TEXAS DEPARTMENT OF MOTOR VEHICLES
BOARD MEETING

Thursday,
December 5, 2019

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Charles Bacarisse, Vice Chair
Guillermo "Memo" Treviño, Chair (absent)
Stacey Gillman
Brett Graham
Tammy McRae
John Prewitt
Paul Scott
Shelley Washburn
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· Sunset Advisory Commission’s recommendations establishing a risk-based approach to salvage vehicle dealer inspections;
· SB 604, eliminating salvage endorsements and salvage agent licenses; authority to set salvage license terms, and prorate fees; and
· HB 1667, allowing independent motor vehicle general distinguishing number license holders to perform certain salvage related activities without holding a salvage dealer’s license.)
(Proposal Published August 23, 2019 - 44 Tex. Reg. 4468)

Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators and Salvage Vehicle Rebuilders Amendments, §221.17
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· HB 1548, establishing procedure for issuance of license plates to golf carts and off-highway vehicles, charging a fee, and updating statutory citations;
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· HB 3171, classification and operation of mopeds.)
(Proposal Published August 30, 2019 - 44 Tex. Reg. 4467)
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EXECUTIVE SESSION

17. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551:
   · Section 551.071
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   · Section 551.076
   · Section 551.089

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MR. BACARISSE: Good morning. My name is Charles Bacarisse, and as the vice chair, I am pleased to open the Board meeting of the Texas Department of Motor Vehicles in the absence of our chairman, Mr. Treviño, who was unable to attend today’s meeting.

It is 8:03 a.m., and I’m now calling the Board meeting for December 5, 2019 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 Secretary of State on November 27, 2019.

Before we begin today’s meeting, please place all cell phones and other communication devices in the silent mode, and please, as a courtesy to others, do not carry on side or other activities in the meeting room.

If you wish to address the Board or speak on an agenda item during today’s meeting, please complete a speaker’s sheet at the registration table. Please identify on the sheet the specific item that you’re interested in commenting on and indicate if you wish to appear before the Board and present your comment or if you only wish to have your written comment read into the record. If your comment does not pertain to a specific agenda item, we’ll take your comment during the general public comment portion of the meeting.
In accordance with department administrative rule, comments to the Board will be limited to three minutes. To assist each speaker, a timer has been provided -- it’s on the top of the podium there -- and the timer light will be green for the first two minutes, yellow for one minute, then red when your time is over. Individuals cannot accumulate time from other speakers and comments should be pertinent to the issue stated on the comment sheet. When addressing the Board, please state your name and affiliation for the record.

And before we begin today, I’d also like to remind all presenters and those in attendance of the rules of conduct at our Board meetings. The department’s rule Section 206.22 outlines the conduct and decorum standards for Board meetings. This includes the authority to determine when a person is being disruptive of the meeting or a speaker is otherwise violating the timing and presentation rules that I just discussed.

So having that business out of the way, I’d now like to be able to call roll and establish a quorum. We noted that Chairman Treviño is absent today.

Board Member Gillman?

MS. GILLMAN: Present.

MR. BACARISSE: Board Member Graham?

MR. GRAHAM: Present.
MR. BACARISSE: Board Member McRae?

MS. McRAE: Here.

MR. BACARISSE: Board Member Prewitt?

MR. PREWITT: Present.

MR. BACARISSE: Board Member Scott?

MR. SCOTT: Present.

MR. BACARISSE: Board Member Washburn?

MS. WASHBURN: Present.

MR. BACARISSE: Let the record reflect that I, Charles Bacarisse, am here too and we have a quorum. Also, let the record reflect that Chairman Treviño is absent today.

Let’s all stand together now as we honor our country and our state with pledges of allegiance.

(The Pledge of Allegiance and the Texas Allegiance were recited.)

MR. BACARISSE: Thank you.

If I may take a moment under item 3, the vice chair’s report, I do want to highlight one issue that is really important. You may have seen it on some of the message boards as you drove in this morning. The Texas Department of Transportation, TxDOT, has created the End the Streak Texas campaign to raise awareness of the prevalence of fatal crashes on Texas roads. Since November 7, 2000, at least one person has died every day
from a vehicle crash in Texas. It’s for this reason that TxDOT has created the #EndTheStreakTX campaign that reminds drivers that it’s a shared responsibility among roadway users and engineers to keep our roads safe. TxDOT has asked fellow state agencies to reach out and engage drivers, and the Texas Department of Motor Vehicles is a natural fit for this due to the nature of services provided to motorists. The department has identified several initiatives to help raise awareness, including reaching out to stakeholder groups with opportunities to promote the campaign. Distribution of materials provided by TxDOT at conferences and meetings -- and some of us have gotten some of that today -- and developing an insert that will be placed in registration renewal notices.

