hall. They're
16 getting some copies for those of us in the room, make it a
17 little bit easier.

18 MR. DORAN: This is Member Doran.

19 May I suggest maybe that we take a five-minute
20 break to get our paperwork in order, and then when we get
21 back on the record, we could be ready to roll?

22 MS. MORIATY: Sure, if that's amenable with the
23 chairman, or if there's any other motions that won't be
24 based off of this particular language, we could discuss
25 those while we hustle.

1 MR. BLASSINGAME: All right. Let's take a good
2 five-minute break, and we'll try to digest the rules.

3 (Whereupon, a brief recess was taken.)

4 MR. BLASSINGAME: Okay. Let's reconvene the
5 meeting then, guys.

6 First of all, does anybody from the committee
7 have a motion?

8 MR. HALL: Sure. This is Member Hall.

9 MR. BLASSINGAME: Member Hall, go ahead.

10 MR. HALL: I think at least everybody at the
11 table has a copy of the red printout. This is the
12 language from the National Auto Auction Association; this
13 is the one we talked a little bit about addressing kind of
14 the second part of what moves through the wholesale auto
15 auctions.

16 So the department language had the GDN sales,
17 the language that's here in red addresses all the non-GDN
18 sales, which the nomenclature we were using were the
19 commercial sales. So what we're proposing there is to
20 essentially treat the commercial accounts, commercial
21 sales -- sorry -- the same exact way as the GDN sales,
22 which is once they move through auction that they're not
23 going to have plates on the cars.

24 When I make this motion, would y'all prefer
25 that I actually go through and detail out what the

1 motion -- like what the changes are so it's on the record?

2 MR. BLASSINGAME: Yes.

3 MR. HALL: Okay. All right. So I'm going to
4 make a motion that for 215.163 in paragraph (a), after
5 "wholesale vehicle auctions" before the phrase "a dealer,"
6 we add (1) to make that paragraph (1) and then the
7 subsequent paragraphs which are currently (1), (2) and
8 (3), that we renumber those (A), (B) and (C), and then
9 that we add a new paragraph (2) that reads: "a wholesale
10 motor vehicle auction that receives consignments and
11 delivery of a motor vehicle from a person who is not a GDN
12 holder for the purposes of sale at wholesale motor vehicle
13 auctions shall: (A) remove any license plates affixed to
14 the vehicle; (B) mark any license plates as voice; (C)
15 destroy, recycle or return any license plates, as required
16 in Section 215.158 of this title relating to General
17 Requirements for Buyer's License Plates."

18 That concludes my motion.

19 MR. DONNELLY: Second.

20 MR. BLASSINGAME: All right. Who is on the
21 second?

22 MR. DONNELLY: Member Donnelly, second.

23 MR. BLASSINGAME: All right. We have a motion
24 from the floor from Member Hall and a second from Member
25 Donnelly. I will now call for a vote.

1 When I call your name, please state your name
2 for the record and whether you support the motion or not.

3 If you support the motion, please respond by saying
4 support, and if you do not support the motion, please
5 respond by saying no.

6 MS. MORIATY: Chairman Blassingame, this is
7 Laura Moriatty. I'm sorry, if we could have -- I think the
8 members might want to discuss the motion before they vote,
9 but I could be wrong.

10 MR. BLASSINGAME: You could be right, too.

11 All right. Any discussion?

12 MR. DORAN: This is Member Doran. If I could
13 be recognized for a question?

14 MR. BLASSINGAME: Member Doran.

15 MR. DORAN: Thank you.

16 Member Hall, does this address the concerns
17 raised by Mr. Bresnen and others that were discussed
18 earlier during their comments?

19 MR. HALL: This is Member Hall. No, that will
20 be a separate motion.

21 MR. DORAN: Okay. Thank you.

22 MR. HALL: Yes, sir.

23 MR. BLASSINGAME: Any further discussion?

24 MR. DURANT: This is Member Durant.

25 MR. BLASSINGAME: Member Durant.

1 MR. DURANT: Member Hall, my only question
2 about this is that it only relates to wholesale vehicle
3 auctions. Are any of these vehicles ever auctioned at
4 public auctions?

5 MR. BLASSINGAME: Member Hall?

6 MR. HALL: This is Member Hall. I am thinking.
7 So our focus on this when we were looking at it is
8 representing the wholesale space so this is what we were
9 looking at.

10 I don't believe that the same issue would
11 impact the public auctions because we're talking about
12 dealer sales through consignment. I would have to defer
13 to see if any of the other members feel like there's any
14 other categories of vehicles on the public auction side,
15 but this is specifically focusing on the wholesale side of
16 things. But this issue did not jump out to me as
17 impacting the public auctions.

