TEXAS DEPARTMENT OF MOTOR VEHICLES

CONSUMER PROTECTION ADVISORY COMMITTEE
MEETING

OPEN MEETING VIA TELEPHONE CONFERENCE CALL
PURSUANT TO GOVERNOR'S MARCH 16, 2020
TEMPORARY SUSPENSION OF CERTAIN OPEN MEETING PROVISIONS

Austin, Texas
Thursday, April 23, 2020
1:30 p.m.

COMMITTEE MEMBERS:

Melissa Colvin
Laird Doran
Donna Ferguson
Ruben Gonzalez
Cheryl Johnson
Will Johnson
Ray Olah
Robert Raney
Jeanette Rash
Michael Rigby
James Snell
Juan Solis
### AGENDA ITEM INDEX

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>INDEX</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CALL TO ORDER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Roll Call and Establishment of Quorum</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>B. Welcoming Remarks and Introduction of Advisory Committee Members</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>2. DISCUSSION, BRIEFING, AND ACTION ITEMS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Purpose, General Information, and Scope of the Advisory Committee</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>B. Nominations and Selection of Advisory Committee Presiding Officer</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>C. Nominations and Selection of First Vice Chair to Act as the Presiding Officer When the Presiding Officer is Not Available and to Make Presentations to the Board</td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>D. Nominations and Selection of Second Vice Chair to Act as the Presiding Officer When the Presiding Officer and the First Vice Chair Are Not Available and to Gather and Organize Presentations to the Board</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>E. Recommendations of Advisory Committee for Presentation to the Board</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>F. Implementation Plan for Advisory Committee Recommendations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Title When Motor Vehicle Dealer Goes Out of Business</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>- Protecting DPPA Information</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>- Refunds by Motor Vehicle Dealers and Motor Carriers Transporting Household Goods</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>- Temporary Tags</td>
<td></td>
<td>63</td>
</tr>
<tr>
<td>G. Future Meeting Schedule</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>3. PUBLIC COMMENT</td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>4. ADJOURNMENT</td>
<td></td>
<td>92</td>
</tr>
</tbody>
</table>
MR. RICHARDS: Good afternoon. I'm David Richards. I'm pleased to open the first meeting of the Consumer Protection Advisory Committee. I'm an associate general counsel at the Department of Motor Vehicles.

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

It is 1:30 p.m., and I'm now calling the CPAC meeting for April 23, 2020 to order. I want to note for the record that the public notice of this meeting, containing all items on the agenda, was filed with the Office of the Secretary of State on April 14, 2020.

This meeting is being held by telephone conference call in accordance with Texas Government Code Chapter 551, as temporarily modified under Governor Greg Abbott's authority to suspend certain statutes due to COVID-19.

Governor Abbott suspended various provisions of the Texas Open Meetings Act that require government officials and members of the public to be physically present at specified meeting locations. Under that suspension, the public will not be able to physically attend this meeting in person. Instead, the public may attend this meeting by calling the toll free number which
is posted in the agenda which was filed with the Office of the Secretary of State on April 15, 2020.

All advisory committee members, including myself, will be participating remotely via Webex. At this time please mute your phone for the entire duration of this meeting. I'm asking our Webex meeting host, Tameka Harris, to make sure all participant phones are muted, except for advisory committee members and those who are presenting. Callers will be removed for any disruption, including background noise.

I would like to remind all participants that this is a telephone conference call meeting. Because this meeting is being held by telephone conference call, there are a few things that will assist in making the meeting run smoother and assist the court reporter in getting an accurate record, such as department staff and any commenters should identify themselves before speaking.

Please speak clearly. Remember that there may be a slight delay due to the telephone conference call meeting, so please wait a little longer than usual before responding to participants. Please do not speak over others. And finally, speakers should ask the presiding officer to proceed and be sure to get recognized before speaking.

Because the number of dial-in participants is
limited, if you wish to address the board or speak on an agenda item during today's meeting, please send an email to GCO_General@TxDMV.gov. Please identify yourself in the email, the specific item you're interested in commenting on, your name and address and whether you are representing anyone or just speaking for yourself. If your comment does not pertain to a specific agenda item, we will take your comment during the general comment portion of the meeting.

In accordance with department administrative rule, comments to the board will be limited to three minutes, then the call will be muted. Comments should be pertinent to the issues stated in your email. When addressing the board, please state your name and affiliation for the record.

Before we begin today, I'd like to remind all presenters and those in attendance of the rules of conduct at a board meeting. Under the department's rules under Section 206.22, the presiding officer is given authority to supervise the conduct of meetings. This includes the authority to determine when a speaker is being disruptive of the meeting or is otherwise violating the timing or presentation rules I just discussed.

Disruptive speakers will be muted, given a warning about disruptive behavior, and then removed from
the meeting about any continued disruption.

Advisory committee members, please let us know immediately if you're no longer able to participate for any reason. If your phone call drops or you're disconnected, TxDMV staff will interrupt the meeting to let us know and get you back on the line before we proceed with the agenda.

And now I'd like to have a roll call -- we're going to move on to agenda item 1.A. I'd like to have a roll call of advisory committee members. Please let me know if I mispronounce your name. When I call your name, please indicate if you are present.

First, Member Colvin?

MS. COLVIN: Present.

MR. RICHARDS: Member Doran?

MR. DORAN: Present.

MR. RICHARDS: Member Ferguson?

MS. FERGUSON: Present.

MR. RICHARDS: Member Gonzalez?

MR. GONZALEZ: Present.

MR. RICHARDS: Member Cheryl Johnson?

MS. JOHNSON: Present.

MR. RICHARDS: Member Will Johnson?

MR. JOHNSON: Present.

MR. RICHARDS: Member Olah? Member Olah?
MR. RICHARDS: Member Raney?
MR. RANEY: Present.
MR. RICHARDS: Member Rash?
MS. RASH: Present.
MR. RICHARDS: Member Rigby?
MR. RIGBY: Present.
MR. RICHARDS: Member Snell? Member Snell?
(No response.)
MR. RICHARDS: Member Solis? Member Solis?
(No response.)
MR. RICHARDS: Let me go back to Member Snell, because I thought I saw him earlier. Member Snell?
(No response.)
MR. RICHARDS: And finally, Member Solis?
MR. OLAH: This is Member Olah. Did you hear me that I'm present?
MR. RICHARDS: Great. I've got you now. Thank you, sir.
MR. OLAH: Thank you.
MR. RICHARDS: Member Snell and Member Solis, if you come on while we're discussing the meeting, please let us know.
Everyone, we do have a quorum.
At this time I'm going to move on to agenda
item 1.B, welcoming remarks. I'm going to turn the meeting over now to our executive director, Whitney Brewster, for some opening remarks.

MS. BREWSTER: Thank you, David, and good afternoon, everyone. For those who I have not had the opportunity to meet, my name is Whitney Brewster, and I'm the executive director of the department.

Thank you very much for taking the time out of your schedules, especially right now when I know everyone is grappling with the impacts of COVID-19, to join us for the first meeting of the Consumer Protection Advisory Committee of the Texas Department of Motor Vehicles.

Before we continue with introductions and then on to the agenda, I wanted to just make sure to provide you with some general background on the formation of this committee.

The Texas Department of Motor Vehicles, last legislative session in 2018, went through a top-to-bottom review by the legislature, which resulted in the passage of Senate Bill 604, and there were various recommendations in Senate Bill 604.

Of the recommendations adopted by the legislature, one of those recommendations included the establishment of formal advisory committees to assist the department staff and the board on decision-making.
Often in the past the department had utilized a more informal process, but recently the TxDMV Board adopted rules surrounding the establishment of advisory committees, such as this one, to make sure that there was inclusivity as well as transparency.

So this is the second advisory committee to be established so far. Late last year the Vehicle Titles and Registration Advisory Committee was created and also held a few meetings, and the input of the committee's membership has been extremely helpful in helping the department move forward with some of the more significant initiatives as well as policies, and I have absolutely no doubt that this committee will provide the same benefits to the department and ultimately the public.

This committee has some very significant topics to cover, including the protection of motorists' information and data, helping those who acquire the services of household goods movers, and the secure issuance of temporary tags and registration, to name a few.

We absolutely welcome your input and ideas, and I cannot express enough how appreciative we are for your time and your talents on this effort. Please know that our staff and I are here to help you with whatever information you may need to make informed decisions.
We have access to a vast amount of information, including information from other states and national associations to provide more background and context on these issues, so please do not hesitate to rely on TxDMV staff to get you the information that you need to be able to make decisions.

So in closing, thank you once again for your time and I will now turn the meeting back over to David.

David.

MR. RICHARDS: Great. Thank you, Director Brewster. Appreciate your comments.

We're going to have an agenda item coming up in a few minutes where you'll be able to give some background information, members, for each of you.

Until that time I'm going to move on to agenda item 2.A entitled Purpose, general information and scope of the advisory committee. If you'll please indulge me, I would appreciate it.

The purpose of the Consumer Protection Advisory Committee is to provide advice and to make recommendations to the Board of the Texas Department of Motor Vehicles on topics related to consumer protection issues.

You have been given the charge by the department to provide advice and recommendations regarding: one, securing titles when a motor vehicle
dealer goes out of business; number two, protecting DPPA information; number three, refunds from motor vehicle dealers and motor carriers transporting household goods; and number four, temporary tags.

No other topics will be discussed by this committee at this time. The committee provides advice and recommendations only as requested by the Texas Department of Motor Vehicles or our board.

I want to congratulate all of you for your appointment to this committee by the board, and thank you again for volunteering your time to assist the department and the board on this committee.

As appointed members of this committee, you're subject to both the Open Meetings Act and the Public Information Act. The Open Meetings Act provides that all public business should be performed in public view.

That means that any discussions you have regarding the work you perform with this committee must be done in a properly scheduled and posted open meeting. Members of this committee would violate state law by having a series of discussions on policy issues outside of these advisory committee meetings with other members. That is what is referred to as a walking quorum under the Open Meetings Act.

It is important that you refrain from
discussing advisory committee matters with other members outside of scheduled and posted open meetings. This includes avoiding meetings with other members outside of a properly posted open meeting, not calling other members on the phone to discuss advisory committee matters, and not using social media to discuss matters that are before the advisory committee.

Discussion with other members, even if less than a quorum, outside of a properly posted meetings for the purpose of secret deliberations violates the Open Meetings Act, also carries with it potential criminal penalties.

In addition, information exchanged in your role as an advisory committee member can be subject to public disclosure even if that information is in your private email or cell phone. This is because as advisory committee members, information you have regarding matters brought before the advisory committee may also be subject to open records laws.

Please be aware that any communications you have regarding this committee may be required to be disclosed in response to an open records from the public.