Additionally, our regional service centers across the state have EndTheStreakTX signs on location to inform customers of the campaign, and they also show videos on the televisions in our offices. One of those videos we have with us today and we’re about to show you right now.

(Video was shown.)

MR. BACARISSE: That is powerful and well done.

My thanks to those that were part of the production.

This issue certainly brings much needed
awareness to this very serious situation and the devastating statistics that we just saw there and that are associated with this program. The Texas DMV looks forward to supporting TxDOT to raise awareness of this critical situation.

And so y’all be careful out there, slow down, and just give the other guy who’s in a big hurry, let him take the lead, and I’m preaching to myself on this.

If I may now turn to item 4 which is the executive director’s report. Whitney.

MS. BREWSTER: Thank you. This briefing will be relatively short so we can get to the meat of the agenda.

I wanted to update the Board about the Vehicle Title and Registration Advisory Committee. The first meeting of that committee met -- we call it VTRAC -- on November 19, and 12 members attended the meeting and the members unanimously elected member Robert "Bobby" Roberti as the presiding officer of VTRAC.

In addition to summarizing the draft implementation timeline for the digital license plate rules and the procurement of one or more digital license plate vendors, the department provided VTRAC members with a draft timeline of those rules and that procurement. The draft timeline is posted on our rules web page at
www.txdmv.gov/general-council. You can find that pretty easy on our website, and it is a draft timeline.

Of note for the Board, we are anticipating or in that timeline it shows that the advisory committee would present their recommendation in the April Board meeting as it pertains to the digital license plate rules.

So with that, are there any questions or comments on item 4.A?

(No response.)

MS. BREWSTER: Moving on to 4.B, for this item I just wanted to close the loop on a very important contract to this organization, and that’s the specialty license plate contract. Just to remind members, the Board voted to delegate authority to execute this contract, with consultation from Chairman Treviño, in the October Board meeting. Since that time negotiations completed, and I, along with Aline Aucoin in the Office of General Counsel, consulted with Chairman Treviño on November 12. He agreed with the recommendation to execute the contract and the contract was executed on November 18.

So the contract was awarded to My Plates for a contract period of November 19, 2019 through December 31 of 2025. The contract has an option to renew for one additional six-year term, and the contract contains a $25 million minimum guarantee to the state’s general fund from
the sale of personalized and non-personalized specialty license plates.

With that, I’d be happy to answer any questions from the Board.

(No response.)

MS. BREWSTER: All right. Moving along to item number 4.C, Vice Chairman, members, guests and staff, please join me in welcoming our new deputy chief of information officer, Wendy Barron.

(Applause.)

MS. BREWSTER: Wendy started in this new role on November 1 and we are absolutely thrilled that she is here. Wendy is an experienced IT leader with a background in managing IT projects and operations in governmental organizations. So prior to joining our agency, Wendy served as the IT director and the information resources manager at both the State Office of Administrative Hearings as well as the Texas Water Development Board. She had various roles within those agencies, including leading the water supply and strategy analysis team, project manager and system analyst. She has a bachelor’s degree in computer information systems and a master of public administration from Texas State.

When not at work, Wendy enjoys spending time with her husband and son and helping her parents manage
their cattle ranch in the Texas Hill Country -- if that’s not cool.

So please, again join me in welcoming Wendy to the agency. We’re really excited that she’s here.

(Applause.)

MS. BREWSTER: So at this time we would like to recognize our recent retirees and employees who have reached a major milestone. We celebrate these employees as a show of our appreciation for their years of service to the citizens of Texas. Martha Yancey, with our Human Resources Division, will read the service announcements.

Vice Chairman Bacarisse, members, if you’d join me at the front of the dais, I’d appreciate that.

MS. YANCEY: Good morning. My name is Martha Yancey, Human Resources Division.

The following employee has reached 20 years of state service, and she’s here with us today, Lenora Blakes.

(Applause.)

MS. YANCEY: She’s with the Motor Carrier Division. Lenora began her career with the State of Texas in November 1999 with MCD’s credentialing section at the Department of Transportation. In November 2007, Lenora left to join a group from the division who were moved to the Texas Department of Licensing and Regulation. She
rejoined the credentialing section in August 2011 here at the DMV. Throughout her many years of service she has mentored numerous employees due to being knowledgeable in almost every permit type. In December 2016, Lenora earned a bachelor’s degree in business administration while working full-time for the department. Most recently in June of this year, Lenora was promoted to a lead. Her experience and wealth of knowledge has proven to be a tremendous asset to the Permit Section.

Congratulations, Lenora.

(Applause; pause for presentation and photos.)