18 MR. DURANT: Thank you.

19 MR. DONNELLY: Member Donnelly.

20 MR. BLASSINGAME: Member Donnelly, go ahead.

21 MR. DONNELLY: The only thing I can see in a
22 public auction scenario is GSA vehicles, federal vehicles
23 typically go through a public auction, and we might want
24 to have verbiage for what happens to the plates.

25 MR. BLASSINGAME: Any further discussion?

1 MR. DONNELLY: Member Donnelly.

2 MR. BLASSINGAME: Member Donnelly.

3 MR. DONNELLY: Corrie, do they have federal
4 plates or Texas plates, the U.S. Government plates -- or
5 Annette. Sorry.

6 MS. THOMPSON: I don't know right offhand.
7 Corrie Thompson, director of the Enforcement Division.

8 MS. QUINTERO: They do.

9 MR. BLASSINGAME: Did that answer your
10 question, Member Donnelly?

11 MR. DONNELLY: Yes, it did. Thank you.

12 MR. BLASSINGAME: Any further discussion?

13 (No response.)

14 MR. BLASSINGAME: I will now call for a vote.
15 Please respond by saying support, and if you do not
16 support the motion, please respond by saying no.

17 Member Bradburn?

18 MR. BRADBURN: Member Bradburn, support.

19 MR. BLASSINGAME: Member Donnelly?

20 MR. DONNELLY: Member Donnelly, support.

21 MR. BLASSINGAME: Member Doran?

22 MR. DORAN: Member Doran, support.

23 MR. BLASSINGAME: Member Durant?

24 MR. DURANT: Member Durant, support.

25 MR. BLASSINGAME: Member Elam?

1 (No response.)

2 MR. BLASSINGAME: Member Ferguson?

3 MR. FERGUSON: Support.

4 MR. BLASSINGAME: Member Gonzalez?

5 (No response.)

6 MR. BLASSINGAME: Member Hall?

7 MR. HALL: Member Hall, support.

8 MR. BLASSINGAME: Member Hayter?

9 MR. HAYTER: Member Hayter supports.

10 MR. BLASSINGAME: Member Hicks?

11 MR. HICKS: (No audible response.)

12 MR. BLASSINGAME: Member Murphy?

13 (No response.)

14 MR. BLASSINGAME: Member Prather?

15 (No response.)

16 MR. BLASSINGAME: Member Provost? Member

17 Provost?

18 (No response.)

19 MR. BLASSINGAME: Member Sims?

20 (No response.)

21 MR. BLASSINGAME: Member Sralla.

22 MR. SRALLA: Member Sralla, support.

23 MR. BLASSINGAME: Member Stark?

24 (No response.)

25 MR. BLASSINGAME: Member Sullivan?

1 MR. SULLIVAN: Member Sullivan, support.

2 MR. BLASSINGAME: Member Thomas?

3 MS. THOMAS: Member Thomas, support.

4 MR. BLASSINGAME: Member Vitela? Member
5 Vitela?

6 (No response.)

7 MR. BLASSINGAME: And I, David Blassingame, do
8 support. That will be ten votes for and none against --
9 I'm sorry, twelve votes for and none against. The motion
10 passes.

11 Are there any other motions related to this
12 subject, Chapter 215?

13 MR. HALL: This is Member Hall.

14 MR. BLASSINGAME: Go ahead, Member Hall.

15 MR. HALL: I'd like to make another motion.
16 With respect to Section 215.163, paragraph (c), adding a
17 new subparagraph (3) that reads: "an independent motor
18 vehicle dealer whose primary business is the sale of total
19 loss vehicles at auction that receives consignment and
20 delivery of a motor vehicle from a person who is not a GDN
21 holder for purposes of sale shall: (A) remove any license
22 plates affixed to the vehicle; (B) mark any license plates
23 as void; (C) destroy, recycle or return any license plates
24 as required in Section 215.158 of this title relating to
25 General Requirements for Buyer's License Plates."

1 That concludes my motion.

2 MR. DONNELLY: Member Donnelly, second.

3 MR. BLASSINGAME: Sorry. I will now call for a
4 vote.

5 MS. MORIATY: Chairman Blassingame, we need
6 discussion, please, sir.

7 MR. BLASSINGAME: Yeah, yeah, yeah, I realize
8 that.

9 Any further discussion on Mr. Hall's second
10 amendment? Any further discussion on Member Hall's second
11 amendment?

12 (No response.)

13 MR. BLASSINGAME: I will now call for a vote.
14 Members, when I call your name, please state your name for
15 the record and whether you support the motion or not.