Finally, in order to ensure that the advisory committee meetings run smoothly, the advisory committees selects a presiding officer. The presiding officer is in
charge of making sure Robert's Rules of Order are followed to keep the decorum of the meeting.

    The presiding officer will open the meeting, much as I did today, and ensure that a quorum of members are present. The presiding officer makes sure that members make motions and second the motions before voting, and makes sure that no one member has the floor longer than others wishing to provide input.

    We'll be happy to provide some overview training on the mechanics of Robert's Rules of Order to anyone wanting to volunteer to be a presiding officer of this committee to ensure it runs efficiently in carrying out its purpose.

    Some examples on how Robert's Rules are used to run meetings include: One, no member can speak twice to the same issue until everyone else wishing to speak has spoken on it once. All remarks by members must be directed to the presiding officer prior to speaking.

    You obtain the floor by raising your hand or asking the presiding officer for the floor for the right to speak on a matter only when the person speaking has finished. It is important not to interrupt others and to share the right to speak with all other members.

    Remarks must be courteous, and members must avoid referring to viewpoints by alluding to other
members by name or by suggested motives. You expect the
presiding officer to protect your right to speak even if
it turns out you're a minority of one in your opinion.

The presiding officer helps ensure the other
members hear you out and allow you the same time as
everyone else. This encourages members to give your
fellow members their rightful turn to speak. Listen to
them. You may hear something that affects the way you
think as well.

Lastly, we are recording this meeting. Before
you speak, please state your name for the record so we
have a record of it and also what each person said during
the meeting.

Are there any questions at this time before I
move on?

(No response.)

MR. RICHARDS: All righty. Hearing none, we're
now going to move to agenda item 2.B, which is nominations
and selection of advisory committee presiding officer.

Again, for the record, my name is David
Richards, and I'm associate general counsel at the TxDMV.

Texas law requires the advisory committee to select a
presiding officer from its members. The presiding officer
will preside over the advisory committee and report to the
TxDMV and our board.
I think at this time what we'd like to do is have each member introduce themselves, provide some information on your background, and finally let us know if you're interested in being the presiding officer for CPAC.

I'm just going to start with Member Colvin. Would you state your name for the record, give us a little background information, and let us know if you're interested in serving as the presiding officer for CPAC.

Member Colvin.

MS. COLVIN: Melissa Colvin. I have 17 years in transportation, it's an interest that I have, and yes, I would be interested in serving as a member.

MR. RICHARDS: Great. Thank you, Member Colvin.

Member Doran, would you state your name for the record, give us a little background, and answer if you're interested in serving as presiding officer.

MR. DORAN: Thank you. My name is Laird Doran. I'm an attorney in Houston, Texas. I have a long background in dealing with motor vehicle issues, both dealer franchise issues as well as other legal issues that come up in the motor vehicle industry. And yes, if called upon to do so, I would be happy to serve as the presiding officer.

MR. RICHARDS: Thank you, Member Doran.
We'll move on to Member Ferguson. Please state your name for the record, give us a little background information, and also let us know if you're interested in serving as the presiding officer of CPAC.

MS. FERGUSON: My name is Donna Ferguson. I am with the vehicle registration office under Shay Luedecke, the tax assessor-collector of Bell County, and I have been doing titles and registration here for 13 years.

I don't think I would qualify to serve because I don't have the knowledge for a presiding officer.

MR. RICHARDS: Okay. Thank you very much, Member Ferguson.

Next I'd move on to Member Gonzalez. Please state your name for the record, give us a little background, and also if you're interested in serving as the presiding officer.

MR. GONZALEZ: As far as rules and regulations, I am on my second term of being a tax assessor-collector here in El Paso County, and I'm a little weak in the Robert's Rules of Order so I'm not very familiar with that, but I can learn. So I think there's other members that are more qualified than I am at this time, so I think I'm going to just yield and learn the process for now. Thank you.

MR. RICHARDS: Thank you very much, Member
I'm going to move on to Member Cheryl Johnson. Would you please state your name for the record, give us a little background information, and also let us know if you're interested.

MS. JOHNSON: Good afternoon. Cheryl Johnson, Galveston County tax assessor-collector. I'm in my 16th year. I was appointed by the governor to serve on the DMV Board when it was first created, representing the county tax assessor-collectors.

I would be interested in serving possibly not as the lead presiding officer but in one of the secondary positions.

MR. RICHARDS: Okay. Thank you very much, Member Cheryl Johnson.

We're going to move on to Member Will Johnson. Again, state your name for the record, please provide us a little background on you, and also whether you're interested in serving as the presiding officer of the CPAC.

MR. JOHNSON: Thank you, David.

Good afternoon, everybody. My name is Will Johnson. I'm the police chief in Arlington, Texas where I've served as chief for the last eight years. I've been a police officer for 26 years, and I'm currently vice
president for the International Association of Chiefs of
Police, which is the largest professional police
organization in the United States, and an executive board
member for the Major City Chiefs organization.

I think I would echo Ms. Johnson's comments. I
don't believe that I would want to be the presiding
officer, but if called upon, I would serve as one of the
secondary officers.

MR. RICHARDS: Thank you, Member Will Johnson,
and thank you for your service.

MR. JOHNSON: Thank you.

MR. RICHARDS: I'm going to move on to our next
member, Member Olah. Please state your name for the
record, give us a little background information, and let
us know if you're interested in serving as presiding
officer.

MR. OLAH: Sure. Let me make sure everyone can
hear me. Can everyone hear?

MR. RICHARDS: I think so.

MR. OLAH: Great. My name is Ray Olah. I am
an attorney here in Austin. I'm an assistant attorney
general with the Consumer Protection Division at the
Attorney General's Office. I've had two stints there for
a total of about 22 years, dealing with consumer matters,
mostly in the insurance arena; that is going after
insurance companies on various matters, both property and
casualty and life, accident and health companies.

Other than that, a relevant experience, I used
to be a car salesman way back when for Nyle Maxwell, long
before the Maxwell dealerships grew to what they are
today, it was a small used car dealership.

I will yield to others as to being a presiding
officer due to my sometimes hectic litigation schedule
which sometimes can take me out of town.

Thank you.

MR. RICHARDS: Thank you very much, Member
Olah.

Next member we'd like to hear from, Member
Raney, please state your name for the record, give us a
little background information, and also if you're
interested in serving as presiding officer.

MR. RANEY: My full name is Robert Raney. I've
been in this business, the car lot business, primarily
used car lot, buyer, payer, all aspects of the car
industry, about 25 years now.

My current position, I'm operations manager
with Mesquite Holdings here in San Antonio, which we own
approximately about 5 GDNs and three physical locations.
I oversee the day-to-day operations of all locations from
the financing aspects to the insurance to the legal, new
actions, anything happening, going on with, of course, the backside of the car lots. I also am partial owner of an insurance agency.

I also sit on the planning and zoning commission for the City of Converse, which I'm very familiar with Robert's Rules. I've been on the planning and zoning commission for approximately eight years now. I'm also co-char, as well, on that.

Besides that, on the other side of everything, I'm also a treasurer for this other board for a motorcycle organization here in San Antonio which is also nationwide called Guardians of Children. Some of you may have heard of that.

So yes, my plate is full but I always scrape out time to volunteer to help out where help is needed, and I am interested in being presiding officer, and I do have the experience and the background for that.

MR. RICHARDS: Great. Thank you very much, Member Raney.

We're going to move on to Member Rash. Would you do the same for us, please?

MS. RASH: Yes. My name is Jeanette Rash, and I'm in Houston, Texas, part of the SafeClear/Tow and Go Program, it's something that I came up with.

I've actually had a 40-year career in writing
legislation for towing, storage and in-time auto salvage, so I'm very familiar with lien laws and such as that. I was on the Tow Truck Advisory Board from 2007 until last year, but I would not want to be the presiding officer, though. Thank you very much.

MR. RICHARDS: Thank you very much, Member Rash.

Next I want to call on Member Rigby. State your name for the record.

MR. RIGBY: Michael Rigby. I'm an attorney who is board certified in administrative law and currently serve as general counsel for the Office of Consumer Credit Commissioner for the OCCC.

My agency regulates the purchase of motor vehicles through retail installment contracts, and I've been there about five years now. I think there's other folks who are more qualified to serve as presiding officer, so I would yield to them.

MR. RICHARDS: Thank you very much, Member Rigby.

Member Snell, if you would state your name for the record, give a little background, and let us know if you're interested in presiding.

MR. SNELL: This is Jim Snell. I'm in Dallas. I am a automobile dealer. I've been in the business for
about 40 years. I have three dealerships in Dallas, Frisco and Austin. And I would not be interested in being the presiding officer.

MR. RICHARDS: Thank you very much, Member Snell.

And finally, Member Solis, I don't know if you've made it to the call, but if you did, would you please state your name for the record, give us a little background information, and let us know if you're interested in serving as presiding officer. Member Solis.

(No response.)

MR. RICHARDS: Everyone, it looks like Member Solis is not with us at this time. What we're going to do is take about a five-minute break, and the break will give you time to decide if you want to make a motion to either name yourself or someone else to serve as presiding officer.

I would ask the host to put everyone on mute for about five minutes, and then we'll come back after that five-minute period and we will vote.

Thank you.

(Whereupon, a brief recess was taken.)

MR. RICHARDS: Okay, everyone. This is David Richards again, for the record. I'm reconvening the CPAC meeting to order. It is now 2:03 p.m. on April 23, 2020.
CPAC will use Robert's Rules of Order when conducting the meeting. To take any action you must first raise your hand or ask the presiding officer -- which is me at the moment -- for the right to speak on a matter.

Once the presiding officer grants you the floor or the right to speak, you must make a motion, and another person must second the motion. To make a motion to name someone to be presiding officer, the motion could be the following: I make a motion to name John Smith to be the CPAC presiding officer. You can even make a motion to name yourself to be the presiding officer.

To second the motion, a different member on the CPAC committee should say Second or I second the motion. A person cannot second their own motion.

So at this time, we're going to take up the motion, I'll entertain motions for the presiding officer. Does anyone want to make a motion to name someone to be the CPAC presiding officer at this time?

MR. DORAN: Yes. This is Laird Doran. I would like to make a motion to name Robert Raney as presiding CPAC officer.

MS. JOHNSON: Cheryl Johnson, I will second that.

MR. RICHARDS: The motion has been made by Member Doran and seconded by Member Cheryl Johnson. Is
there any further discussion?

Hearing none, I will call your name and ask you whether you vote to name Member Robert Raney as the presiding officer by stating your name and then indicating yes or now.

Member Colvin?

MS. COLVIN: Melissa Colvin. Yes.

MR. RICHARDS: Thank you.

Member Doran?

MR. DORAN: Laird Doran. Yes.

MR. RICHARDS: Member Ferguson?

MS. FERGUSON: Donna Ferguson. Yes.

MR. RICHARDS: Member Gonzalez?

MR. GONZALEZ: Ruben Gonzalez. Yes.

MR. RICHARDS: Member Cheryl Johnson?

MS. JOHNSON: Cheryl Johnson. Yes.

MR. RICHARDS: Member Will Johnson?

MR. JOHNSON: Will Johnson. Yes.

MR. RICHARDS: Member Olah?

MR. OLAH: Ray Olah. Yes.

MR. RICHARDS: Member Raney?

MR. RANEY: Robert Raney. Yes.

MR. RICHARDS: Member Rash?

MS. RASH: Jeanette Rash. Yes.

MR. RICHARDS: Member Rigby?
MR. RIGBY: Michael Rigby. Yes.

MR. RICHARDS: Member Snell?

MR. SNELL: Jim Snell. Yes.

MR. RICHARDS: And Member Solis, are you with us? Member Solis?

(No response.)

MR. RICHARDS: Okay. Member Solis is not with us.

Members, the vote is unanimous for Member Raney to serve as the CPAC presiding officer.

Congratulations, Member Raney.

MR. RANEY: Thank you, members. First of all, I will promise I will do the best job possible.

MR. RICHARDS: Thank you, Presiding Officer Raney.

Okay, members, we're going to move on to agenda item 2.C, the nomination and selection of the first vice chair of CPAC.

MS. JOHNSON: President Officer Robert Raney, this is Cheryl Johnson. I'd like to ask permission to speak and be recognized.

MR. RICHARDS: Member Cheryl Johnson, please, you have the floor.

MS. JOHNSON: I'd like to make a motion to appoint Member Doran as the first vice chair.
MR. RICHARDS: Okay. I have a motion from Member Cheryl Johnson to appoint or select Member Laird Doran as the first vice chair of CPAC. Is there a second?

MR. RANEY: I will second that motion.

MR. RICHARDS: And you are?

MR. RANEY: Robert Raney.

MR. RICHARDS: Okay. Members, we have a motion by Member Cheryl Johnson to appoint or select Member Laird Doran as the first vice chair of CPAC, and a second by Presiding Officer Robert Raney. Any further discussion?

(No response.)

MR. RICHARDS: Hearing none, I'm going to call for the vote. Again, when I call your name vote for Laird Doran as the first vice chair by stating your name and then again indicating yes or no.

So to begin, Member Colvin?

MS. COLVIN: Melissa Colvin. Yes.

MR. RICHARDS: Member Doran?

MR. DORAN: Laird Doran. Yes.

MR. RICHARDS: Member Ferguson?

MS. FERGUSON: Member Ferguson. Yes.

MR. RICHARDS: Member Gonzalez?

MR. GONZALEZ: Member Gonzalez. Yes.

MR. RICHARDS: Member Cheryl Johnson?

MS. JOHNSON: Member Cheryl Johnson. Yes.
MR. RICHARDS: Member Will Johnson?

MR. JOHNSON: Will Johnson. Yes.

MR. RICHARDS: Member Olah?

MR. OLAH: Ray Olah. Yes.

MR. RICHARDS: Presiding Officer Raney?

MR. RANEY: Raney. Yes.

MR. RICHARDS: Member Rash?

MS. RASH: Jeanette Rash. Yes.

MR. RICHARDS: Member Rigby?

MR. RIGBY: Michael Rigby. Yes.

MR. RICHARDS: And finally, Member Snell?

MR. SNELL: Jim Snell. Yes.

MR. RICHARDS: Let the record reflect it was a unanimous vote. Congratulations, Member Laird Doran, for being appointed the first vice chair of CPAC.

Members, we're going to move on to the next agenda item, that is agenda item 2.D, nominations and selection for second vice chair.

MS. JOHNSON: This is Member Cheryl Johnson. I would like for permission to speak and be recognized.

MR. RICHARDS: Member Cheryl Johnson, you have the floor.

MS. JOHNSON: I would like to make a motion to nominate Melissa Colvin as second vice chair.

MR. RICHARDS: Member Cheryl Johnson has made a
motion to appoint Melissa Colvin as second vice chair. Is there a second?


    MR. RICHARDS: The motion by Member Cheryl Johnson has been seconded by Member Olah. Is there any further discussion?

    (No response.)

    MR. RICHARDS: Hearing none, I'm going to call for the vote. Again, I'm going to go down the list of members. Please state your name for the record and either a yes or no.

    Member Colvin?

    MS. COLVIN: Melissa Colvin. Yes.

    MR. RICHARDS: Member Doran?

    MR. DORAN: Laird Doran. Yes.

    MR. RICHARDS: Member Ferguson?

    MS. FERGUSON: Donna Ferguson. Yes.

    MR. RICHARDS: Member Gonzalez?

    MR. GONZALEZ: Member Gonzalez. Yes.

    MR. RICHARDS: Member Cheryl Johnson?

    MS. JOHNSON: Cheryl Johnson. Yes.

    MR. RICHARDS: Member Will Johnson?

    MR. JOHNSON: Will Johnson. Yes.

    MR. RICHARDS: Member Olah?

    MR. OLAH: Ray Olah. Yes.
MR. RICHARDS: Member Raney?

Mr. RANEY: Raney. Yes.

MR. RICHARDS: Member Rash?

MS. RASH: Jeanette Rash. Yes.

MR. RICHARDS: Member Rigby?

MR. RIGBY: Michael Rigby. Yes.

MR. RICHARDS: And finally, Member Snell?

MR. SNELL: Jim Snell. Yes.

MR. RICHARDS: Members, the vote was unanimous for Melissa Colvin to serve as your second vice chair. Congratulations to Member Colvin.

MR. RICHARDS: At this time we're going to move to agenda item 2.E, recommendations of advisory committee for presentation to the board.

 Members, our administrative rule on advisory committees requires the committee to report their recommendations to our board. Recommendations must be in writing and include any necessary supporting materials.

The presiding officer of CPAC or the presiding officer's designee may appear before our board to present the committee's advice and recommendations. In addition, CPAC can provide advice and recommendations to our executive director, Whitney Brewster, as necessary. Our board will consider CPAC's written recommendations and reports that you submit.
At this time I'd like to discuss, consider and possibly take action on presenting CPAC's written recommendations to our board or executive director.

For example, CPAC can decide it will attend the board meeting and make a presentation in addition to submitting its written recommendations, or it can decide any other details about how and who will submit the various written recommendations to our board.

And finally, the CPAC can decide it will not decide anything on this issue at this meeting today, but will think about it and will present its written recommendations on a case-by-case basis and discuss and decide at the next meeting.

Members, let me ask you would any of you like to recommend how the advisory committee should proceed along the guidelines that I suggested, or would you like to consider it and then decide at your next meeting? I'll open the floor up to the members.

MR. RANEY: I'd like to consider for the next meeting, get ahead of this a little bit and get some details in writing.

MR. RICHARDS: Okay. Could you state your name for the record, please?

MR. RANEY: I totally apologize. Sitting on the planning and zoning commission using Robert's Rules,
you should figure I'd know this already. Raney.

MR. RICHARDS: Member Raney, your motion is to wait and consider, decide at the next meeting. Is there a second to that motion?

MS. JOHNSON: Cheryl Johnson. I'll second it.

MR. RICHARDS: Thank you, Member Johnson.

Any further discussion on membership considering it after this meeting and then coming back at the next meeting to make a decision on how it's going to present to our board? Any further discussion?

(No response.)

MR. RICHARDS: If not, I will call for the vote, and I'm going to go down the list again. If you're in favor of the motion to hold off until the next CPAC meeting regarding the recommendations to the DMV Board or to Executive Director Brewster, say yes.

Member Colvin? Or say no.

MS. COLVIN: Melissa Colvin. Yes.

MR. RICHARDS: Member Doran?

MR. DORAN: Laird Doran. Yes.

MR. RICHARDS: Member Ferguson?

MS. FERGUSON: Donna Ferguson. Yes.

MR. RICHARDS: Member Gonzalez?

MR. GONZALEZ: Member Gonzalez. Yes.

MR. RICHARDS: Member Cheryl Johnson?
ON THE RECORD REPORTING
(512) 450-0342

MS. JOHNSON: Cheryl Johnson. Yes.

MR. RICHARDS: Member Will Johnson?

MR. JOHNSON: Will Johnson. Yes.

MR. RICHARDS: Member Olah?

MR. OLAH: Ray Olah. Yes.

MR. RICHARDS: Presiding Officer Raney?

MR. RANEY: Robert Raney. Yes.

MR. RICHARDS: Member Rash?

MS. RASH: Jeanette Rash. Yes.

MR. RICHARDS: Member Rigby?

MR. RIGBY: Michael Rigby. Yes.

MR. RICHARDS: And finally, Member Snell?

MR. SNELL: Jim Snell. Yes.

MR. RICHARDS: Thank you, members. The vote was unanimous, and this will be an agenda item at our next meeting.

At this time we'll move on to agenda 2.F, which is the implementation plan for advisory committee recommendations.

Here today to assist with this particular agenda item will be Managing Attorney Brian Ge from our Enforcement Division, and Division Director Jeremiah Kuntz, division director for Vehicle Titles and Registration.

They will lead the discussion on the following
items: the first item is refunds from motor vehicle dealers and motor carriers transporting household goods; the second item title when a motor vehicle dealer goes out of business; the third item is protecting DPPA information; and finally, the issue of temporary tags.

It's my understanding that Managing Attorney Brian Ge will lead off. Brian, I will turn the meeting over to you, and then Jeremiah Kuntz will follow.

MR. GE: Thank you, David.

This is Brian Ge. Good afternoon, members. I am the managing attorney for the Enforcement Division. I am here to introduce the topic of refunds by motor vehicle dealers and motor carriers transporting household goods.

As Executive Director Brewster mentioned earlier, as part of TxDMV's Sunset bill, the Texas Legislature gave the department the authority to order refunds in certain situations.

The exact language can be found on page 30 of the written materials that were distributed to you prior to this meeting, but to summarize those sections, the department can order a licensee to provide a refund to a consumer if a licensee violates Chapter 2301 of the Texas Occupations Code or if a household goods mover violates Chapter 643 of the Texas Transportation Code.

We need your help to shape the contours of that
refund authority. To aid in that effort, we included several questions in your written materials that we would like you to consider for our next meeting where we will really delve into the subject matter.

Does anyone have any questions for me?

(No response.)

MR. GE: All right. Back to you, David.

MR. RICHARDS: Thank you very much, Brian.

Next we're going to move on to the second item, title when a motor vehicle dealer goes out of business. For that presentation we will have Division Director Jeremiah Kuntz of the Vehicle Titles and Registration Division.

Jeremiah.