16 Member Bradburn?

17 MR. BRADBURN: (No audible response.)

18 MR. BLASSINGAME: Member Donnelly?

19 MR. DONNELLY: Member Donnelly, support.

20 MR. BLASSINGAME: Member Doran?

21 MR. DORAN: Member Doran, I support.

22 MR. BLASSINGAME: Member Durant?

23 MR. DURANT: Member Durant, support.

24 MR. BLASSINGAME: Member Elam?

25 (No response.)

1 MR. BLASSINGAME: Member Ferguson?
2 MR. FERGUSON: Member Ferguson, support.
3 MR. BLASSINGAME: Member Gonzalez?
4 (No response.)
5 MR. BLASSINGAME: Member Hall?
6 MR. HALL: Member Hall, support.
7 MR. BLASSINGAME: Member Hayter?
8 MR. HAYTER: (No audible response.)
9 MR. BLASSINGAME: Member Hicks?
10 MR. HICKS: Member Hicks, support.
11 MR. BLASSINGAME: Member Murphy?
12 (No response.)
13 MR. BLASSINGAME: Member Prather?
14 (No response.)
15 MR. BLASSINGAME: Member Provost?
16 (No response.)
17 MR. BLASSINGAME: Member Sims?
18 (No response.)
19 MR. BLASSINGAME: Member Sralla?
20 (No response.)
21 MR. BLASSINGAME: Member Stark?
22 (No response.)
23 MR. BLASSINGAME: Member Sullivan?
24 MR. SULLIVAN: Member Sullivan, support.
25 MR. BLASSINGAME: Member Thomas?

1 MS. THOMAS: Member Thomas, support.

2 MR. BLASSINGAME: And I support the amendment
3 also. That will be twelve votes for and none against.
4 The motion passes.

5 I will now move on to agenda item 3, public
6 comment.

7 Laura, are there any comments from the public?

8 MS. MORIATY: No, sir, there are not, but are
9 we sure that that's all the motions that anyone wanted to
10 make?

11 MR. BLASSINGAME: I don't know.

12 Does anyone want to make another motion?

13 MR. DONNELLY: Member Donnelly.

14 MR. BLASSINGAME: Member Donnelly, you have the
15 floor.

16 MR. DONNELLY: I don't believe there's a
17 motion, I just am not sure -- do we recognize the
18 repossession hasn't really been addressed? Or I'm under
19 the impression repossession hasn't been addressed.

20 MS. MORIATY: Staff receives that comment well
21 and is going to take it under consideration and get it
22 done. I don't think we need a motion there, but thank you
23 for pointing it out.

24 MR. DONNELLY: Thank you.

25 MR. BLASSINGAME: Are there any comments from

1 the public?

2 (No response.)

3 MR. BLASSINGAME: Are there any other comments?

4 MR. DORAN: Presiding Officer, this is Member
5 Doran.

6 MR. BLASSINGAME: Member Doran, you have the
7 floor.

8 MR. DORAN: What would staff's plan be for
9 updating the plate database to accommodate these processes
10 that we've discussed today?

11 MR. BLASSINGAME: Staff?

12 MS. QUINTERO: Annette Quintero, VTR director.

13 MR. BLASSINGAME: Yes, ma'am.

14 MS. QUINTERO: It would be to model the current
15 VTN process, the VTR-346 form that you all utilize in your
16 current process. We would want to use that, likely. The
17 HB 718 statute requires dealers to do a vehicle transfer
18 notification, so there are some enhancements that we are
19 planning to do to webDEALER to facilitate the vehicle
20 transfer notification. So we would hope to leverage that
21 webDEALER functionality in this case and make it seem
22 easier for your use.

23 MR. DORAN: Thank you.

24 MR. BLASSINGAME: Any other comment?

25 (No response.)

1 MR. BLASSINGAME: We will now move to agenda
2 item 4, adjournment.

3 Unless there's further business, I would like
4 to entertain a motion to adjourn. Do I have a motion from
5 anyone to adjourn this meeting?

6 MR. HALL: Member Hall makes a motion to
7 adjourn.

8 MR. DONNELLY: Member Donnelly seconds.

9 MR. BLASSINGAME: All in favor?

10 (A chorus of ayes.)

11 MR. BLASSINGAME: And the vote appears to be
12 unanimous. It is now 2:27 p.m., and we are adjourned.

13 (Whereupon, at 2:27 p.m., the meeting was
14 adjourned.)

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C E R T I F I C A T E

MEETING OF: TxDMV Motor Vehicle Industry Regulation
Advisory Committee

LOCATION: via Webex

DATE: November 18, 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 Nancy King before the
Texas Department of Motor Vehicles.

DATE: November 25, 2024

/s/ Nancy H. King
(Transcriber)

On the Record Reporting
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