MR. KUNTZ: Good afternoon, members. This is Jeremiah Kuntz. I'm the director of the Vehicle Titles and Registration Division. A pleasure to be here before you today. I know some of you and look forward to meeting those of you who I've not had the pleasure of working with in the past.

So I've got a few items that I'll actually be covering today. I'm hoping to not be too lengthy with it but wanted to present these concepts for your consideration as you start to delve into consumer protection and any potential changes that could be
recommended to the current policies and procedures that we have related to these topics.

So the first one I'll be talking about today is titling when a motor vehicle dealer goes out of business.

In the written materials this actually starts on page 1 of the written materials, and what you see before you is a registration and title bulletin.

These are bulletins that we send out to our stakeholders, which would be industry folks as well as our county tax assessor-collectors, providing them information about how to implement new policies and procedures.

During the last legislative session, the 86th Legislative Session, the legislature passed House Bill 3842 which authorized the department to establish titling requirements and waive fees paid to a dealer by a purchaser.

For a little bit of background for those of you who many not be familiar with that process, auto dealers, licensed auto dealers in the state of Texas are required to apply for title on behalf of any purchaser that purchases a vehicle from their dealership.

They have 30 days to make application in the county tax assessor-collector's office, and there are times in which a purchaser has gone to a dealership, they've purchased a vehicle and entered into an agreement
with them either for financing or have paid cash to that dealership and the dealership subsequent goes out of business for various reasons, either their license is no longer good, they've filed bankruptcy, they've just folded up shop and have closed down the business, but there could be any number of reasons why a dealership has gone out of business and they have failed to apply for title on behalf of the consumer.

So recently we've adopted -- and I'll cover this and then kind of come back a little bit -- recently we have adopted administrative rules covering the definition of what going out of business entails.

The current definition is in Administrative Code 217.16, and it defines a dealer has gone out of business if the dealer's license has been closed or has expired or operations have ceased at the licensed location as determined by the department. So it gives latitude to the department to make that determination that a dealership is no longer in business.

For all practical purposes -- and I know our Enforcement Division director is on the call as well if you've got questions for how they actually make those determinations, we could have her talk about that -- an Enforcement investigator may go out and inspect the location that we have on the license and determine that
there's nobody there, they've got a closed sign on their window, it's boarded up, there's no vehicles on the lot anymore, there could be any number of things that they observe that would cause them to make that determination.

But in accordance with the statute, once that determination has been made, a customer is given the ability to come in and actually apply to have the fees waived for the title, the registration, as well as a temporary tag that could be issued to that consumer, one 30-day permit, that would allow them to operate the vehicle while all of this is going on.

And so we have the authority through these rules and through the statute to waive those fees for consumers in order to better protect them. In the state's mind they've paid some amount to that dealership for those title and registration fees to be paid on their behalf and they were not paid to the state, and therefore, they are in our minds a harmed party in this transaction. This gives them the ability to get title and registration without having to come out of pocket additional money that they potentially already paid to that dealership.

And we have established a process by which this will occur. As I mentioned, it would involve our Enforcement investigators making a determination that the dealership has been closed. What a customer would do is
actually either come in to the tax assessor-collector office or our department, but ultimately, if they go in to a tax assessor-collector office, that information would be provided to the department for processing, and we would make that final determination that the dealership has been closed.

We would provide a letter to the customer that outlines each specific fee that should be waived by the tax assessor-collector when the customer comes in to make application for title and registration. That letter will actually have an itemized list and the total amount of fees to be waived.

The system is set up so that the tax assessor-collectors can waive those fees in our registration and titling database, and provide that customer with title and registration that they are entitled to.

The thing that is probably the main problem that most of these customers will have is they are not in possession of the original title or those kind of documents that the dealership was going to make application with.

As such, our rules address that and allow for the customer to bring in their installment contract, a bill of sale, any documentation that they have from that dealership where they've actually signed for the vehicle,
they've entered into an agreement or contract with the dealership, and that will provide us with the evidence of the buyer's ownership into that vehicle. And so that's the kind of documentation we would review and make a determination off of that documentation that fees should be waived.

So obviously if they bring in their contract that says that they purchased a vehicle and it itemizes out all of the different title, registration, inspection fees, county, road and bridge fees, all of those fees are itemized and listed out and that customer paid cash to the dealership, then obviously we would waive all of those fees. If any of those fees are missing or not accounted for on that documentation, then those fees would not be waived as they're not itemized on that contract.

So that is kind of an overview of the process that has come out of that legislation from the last legislative session, and before I move on, I can answer any questions now or I can move on to the next one.

MS. JOHNSON: Member Johnson. I have a question and I'd like to ask permission to speak and be recognized.

MR. RICHARDS: Yes, Member Johnson, please go ahead.

MS. JOHNSON: Mr. Kuntz, I'm curious, in the
document it says the department will not waive motor
vehicle sales tax but the county tax assessor-collector
may waive the fees per the Tax Code when proof of payment
is submitted.

Is this permissive or is this -- I want to make
sure we keep the standards through the state that every
tax assessor-collector is treating every customer the
same, so do they have this as an option or will they waive
it as long as the proof of payment is submitted?

MR. KUNTZ: So you're raising a very good
question. The sales tax is, I believe, what you're
referring to, the sales tax that the customer has paid for
the vehicle.

Unfortunately, it is not under the jurisdiction
of the Department of Motor Vehicles, and so therefore we
don't have jurisdiction over the waiving of that, the
Comptroller would have that jurisdiction, and so that's
something that would have to be addressed by the
Comptroller through their administrative rulemaking
process.

MS. JOHNSON: So it's not permissive by the
county tax assessor-collector, they're not necessarily
making that decision; it would be the Comptroller telling
the tax assessor-collectors what to do?

MR. KUNTZ: So unfortunately, I would not be
able to provide the committee with any recommendation on how that process would work with the Comptroller. That's something we would have to get the Comptroller's input on to provide to the tax assessor-collectors on that authority. I wouldn't be able to opine one way or the other.

MS. JOHNSON: Okay. Thank you.

MR. KUNTZ: Yes, ma'am.

MR. JOHNSON: Member Will Johnson with a question.

MR. RICHARDS: Member Will Johnson, please proceed.

MR. JOHNSON: My question really extends on the previous discussion as it relates to, if I understand paragraph 4 of the documents that you submitted, the consumer has already paid these fees and has already paid taxes and the dealer has failed to execute on the transaction.

And I understand that you said that the tax collection was outside of Department of Motor Vehicles, but I'm curious, what obligations does the dealer have -- as I understand it, they have to get a surety bond before they can operate business -- for the consumer to be protected against the bond that the dealership had for these tax monies that were received but not turned over to
the tax collector?

MR. KUNTZ: So the paragraph, I believe -- and I'll attempt to answer this -- on page 1 it's the paragraph: "The department will not waive motor vehicle sales and use tax paid by the purchaser to out-of-business dealers; however, the county tax assessor-collector may waive the fees per Tax Code 152.041 when proof of payment is submitted to the county with the title application."

What that is calling out is it's not the department's jurisdiction over sales tax, and that's why it's giving that citation, "the tax assessor-collector may waive the fees per Tax Code 152.041."

And what we're trying to say is the letter that you are going to receive from the department is not going to cover the sales tax as that's not within the jurisdiction of the department. Sales tax are all under the jurisdiction of the Comptroller or local governmental entities, depending on what kind of sales tax we're talking about. In this case, motor vehicle sales tax is the jurisdiction of the Comptroller.

So our letter is not going to address and what that is intending to call out is we are not waiving it as it is not in our jurisdiction but there are statutory provisions that a tax assessor-collector may rely upon in Chapter 152.041, and so we're pointing them to that code
or their discretion in working with the Comptroller on how to waive those sales tax fees.

As to the bond that a dealership pays, I would have to involved Corrie Thompson, who is with our Enforcement Division, as to how those bonds are structured and who they are made payable to.

And I don't know, Corrie, if you've got information on that that you'd be able to share.

MS. THOMPSON: This is Corrie Thompson. Jeremiah, I figured you were going to try to ping on that at some point so I started trying to look up the statute.

I believe we are looking at the security requirement in Transportation Code 503.033(d) which says a person may recover against a surety bond or other security if a person obtains against a person issued a motor vehicle general distinguishing number or wholesale motor vehicle auction general distinguishing number a judgment assessing damages and reasonable attorney fees based on an act or omission of which the bond is conditioned that occurred during the term for which the general distinguishing number was valid and the bond is conditioned -- one of the terms is on the transfer by the applicant of good title to the motor vehicle that they've offered for sale. So it does seem that a person would be able to recover under the bond but they would need to
obtain that judgment.

MR. JOHNSON: So my closing thought would be that just as you're pointing them to the Tax Code to help the consumer that's been wronged by this dealership that you make some reference in the letter that they have an avenue to pursue against the surety bond for any tax money that they had to pay twice.

Thank you.

MR. KUNTZ: Yeah, and so one of the other things that I do want to kind of bring up along those lines is the House bill that passed this legislation -- so you kind of made a reference there, and I want to kind of hone in that, because I think you made a very good point that we need to kind of talk about -- is if the department waives the fees, so let's say the department waives title, registration, all the fees that are owed to the department and the consumer paid that to the dealership but those were waived, the department has the ability to go after that bond as well to recoup the fees that were paid by the consumer to the dealership that were not paid to the department, so we have an ability to collect on those as well.

You're also correct that that consumer under that chapter of the code would also have the ability to recoup any fees that they've had to pay twice. Let's say
the sales tax was not waived for some reason, they would have the ability to go after that bond as well.

MR. JOHNSON: Thank you.

MR. GONZALEZ: Permission to speak. This is Ruben Gonzalez.

MR. RICHARDS: Yes, Member Gonzalez, please proceed.

MR. GONZALEZ: Thank you very much.

How are you doing, Jeremiah? This is Ruben in El Paso.

MR. KUNTZ: Doing great.

MR. GONZALEZ: I was thinking that the intent of the legislation is to help the consumer, and there's an avenue for the DMV to go against the dealer's bond because they post a $25,000 bond.

Why could we not make the recommendation that because it's a package deal that the consumer has been denied full access to title and registration, because of the sales tax not being paid, include that as a package when the department goes and tries to get their fees on title and registration, because you're waiving it, help the consumer out and make it a package deal on behalf of the consumer so they can get their respective sales tax credit also and allow the county to get their fees ultimately as part of the collection process?
To make the consumer go separately, file separately and seek a court order through a judgment through a judge and give them their portion of the refund money back because the dealer is not going to be available to return that money, why cannot the department consider adding that customer as part of your lawsuit to get your money back on the dealer's bond?

That is my question and ultimately my recommendation in this type of situation.

MR. KUNTZ: So I'll have to defer to general counsel a little bit on that. That's something that the department could take back and look at. As it stands right now, just because of the separation between us and the Comptroller on jurisdiction over those fees, we would not have the ability to just outright do that.

That does not mean -- and again, I'll kind of defer to general counsel on this -- I would assume that if the State of Texas was going to be filing against a bond, that's going to be done with the Attorney General's Office, and that would be done as a package deal, but I'll defer to our general counsel on that.

MR. RICHARDS: This is David Richards, associate general counsel.

Mr. Kuntz is correct. And let me just say, members, y'all are asking great, great questions, and
that's why we formed this committee, that's why you were selected, because you have a wealth of information and knowledge, and these issues can be further ferreted through and discussed. But we would have to do a package deal, Member Gonzalez, if talking about going the route you're speaking of.

So I will turn it back to Mr. Kuntz.

MR. KUNTZ: All right. I'll entertain any other questions on this topic, or we can move on to the next one. I'll leave it up to the committee.

MS. RASH: Member Rash. I have a quick question.

MR. RICHARDS: Member Rash, you have the floor.

MS. RASH: We have a lot of trouble whenever a dealer goes bankrupt or sells, and we always have to go through the Bankruptcy Court. Would that not also have to be something that the consumer has to do, because it seems like the Bankruptcy Court trumps everything?

MR. KUNTZ: So obviously -- and again, I'll kind of answer a little bit from my perspective and then I'll turn it over to our general counsel to answer kind of the Bankruptcy Court issues.

This particular statute was born out of that exact scenario, in order to assist consumers that potentially have a dealership that has gone out of
business due to a bankruptcy or some issue like that that they have failed to stay open, and so I want to kind of clarify this, that there is a fine distinction -- and I know that this is something that we would want to very much consider.

A lot of times in bankruptcy the dealership has not closed, so depending on what type of bankruptcy, the dealership may still be in business, and that is something that is a very good observation that you're making, where we've got many problems where you have a bankrupt dealership who's having trouble filing for title.

So what this was really intended to do here was address when those dealerships have fully gone out of business; i.e., they've lost their license, they've abandoned the location, those kind of things, there is nobody else left at the dealership to talk to or anything.

It gives consumers a way out for them to obtain title and registration.

If there is a bankruptcy and there's still issues going on, our definition of out of business is not necessarily covered there. But I will also defer to our general counsel and our Enforcement director as well to help out on that one.

MR. RICHARDS: This is David Richards, for the record.
What Director Kuntz says I agree with. We do at times deal with bankruptcy situations. The statute was really, as he said, a non-bankruptcy type scenario where they just truly go out of business. In many cases, if not all cases, the Bankruptcy Court pretty much dictates once the filing takes place.

I will say, though, that we have been successful in working through the Office of the Attorney General to work through the Bankruptcy Court in cases to assist consumers to gain their titles. We continue to do that; we have some that we're dealing with now.

So all hope is not lost if bankruptcy is filed but it does make matters a lot more difficult for consumers, but as Director Kuntz mentioned, this particular provision was dealing with just where they strictly go out of business and we're not dealing with a bankruptcy proceeding.

I don't know if Corrie Thompson wants to chime in. I'll mute my mic if you'd like to.

MS. THOMPSON: This is Corrie Thompson, director of Enforcement.

Bankruptcies, as they relate to the Enforcement Division, speak only to whether or not we continue to pursue administrative enforcement action during the term of the bankruptcy, so we have less involvement with that
when it comes to helping consumers obtain title during those times.

MR. RICHARDS: Thank you very much, Director Thompson.

Mr. Kuntz, I'll turn it back over to you unless any members have any further questions on the subject.

MR. KUNTZ: Okay. Well, with that, I will move on to our next topic, and this one is one that I think just about everybody as a consumer, and even stakeholders are consumers in this situation, this is something that I think is near and dear to just about everybody's heart, and that is protecting Driver's Privacy Protection Act information.

And so for those of you who are not familiar with DPPA, the Driver's Privacy Protection Act is a federal law that protects a motor vehicle record, the title and registration information that we have in our database becomes protected.

And that law as a federal law, there's also a state law that mirrors it very closely and that is the -- I'm trying to remember the acronym for it, but I think it's the Motor Vehicle Record Disclosure Act, and that is the state law that is very similar to the federal law covering these protections that are afforded to motor vehicle records.
When we talk about motor vehicle records and Driver's Privacy Protection Act information, the thing that is probably most important to understand is that what we are talking about is personal information, and so that is the person's name, their address, any other information that we have that would be potentially Social Security number, driver's license number, any medical or disability information, all of those pieces of information that are considered personal information, those are the things that are protected by the DPPA.

Now, what DPPA does is it basically starts and says personal information contained in a motor vehicle record is protected and shall not be disclosed. It then goes on to list out required disclosures and permitted disclosures.

And really what we're going to talk about, because it's the thing that falls within the jurisdiction of the department, obviously if there's required disclosure, the department has no choice, we have to give the records to the entity that's requesting those.

Those are very limited in scope on the entities that can obtain records under required disclosure -- I don't have that statute up in front of me right now -- but the main focus we're going to talk about it is permitted disclosure.
And so the way that I generally look at permitted disclosure is these are entities that have a need for motor vehicle records in order to identify an individual owner of a vehicle -- and I know we've got some stakeholders on the line that definitely fall into that category and I'll kind of go over the big ones -- but when you look on page 13 of your documents, this is kind of a list of different entities that have obtained or have permitted purposes or have gotten information from the department in the past, and we'll kind of talk through some of these, but as an example, a tow truck company.

So under state law there's a requirement that if your vehicle is towed for a non-consent tow -- in other words, you did not call the tow truck company and ask them to tow your vehicle, you were parked at a parking meter or you abandoned your vehicle, something like that, or you did not consent to the towing of your vehicle -- they have a requirement to notify the owner within a certain number of days.

Obviously, they have a business need, a statutory requirement to notify and so they've got a need to access that data so they can determine who the owner of the vehicle is so that they can send that official notice to the owner of that vehicle. So that's just one example.

Another example that we have very frequently is
auto dealers, so one of our largest consumers of our data are auto dealers, and they would access our data for the primary purpose of determining the actual ownership of a vehicle that's been traded in to their dealership.

So a customer comes in, they have a vehicle, they don't have the title to the vehicle, they're saying, I want to trade in my vehicle to you and purchase a new one, those dealerships have access to our information to verify the validity of the information that's been provided to them, and that's a permitted disclosure under state law and our administrative rule.

So those are just kind of two examples that I can give that are kind of frequent examples that you would see for folks that need to access our data.

So from this list what you will see is we've kind of got broad categories, so government, so federal, state, county, city, law enforcement and toll road entities fall into permitted disclosure.

They have specific sections in code, both federally and at the state level, to access records for official government purposes. As I mentioned, towing and salvage companies, so these are some folks that have received information from us in the past. Automobile and automotive sales, so mechanic shops, body shops, new automotive dealers, used automotive dealers, bank lenders,
title services, auto title service consultants.

Insurance industry, you've got insurance companies, agencies, agents, adjustors. And then we've got others and I'll kind of go into this, hospitals, schools, homeowner associations, defensive driving schools, law offices, resellers and private investigators.

So one of the things to just kind of talk about our process at the department, we've really got records that can be accessed in a couple of different ways. One is -- and the counties have this ability to do records as well -- a customer would come in and say, I need my own motor vehicle record and they would fill out what we refer to as a 275, which is a request for motor vehicle record; they would pay the associated fees and be provided with motor vehicle record, either the digital record or their title history or whatever it is that they're looking for.

So that's a way that people can access that is just in person over the counter.

County offices do some of these, our regional service centers also provide services, especially if you're needing a title history, our regional service centers do that, and I'll kind of talk a little bit about that since I threw that out there.

There's motor vehicle records which are the metadata that's contained in our database, so that's the
digital record of your information. And then we also have
title histories, which are actual scanned images of the
paper application for title, the title that was
surrendered with the application, all the supporting
information that went into that application for title.
Those are kept in a different database and those are
actual scanned images and we refer to those as a title
history because it's got the history of all the paper
documents that were submitted.

So you can obtain those in person using that
form. You can also -- and the primary thing that we're
talking about here is we've got businesses that have
access to our MVINET system, which is our Motor Vehicle
Information Network, or system, and those are users who
have credentials to log in and basically use either a VIN
number or a license plate number to query for the owner's
name, address, that kind of information for the purposes
of notifying them or obtaining the information, like I
said, for a dealership, verifying the information provided
to them.

Kind of the third way that folks access the
records is through what we refer to as the master file and
weekly updates, and folks that get the master file and
weekly updates, those folks actually get the entire
database -- our database has about 66 million records in
it -- and then they would get weekly updates, so the weekly update is the file that has all the transactions that occurred the previous week.

And so those folks load that information into their own database, they then update it weekly with the information that they receive from the department, and then utilize it for the purposes that they are intending to utilize it for.

Some examples of that, a lot of times other governmental entities would be the folks that fall into that category, toll road authorities, universities that are doing statistical analysis.

So you've got TTI, which would be the Texas Transportation Institute, potentially they want to do analysis on how many vehicles are in a certain zip code, those kind of files would be the types of files they would need in order to do that kind of analysis and research.

But we have recently undergone a rewrite of our administrative rules to help bolster the vetting of these folks that are coming in and entering into a contract with the department, and so those are the folks that have MVINET access or the access to the master file and weekly updates.

That process has changed substantially for us in the last year. We have transitioned that. It used to
be a function of our IT department, that's transferred over to my division, and we are now vetting those, all the existing contract holders using a new vetting application that they submit in accordance with our new administrative rules that cover this.

And those rules now require if you are a dealership you must provide us your license as a dealer, if you're an insurance company you have to provide your insurance license, so we are verifying their license status, we are verifying their location of business, verifying that they do have a permitted purpose.

And I will tell you through this process we have weeded out folks that we have determined do not have a permitted purpose, and we have terminated their access to the system.

And so we have undergone a pretty extensive vetting process that's taken us quite a bit of time. There are approximately 2,600 contract holders for MVINET access, and we have I think it's 32 vendors that receive the weekly files.

And so we are going through that process of re-vetting all of them and trying to clean that process up, but this is something that we kind of want to talk with the Consumer Protection Advisory Committee about things that we should potentially be looking for, different
entities, and I can tell you on this list there are entities that have received data in the past that we no longer will provide access to.

And so that's another thing that we would potentially want the advisory committee to look at is looking at this and figuring out are there other consumer protections that we could put in place around this data to further secure it while also ensuring that the business community that has a legitimate permitted purpose has the ability to access these records in order to conduct their business.

I know that was a lot, but I will kind of move into questions on this one. I'm sure folks may have questions.

MR. DORAN: Laird Doran here would like to be recognized with a question.

MR. RICHARDS: Member Doran, you have the floor.

MR. DORAN: Thank you. This question is for Jeremiah. Thank you for that really holistic overview, that was very helpful. The question I had, you mentioned that there were 2,600 contract holders, and my question is do they all have the same level of access or are there certain terms of usage that apply to different users?

So by way of example, you know, R.L. Polk,
which is a firm that many in the automotive industry use to track vehicle sales and to look at which automotive brand is performing well against another automotive brand by market share, et cetera; they may have certain needs for certain fields of data but maybe not others.

And so the question is among those 2,600 contract holders that have access to the data, do they all enjoy the same level of access or can that be restricted based upon the type of business that is needing the data?

MR. KUNTZ: Yeah, that's a very good question. There's really two types of sets of data that you're getting, and I made reference to them. The MVINET system, which has I'll call it the instantaneous access to run a VIN or a license plate, is going to pull back the motor vehicle records, so it's going to pull back that data that's really the same thing that law enforcement would see if they ran a license plate roadside.

It is limited in the number of fields that it is presenting back. It is presenting more basic information like name, address, the vehicle information, so make, body, year, all those kind of things, but it does not get into some more of the transactional type data surrounding the title that maybe was applied for, like how much was paid for the vehicle, the sales price, the sales tax that was collected, the fees that were paid for that
vehicle, any other indicators that may be in the motor vehicle record are not presented in that system.

The master file and weekly updates have many more fields of data and to your reference, R.L. Polk, we refer to them as like an IT service or a reseller, they get that big file because they do just like you said, they crack the file and look at a bunch of different fields. They may look at sales in a zip code and they've got the sales price and the different factors and data that's in that master file that's not contained in the MVINET access.

But beyond that, those are the only two data set options. We do not go down to the data level on access. That is something that we have contemplated that would require coding, it is something that we have talked about internally, but we would have to change our system to code for that to make those selections per recipient.

Did that answer your question?

MR. DORAN: Yes, Jeremiah, it did. And I have another question, and I don't know whether proper protocol is to wait till we go around the horseshoe or to just ask it now.

MR. RICHARDS: This is David Richards again, for the record.

Members, are there any other members that have
a question before Member Doran asks his second question?

(No response.)

MR. RICHARDS: Hearing none, Member Doran, you may ask your second question, please.

MR. DORAN: Thank you.

Jeremiah, I was just wondering if you could speak to the question of whether there are certain terms and conditions that are imposed upon the 2,600 contract holders, maybe things about data sharing parameters, prohibitions on the resale of that data, or anything of that nature.

MR. KUNTZ: Yes. So we do have a contract, and that's something if the advisory committee was interested, we could get you a sample of that contract. It is a standard template that we utilize, we don't alter it, we don't allow for modifications to it, it's the standard contract that we provide.

Yes, there are stipulations, there are in our administrative rules penalties for misuse. If you're caught misusing the data, there are provisions that allow us to terminate your access to the system.

As far as resellers are concerned, as you mentioned, R.L. Polk, folks that take our data, repackage it and then resell it, there are some statutory restrictions as well as, I believe, in our administrative...
rule restrictions on not re-disclosing the information in the same format that you received it.

So they should not be, in accordance with state law and our contracts and everything, reselling the entire database as they got it. So if you got the database and then you just turned around and sold it to somebody else, you did nothing to it, you've not made any changes, you've not done an analysis, any of that kind of stuff, then that would not be authorized.

MR. DORAN: Thank you. That was very helpful.

MR. RICHARDS: Members, David Richards again, for the record. Any other questions for Director Kuntz on the issue of DPPA information at this time?

MR. DORAN: Laird Doran again. To take Jeremiah up on the offer, if agency personnel would be willing to share the template with the CPAC group, I think that would be helpful.

MR. KUNTZ: I'm sure we can get that to the members. Yes.

MR. DORAN: Thank you.

MR. RICHARDS: Okay. We're going to move on to temporary tags. Director Kuntz.

MR. KUNTZ: Yes. And, Tameka, I had a question for you. I know we have the presentation that we have in the documentation. Are we just going to go over it that
way? I didn't know if you wanted to present it or not, or if we had that functionality. If not, I can just go over it and folks can follow along. Tameka, are you there?

   MS. HARRIS: I'm sorry. Tameka, for the record.

   So we did not prepare to present since this is a teleconference however, the members and public have been provided with that PowerPoint.

   MR. KUNTZ: All right. Perfect. Okay.

   So members, in your packet of information the presentation I'll be going over relates to temporary permits, or temporary tags, as we refer to them. It starts on page 31 of your materials.

   So I've given this presentation a couple of times and I've actually done a couple of on-camera interviews with Director Thompson as well, and so I have a lot of information about this and hopefully this will be informative to you and provide you a little information about how all of this works.

   So temporary tags, there's really kind of two systems that we handle: it's timed permits and dealer-issued permits. So I will start with timed permits, and so on page 33 of your document you will see temporary timed permits.

   There are four types of timed permits, a 72-
hour permit, 144-hour permit, a one-trip permit, and a 30-day permit. So we call them timed permits because they have a certain amount of time that they're good for, and then they expire so they're something that's transient, they're temporary in nature.

There are three ways to obtain those permits: a county tax office, a regional service center of the DMV, and then we have some timed permits that are provided for on our website at TxDMV.gov.

Any timed permit that is provided to a customer is able to be queried through TLETS, which is the system that law enforcement uses to run a license plate or a temporary tag like this, and they are not authorized to be issued to apprehended vehicles or vehicles issued a salvage or non-repairable title.

Salvage and non-repairable titled vehicles are not authorized to be operated on the roadway, and apprehended vehicles are vehicles that were basically apprehended by a law enforcement officer for not having proper registration on it on them. They cannot apply for a temporary permit, as they are required to get registration.

And I'm sorry for the disruption. I'm telecommuting from home, and my three-year-old just walked into my office.
History of timed permits. October of 2010 implementation of timed permits database in RTS, and that database allowed for that real-time entry of timed permit records, printing of those receipts and tags, reprinting and inquiry. So this is when those paper tags were first brought into the state of Texas.

A little bit of history that goes back before 2010, for those of you who remember in the old days, Texas used to use cardboard tags which were kind of a heavy cardboard stock that were issued by dealerships, they were also issued by the county tax assessor-collectors, and generally they did not have a unique number on them, it could not be queried, there was no number for law enforcement to look up, and the only thing that was written on those, usually in a Sharpie marker, was the expiration date of the cardboard tag. So in 2010 we moved away from those and got into print-on-demand temporary tags which can be issued a unique number.

September of 2014 the web permit system was launched, and it allowed for the issuance of timed permits, all of these timed permits on our website.

May of 2018 we added new security features to those printed timed permits. We added a 2D hologram -- and you'll see all of these -- bar code, state seal and Bezier curve.
And in June of 2018, the 30-day and one-trip permits were removed from our online system. That removal of that was actually at the request of law enforcement due to the fraudulent use of those permits in Texas as well as in other states. Today we are continuing to try and identify ways to prevent fraud and misuse of these tags.

On to page 35, so as I mentioned, we were receiving calls from out of state. We were getting calls from New York, Michigan, other states where customers were using our system to print temporary tags and try and operate their vehicles in those jurisdictions without having to get their local registration.

We also were made aware that customers were reproducing permits by printing them and the system, we found out, had not been locked down on the PDF and was allowing for the modification of that PDF image, which is why those permits were taken offline.

Current solutions that we have that are ongoing, and this is on page 36. We limit the number of 30-day permits to three for a VIN number, and that's set in our RTS system as well as the online system. Limited the issuance of 30-day permits to only Texas titled or registered vehicles, so we put in a restriction that if we did not have a record of that vehicle in the state of Texas, those vehicles could not issue a temporary permit.
That was to help out with the out-of-states.

We added the security features to assist in identifying reproduced or fraudulent permits -- and you'll see those in a second -- in April of 2018. We locked the PDF June of 2018, removed 30-day and one-trip. We left 72-hour and 144-hour up -- and I'll talk a little bit about that in a second -- and then temporarily stopped the issuance of 30-day and one-trip permits until further programming can be made.

So those are still not available on our website. You can still obtain them in a county office or a regional service center office, but you cannot access those online.

And page 37, these are some additional things that have been done. December of 2018 we actually started capturing IP addresses of those permits, so when somebody logs in from their computer, we are capturing the IP address of where that permit was issued.

The origination or destination of a one-trip is required in our systems, so when you go in to apply for a one-trip permit, the origination or destination, one of those points must be a place in the state of Texas.

And upon entry of a VIN in web permits, a confirmation pop-up now appears prompting verification of the vehicle year, make and body style, so we are doing
some VIN decoding to give them prompts to make sure that we've got the right vehicle.

Query of permits by VIN is now available. It used to only be able to be queried by license plate number or the permit number; you can now query by VIN. And we are also capturing the vehicle color on the temporary permit, and that was added in 2019.

And the effective date of the permit is limited to one year from the date of issuance, so you can pre-purchase a permit if you know that you're going to pick up a vehicle in a month or something, you could pre-purchase that permit, but it cannot be for more than one year into the future.

We have some future solutions that we are looking at that are on our list of enhancements to the system. One is potentially adding a DL validation for issuance of a 30-day or a one-trip permit.

In order to bring that system back online, we would need to have a DL validation. That way we would require you to put in your driver's license to definitively know who is applying for those permits.

Limiting the number of one-trip permits a single vehicle can obtain, so it would be a single, you can't get more than one. Allowing for reprinting of 30-day and one-trip permits once limitations are made, so
there's some reprint functionality that we're looking at.

Preventing the issuance of 72-hour and 144-hour permits for motorcycles. We had some individuals that were trying to obtain these types of permits for motorcycles. That's important and I'll talk a little bit about this.

72-hour and 144-hour permits are only for commercial vehicles, so those are for like your heavy trucks, your 18-wheeler type vehicles, those kind of vehicles, and they are really meant for carriers that are not from the state.

The primary purpose of them is a carrier potentially in Louisiana that does not want to get international registration, they're going to drop one load across the border in Texas, they only want to operate in Texas for 72 hours, they don't want to pay full registration, that permit is available to them, but it's only available to motor carriers, and so it's not available to consumers, to regular passenger vehicles, consumers that are using it day to day.

Correct the 30-day permit expiration date for permits printed in Mountain Time. We had an issue with Mountain Time calculating the date depending on what hour of the day they printed those if you printed it at midnight Central Standard Time, effectively.
And then defaulting effective date or start date for a 30-day permit through the date of purchase and preventing the ability to modify the effective date. So that would limit you only to 30 days going forward from the date you purchase it, not allowing you to purchase those for a future date and time.

Other enhancements: Further enhancing the security features by adding a Bezier curve and larger state seal, so we've got some new designs for the backgrounds. Those are watermarks on the tags.

For web permits, if there's no record found for the VIN, the information should not retrieve, so if they can't do a VIN validation, then it would not allow it. And then what we call a reCAPTCHA, which is something to prevent a bot from trying to access our web application and print off lots of permits at one time.

All right. So I'm on page 40 now. The first one I will show you is the 72-hour permit and the key features. That one in the top left is the original one. You can see it's just got a plain white background. As of May 21 of 2018 you can see we added a state seal, there is now a bar code that law enforcement can scan to verify that the information in the bar code is the same as what's in the record.

You can see the unique number that is printed
across the permit tag that has lines that go through it. At the top right-hand corner you've got what we refer to as the Bezier curve. These are the security features to help out with preventing somebody from altering or manufacturing their own temporary permits.

I will tell you, and it's what I've said many, many times on camera as well as to law enforcement, the primary security feature on this tag is not any of those background features, it is the unique number itself.

The fact that law enforcement can actually run that number and pull up a record in our system gives them vast amounts of information so if somebody has altered that expiration date and they run the number and it comes back as a different expiration date, obviously that is a critical piece of information for law enforcement for detecting fraudulent use of these tags.

When you go down to 72-hour permits, you can see the security features -- this is on page 41 -- the security features are exactly the same on those as well. One-trips are, again, the same, and I'm going to move through these quickly since the security features are all the same. And then 30-day permits as well on page 43.

Before I move on to dealer tags, does anybody have any question about timed permits?

MS. COLVIN: Melissa Colvin. May I have
permission to speak?

MR. RICHARDS: Member Colvin, you have the floor.

MS. COLVIN: I do have a question on the timed permits. What about if they're bought through Comdata, is it still going to show the issuance of the state?

MR. KUNTZ: I'm not familiar with buying those through Comdata.

MS. COLVIN: Okay.

MR. KUNTZ: We do not authorize anybody else to resell permits. The only places that you can obtain permits are the county office, our regional service center, or our online system. We have not authorized any vendors to produce and sell temporary tags.

MS. COLVIN: For CMV units?

MR. KUNTZ: CMV units?

MS. COLVIN: For the commercial motor vehicles.

MR. KUNTZ: Yeah. 72-hour and 144-hour permits, no, those are not authorized to be resold by anybody.

MS. COLVIN: That's how trucking companies are getting the permits, they're getting it through Comdata, and I have numerous experiences with owner-operators or drivers that are buying permits through Comdata, 24-hour, 72-hour permits. That way they're not having to buy the
MR. KUNTZ: I know that there used to be those vendors that were authorized to do that. Our Motor Carrier Division used to sell them blocks of permits. I'm not aware that that practice is continuing anymore, so I'm not sure how they are obtaining authority to sell these permits, unless they're going into a county office or going online for the customer, but they're doing the same thing the customer could do themselves. I mean, our online system provides customers the ability to do 72-hour and 144-hour permits.

MS. COLVIN: Okay. I do have one more question.

MR. KUNTZ: Okay.

MS. COLVIN: On the time cap you said that they were able to buy three 30-day permits?

MR. KUNTZ: Correct.

MS. COLVIN: What about the 24-, and the 72-hour permits, is there a cap on those?

MR. KUNTZ: I do not believe that there is a cap on those. I would have to verify that, but I do not believe that there is a cap on them.

MS. COLVIN: Is there a way to verify that and get back with me?

MR. KUNTZ: We can provide the committee with
information on that.

MS. COLVIN: Thank you.

MR. KUNTZ: Are there any other questions on timed permits?

(No response.)

MR. KUNTZ: Okay. With that we will move on to what we refer to as the dealer eTAGs. So as I just mentioned before, the method to obtain timed permits is a county tax office, regional service center or our online system.

Dealers eTAGs actually have their own stand-alone system for the issuance of eTAGs, and so it used to be a stand-alone system, it is now in what the department refers to as webDEALER. And so as you move on to page 45, webDEALER is an application that is available to all licensed dealers in the state of Texas and it has what is known as eTAGs.

The eTAG system has now been integrated into the webDEALER application. So any dealership that has a license with the department is authorized to access the eTAG system, and that's by state law we provide access to those dealers.

eTAGs, just like timed permits, can be queried by law enforcement. They do have a unique number that can be queried through NLETS and TLETS, and the different tag
types. There is a dealer or converter vehicle specific
tag, a dealer agent specific tag, a buyer's tag, and an
internet down tag. Probably the most frequently used tags
that you will see out on the roadway are the buyer's tag
or internet down tag, and those are temporary tags that
are issued to a purchaser of a motor vehicle at a
dealership.

So the history of dealer tags. So you see
issuance of temporary tags on cardboard stock, that's what
I referred to before as well. Dealers used to use third
parties for their cardboard stock, they would actually
print their P number or their license number on the
temporary tag, and then they would fill in with a black
Sharpie marker the expiration date of the tag, and they
would issue those to the purchasers of their vehicles.

In October of 2008, the eTAG system, the web-
based system was launched, and eliminated the cardboard
stock and allowed for on-demand printing of tags on
regular just 8-1/2 x 11 paper. Dealers print these
themselves on 8-1/2 x 11 paper in their dealership and
they don't have to go anywhere to obtain these tags.

And this is what I referred to before, April of
2018 the legacy eTAG system moved into webDEALER and the
new security features were added, the same security
features you saw on the previous tags. And today,
obviously, we continue to identify ways to prevent fraud of these tags as well.

So very similarly, future solutions that we're looking at for these tags would be IP address reporting, and I believe that feature has already been turned on at this point so that is now an active feature for the dealer eTAG system. Further enhancing the security features by adding the larger state seal and wider curves. The dealer information to show in MVINET on all dealer eTAGs issued. There are certain date elements that were not present on certain types of tags that law enforcement has requested. That way they could go back and identify the dealership, not just the owner of the vehicle.

And then entry and validation of Texas driver's license or identification card number prior to issuance of eTAG. This is something that I believe we would definitely want to get some input from the advisory committee on.

This is something that law enforcement is very interested in and that is actually capturing driver's license information for the owner of the vehicle in that eTAG system so that law enforcement can identify that on the tag itself. They are concerned at this point of the fraudulent issuance of dealer tags by licensed dealers.

So I will go over these tags as I move on to
page 48. I'll cover converter vehicle specific tags. A converter is somebody who actually makes modifications to a vehicle prior to first sale. This is not body shops or anything like that that are doing work on vehicles after the vehicle has been sold, so when a vehicle is new and they're going to make modifications to that vehicle, maybe they're going to add handicap accessible ramps or those kind of things to the vehicle, that's a converter.

Converters have the ability to have these tags to display on the vehicles that they're moving around. And so you can see a sample here, Seagrave Fire Apparatus, so this would potentially be a converter that's doing fire vehicles, fire trucks and that kind of thing.

The next slide is 49 and these are dealer vehicle specific tags. These tags can be used by the dealership when the vehicle is not purchased by anybody but they are needing to move the vehicle around.

It has the specific vehicle's information on these tags, so it actually has the VIN number entered into the database for the specific car that it's going to be affixed to. This tag can only be affixed to that one vehicle; it cannot be taken off that vehicle and put on another vehicle.

But this would allow the dealership to operate those vehicles prior to them being sold. Examples of this
could be they're wanting to move a vehicle from one
dealership to another and they need to transport it, they
could use these tags to transport those vehicles from
dealership to dealership.

A dealer agent specific tag, and the key
difference here between this tag and the one right above
it is the thing that is specific is these tags are issued
to an individual, they are not vehicle specific.

So these tags do not have a VIN number on them,
they can be moved around from vehicle to vehicle, but only
are issued to a specific agent of the dealership. So the
example that I hear all the time is a dealership has
somebody that they send to auction to go purchase vehicles
for them, that's their authorized agent, they would have
tags provided to their authorized agent to affix to those
vehicles that they purchase at auction in order to
transport them back to the dealership's location.

Law enforcement can query these numbers on
here. The thing that law enforcement does not like
particularly about these tags is that they are not
associated to a specific vehicle, and so they can be moved
around from vehicle to vehicle.

Here is probably the most prevalent tag that is
out on the roadway that's issued through the eTAG system,
and that is a Texas buyer's tag. As I mentioned before,
this is the paper tag that's issued when you purchase a vehicle from a new or used vehicle dealer, and it's affixed to the vehicle and serves as proof of purchase by that buyer until the license plates, title and all of that can be processed in the county tax assessor-collector's office. So this allows a purchaser of a vehicle to drive off of the lot of the dealership and operate that vehicle until such time as the title paperwork is properly applied for and approved.

Internet down tags, this is essentially the same thing as a buyer's tag, but it is used for when the internet potentially is down. Dealerships are authorized to print these out in advance of potential outages for the network. They have these -- that way if they sell a vehicle they can affix this to the vehicle, and then once the internet or their system comes back up, they're required to enter that information into the system to make sure that law enforcement would be provided that information on that customer that's operating the vehicle. So as you can see, it has spaces for them to enter an expiration date, year, make and VIN on the actual tag itself, and allows law enforcement to see that information and then verify it through the system.

With that, I have now gone through all of the temporary tags that the department has available, and I am
more than happy to entertain any questions.

MS. JOHNSON: Cheryl Johnson, requesting permission to speak and be recognized.

MR. RICHARDS: This is David Richards, for the record.

Member Johnson, you have the floor.

MS. JOHNSON: Mr. Kuntz, I'm curious, so DMV wants input on obtaining Texas driver's licenses on these specific tags, but it seems as though some of these would be more significant to have a tag tied to them than others.

For example, a dealer agent specific tag absolutely should have a TDL, in my personal opinion. So are you looking for recommendations for each one of these, or did you have something specific in mind?

MR. KUNTZ: So we've been looking at agent tags. We actually have another solution that we are potentially looking at to try and create a different method by which to issue agent tags.

I know law enforcement -- just to kind of get y'all up to speed, we have been meeting with law enforcement on this specific issue of misuse of the dealer tag system by licensed auto dealers, and these are potentially auto dealers that are potentially selling a tag to somebody who did not purchase a vehicle from them
and basically getting them a tag for a vehicle that should not be operated on the roadway that doesn't have registration for any number of reasons why.

And so what they are really looking for is to be able to tie back to who was actually issued that tag so that they can pull that information when they potentially have somebody that's got one of these tags that should not.

MS. JOHNSON: May I ask permission to ask a second question, please?

MR. RICHARDS: Yes, you have the floor, Member Johnson.

MS. JOHNSON: So my only concerns are with buyer's tags, so I think that that makes sense what you're looking for, but with the buyer's tag, if they're trying to tie these to a specific driver's license, could there not be multiple drivers to tie a buyer's tag to?

MR. KUNTZ: That is possible, yes. This is obviously something that, yes, we believe this merits definitely some discussion with folks in the industry, obviously this group, as well, representing consumers, law enforcement obviously has their opinion as well.

And so I think it's something that we are definitely wanting to look at the potential benefits as well as any potential drawbacks to requiring that as a
requirement to issue a buyer's tag. So the things that you're raising, those are definitely kind of the pros and cons that we would be wanting to weigh, or have this committee weigh in making recommendations on how to move forward with that.

MS. JOHNSON: Then my question would be back to the chair is how would you want to receive input from the committee on an issue like this.

MR. RICHARDS: This is David Richards, for the record.

MS. JOHNSON: Cheryl Johnson. I'm sorry. Go ahead.

MR. RICHARDS: David Richards, for the record.

Member Johnson and members, we can take suggestions, written suggestions by email. If you want to submit it to me or to Tameka Harris as the host, we can take it that way. But written comments would be the preferred form of submission, as far as I'm concerned.

MR. KUNTZ: And I do want to add, I wouldn't want to limit the committee's deliberation on this. Obviously we have presented some of the functionality that we're looking at from a technology standpoint, but to the extent that the committee has any further recommendations on how to protect consumers, you know, figure out ways to prevent fraudulent use of these tags, we would definitely
want to get recommendations from the committee on any
enhancements or changes that you believe would be
warranted.

MR. RICHARDS: David Richards, for the record
again.

Let me clarify my statement. What I was
talking about is in the interim before our next meeting if
you want to submit anything in writing that's fine, but
for sure you can suggest to your presiding officers agenda
items that you'd like to talk about.

Clearly we have four subject matter areas that
we're going to be dealing with, but definitely we will
discuss them and want you to discuss them and bring your
expertise to the table at our meetings, so there are
different forums that you can use.

You're welcome to contact us individually if
you have legal questions or questions for the presenters
today, but we will definitely allow you and want you to
talk about them at our next meetings. They will
ultimately form your recommendations to Executive Director
Brewster and the board.

MR. JOHNSON: Will Johnson, requesting
permission to speak.

MR. RICHARDS: David Richards, for the record.

Mr. Johnson, you may speak, you have the floor.
MR. JOHNSON: Thank you. Excellent presentation on the buyer's tags, and certainly it's a heavily utilized resource for both the consumers and the dealers, and with any resource that is useful, it's also subject to fraud and exploitation.

I certainly would echo the comments that were made on increasing the data points to establish the validity of buyer's tags. Driver's license number certainly is a useful data point that has already been mentioned, and just because a driver's license is included as a data point does not exclude other drivers from the ability to drive a vehicle with a buyer's tag, so I just wanted to make that point.

But secondarily, I would ask, from a consumer protection aspect, what we could do to inform the buyer of the protections that they have in the rules for these buyer's tags. Because another fraudulent activity is when dealers issue the tag they don't seek the permanent tag in a timely manner and at the conclusion of 30 days either reissue another tag to the buyer and the buyer doesn't have the ability to defend themselves against why the dealer hasn't gotten legitimate tags.

And so I think the Department of Motor Vehicles should require dealers to give an information sheet or a fact sheet to the consumers that lets them know what their
rights are in this process and what the requirements of
the dealers are to get them their legitimate tags, and
maybe a complaint line or a hotline that the consumer
could follow up on if they are confronted with a dealer
that's not behaving ethically. So that would be my
recommendation for additional consumer protection.

MR. RICHARDS: Thank you, Member Will Johnson.

MS. THOMPSON: This is Corrie Thompson,
director of Enforcement, requesting permission to speak.

MR. RICHARDS: David Richards, for the record.

Corrie, sure, you have the floor.

MS. THOMPSON: I just wanted to speak on that
for a moment. So you're speaking to something that is
temp tag adjacent, so in our enforcement system what
you're speaking to would be the most common violation that
we see consumers file complaints on, that's failure to
timely transfer title.

Consumers do have the option and do often file
complaints with the department when a dealer has failed to
timely transfer their title and continues to either issue
buyer's tags or have to go to the tax office to obtain 30-
day permits for those consumers, so we do regularly
receive those complaints from consumer populations.

MR. RICHARDS: Thank you, Corrie.

Any other questions or comments from the
members?

MS. RASH:  This is Member Rash.

I just wanted to say that with the Tow and Go/SafeClear program in Houston, the paper tags have been very detrimental when we started and we've learned how to work around so many of them.

I would like to go back to the Harris County deputies as doing authorizations and the police department of the City of Houston and see just where the shortcomings are, particularly for the public that we're trying to give a free tow to.

And again, I had talked to Clint Thompson about it because it had gotten so bad that we were basically even struggling to do a free tow program for the public.

MR. RICHARDS:  Thank you, Member Rash.

Any other comments by members on this issue?

MR. GONZALEZ:  Permission to speak.  This is Ruben Gonzalez in El Paso.

MR. RICHARDS:  David Richards, for the record.

Member Gonzalez, you have the floor.

MR. GONZALEZ:  Thank you.  Yes, sir.  Here in El Paso I have an enforcement team, and one of the biggest concerns that they have is the authorized agent tag.  That seems to be a big problem among the dealers.

Dealers print one tag and they keep on making
copies and put it on vehicles and they keep on driving these vehicles. And of course, there's a lot of loss of revenue and basically it's a fraud issue, but we're very concerned about that.

And also, there seems to be a lack of training and education regarding these same permits that are available to the dealer community and the public, so we're very concerned about that.

We've made a list of concerns, and I'd like to be able to present them to the membership, to the committee for further discussion on our next meeting, if that's possible.

Thank you.

MR. RICHARDS: David Richards, for the record.

Absolutely, Member Gonzalez. Sounds like a great idea.

Any other questions or comments on this agenda item?

MR. SNELL: Jim Snell with a comment.

MR. RICHARDS: Member Snell, you have the floor.

MR. SNELL: One possible solution that dealers had available to them in the past was to become deputized where we could provide the hard tags at the time of sale to a customer, which solved a lot of problems, and so that
would be helpful from a dealer's standpoint.

The other issue that we have as dealers is we issue a buyer's tag, we apply for the plates in a timely manner, we get the plates in, and then it is next to impossible to get a lot of customers to come in and actually pick up their plates, so that's an issue also, it's not always the dealer that is holding up getting the permanent plates on the car.

MR. RICHARDS: David Richards, for the record.

Thank you, Member Snell.

MR. KUNTZ: This is Jeremiah real quick. So to address the first item that you brought up of becoming a deputy, there is actually administrative code with the department that allows a county tax assessor-collector to deputize a dealer to issue license plates and stickers that we refer to them as dealer deputies.

That is allowed for in administrative rule. You have to go through your county tax assessor-collector to get authorized as a deputy, but it is an option that's currently available.

MR. SNELL: This is Member Snell again.

The issue is that not all county tax assessors want you to be a deputy, and so it's not as easy as it would sound.

MR. KUNTZ: Agreed. It's at the discretion of
the county tax assessor-collector.

MR. RICHARDS: Members, David Richards, for the record.

Any other comments or questions for Mr. Kuntz?

(No response.)

MR. RICHARDS: David Richards again, for the record.

Members, we're going to move on to our next agenda item, number 3, public comment. I have been apprised by Paralegal Krystal Beckley, of the Office of General Counsel, that there are no public comments that have been made online at this meeting.

And before I entertain a motion to adjourn, I want to first thank you, members, for volunteering to serve on the CPAC committee and let you know, and I think I speak for Director Brewster and the agency, as well as the board, that we truly value your service, we look forward to working with you over the coming months, and thank you very much again for all that you're going to be doing for the State of Texas.

I also want to thank our presenters today, Jeremiah Kuntz, Corrie Thompson and Brian Ge for presenting. Great presentations, great information. I think you as members will see that there's a wealth of information and talent here at the agency and these are
some of that talent presenting today.

I want to thank our Webex hostess, Tameka Harris, for what must have been at least three million emails that she sent out over the course of the last month or so, as well as Krystal Beckley.

I want to thank our IT support division for arranging and putting this call together. It's amazing that we had no drops, no hiccups, nothing, so kudos to our IT section.

Thanks to the DMV staff who were invited and were listening today.

Thank you for letting me serve as your presiding officer today. The next meeting Member Raney will take over as presiding officer.

And without further ado, I would say please stay safe and we look forward to seeing everybody in person, hopefully at our next meeting. If not, we'll do this again.

With that, I will entertain a motion from any of the members to adjourn the meeting.

MR. RANEY: I'll make a motion to adjourn.

Member Raney.

MR. RICHARDS: And you are who, Mr. Raney?

MR. RANEY: Member Raney.

MR. RICHARDS: Okay. Do we have a second? Do
we have a second to adjourn the meeting?


MR. RICHARDS: Okay. Great. A motion has been made by Presiding Officer Raney and a second by Member Will Johnson. Anybody have any discussion?

MR. RANEY: Member Raney would like the floor for just a second.

MR. RICHARDS: Pardon me?

MR. RANEY: Member Raney would like the floor just for a second.

MR. RICHARDS: Sure.

MR. RANEY: I've been quiet during most of this, I've been soaking it in, I do have quite a bit of comments, but I'm an email junkie. Is everybody's information going to be given out to everybody so we can communicate with each other during this, or does it have to all go specifically through Texas DMV?

MR. RICHARDS: We'd like to be the repository, Member Raney, of the information. Some of the information I gave in my opening remarks about talking to members outside of an open meeting apply.

We want to make sure we're cognizant of the Open Meetings Act and that we don't engage in any violations or even come close or constitute a walking quorum of the committee.
After this meeting we can send each of the members guidelines to follow, and we welcome a give-and-take dialogue with each of you, so we'll be sending something out to you. Does that help?

MR. RANEY: Yes. I'm sorry, I was muted out.

And I understand the Open Meetings Act more than probably most people do, and what is the minimum for this? So I believe our open meeting would limited to five at one time, if I'm not mistaken. Correct? So anything less than that can communicate and wouldn't be considered an open meeting? Hello?

(Pause.)

MR. RICHARDS: I'm sorry, I was muted. This meeting has been adjourned.

(Whereupon, at 3:50 p.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF:       TxDMV Consumer Protection Advisory Committee

LOCATION:         Austin, Texas

DATE:             April 23, 2020

I do hereby certify that the foregoing pages, numbers 1 through 93, 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:  April 28, 2020

/s/ Nancy H. King
(Transcriber)

On the Record Reporting & Transcription, Inc.
7703 N. Lamar Blvd., Ste 515
Austin, Texas 78752

ON THE RECORD REPORTING
(512) 450-0342