MS. YANCEY: And the following employees reached a state service milestone but were unable to join us this morning: 20 years, Dawn Burton, Enforcement Division; 25 years, Jennifer Robbins, Finance and Administrative Services Division; 35 years, Diane Kenny, Motor Carrier Division.

And last, the following employees recently retired from the department: Sylvia Cantu, Vehicle Titles and Registration Division; Doug Scott, Information Technology Services Division; and Vanessa Williams, Motor Carrier Division.

Thank you.

(Applause.)

MS. BREWSTER: And Mr. Chairman, if I may, just
before I complete my report, I did want to recognize that one of our VTRAC committee members is here. It’s Shay Luedeke. He’s the tax assessor-collector for Bell County.

MR. BACARISSE: Great. Welcome.

MS. BREWSTER: We appreciate you being here and being part of the advisory committee.

MR. BACARISSE: Absolutely.

(Applause.)

MS. BREWSTER: And Mr. Chairman, that completes my report.

MR. BACARISSE: Thank you.

Are there any questions for Ms. Brewster at all on any of her items?

(No response.)

MR. BACARISSE: Hearing none, then we’ll move to item 5 on the agenda, a contested case, and before we move to those presentations, we’ll hear first from General Counsel Tracey Beaver.

MS. BEAVER: Thank you, Vice Chair Bacarisse.

This is Tracey Beaver, general counsel, for the record.

The department was informed that the respondent and his counsel will not be attending today’s meeting, and after Mr. Avitia’s presentation today, of course you may ask questions, and Mr. Avitia will let you know if there’s anything that’s outside of the record that would not be
able to be considered in the decision.

Thank you.

MR. BACARISSE: Great. Thank you, Tracey.

Daniel Avitia and Brian Coats will now address agenda item 5 which is our contested case. Please.

MR. AVITIA: Vice Chairman, members, Ms. Brewster, good morning. For the record, Daniel Avitia, director of the Motor Vehicle Division.

As Vice Chair stated, Brian Coats, with me here, presented the case at the State Office of Administrative Hearings for us and is an attorney with the Enforcement Division.

Agenda item 5, which can be found on page 9 of your board books, is a contested case regarding the Texas Department of Motor Vehicles v. Flying A Auto, LLC. Staff is asking the Board this morning to issue a final order thatconcurs with the administrative law judge’s proposal for decision which is to deny the renewal and revoke Flying A Auto’s general distinguishing number, or GDN, license.

The ALJ in this case concluded that based on the evidence and considering the applicable factors for licensure, this application should be denied. The ALJ found that the Board has the authority and the legal grounds to deny the application due to Mr. Brad Johnson’s
criminal history. Five months prior to filing his renewal application, Mr. Johnson pled guilty to a third degree felony involving misappropriation of funds, more than $30,000 but less than $150,000, from automotive dealerships.

Specifically, the ALJ determined that the following factors do not weigh in favor of licensure: the nature of Mr. Johnson’s criminal activity and direct relationship to the duties and responsibilities of a license holder, and the criminal activity was recent and occurred over a time when Mr. Johnson was approximately 40 years old.

Flying A did not file exceptions to the ALJ’s proposal for decision contesting the judge’s findings of fact or conclusions of law. That being said, staff believes the ALJ’s analysis of the law and the evidence presented in this case is thorough and that the conclusions of law reached in this case are certainly reasonable.

The agency filed an exception only to add citations to the department’s fitness rules and conclusion of law number 5. The ALJ subsequently issued an exceptions letter adding the requested citations.

Therefore, staff again requests the Board issue an order adopting the judge’s corrected findings of fact.
and conclusions of law and the recommendation which is to deny the renewal application for Flying A Auto, LLC’s wholesale GDN license and to revoke the existing GDN license.

Flying A was represented by attorney, Mr. Jason Danowsky. Mr. Danowsky received two email notices of this meeting, as well as a phone call yesterday, and he represented, as Ms. Beaver mentioned, that he nor his client would be present today to provide comment to the Board.

So members, that concludes my remarks on this item. I’m happy to answer any questions you may have.

MR. BACARISSE: Any questions, Board members, please?

(No response.)

MR. BACARISSE: Hearing none, we will continue then. As was noted by Mr. Avitia, the respondent is not here, and so I would at this point entertain a motion on this item.

MR. GRAHAM: I have a motion, Mr. Chairman.

MR. BACARISSE: Member Graham.

MR. GRAHAM: I move that the Board adopt the SOAH ALJ’s findings of fact and conclusions of law stated in the proposal for decision. I believe we have a fiduciary responsibility to the citizens of Texas to
provide them the best protections that’s allowed by statute. It was clear from the PFD that the respondent admitted to misappropriations of funds from his auto dealerships. Additionally, using the mitigating factors under Occupations Code Section 53.023, the respondent clearly did not show fitness to perform the duties as a licensed wholesale automotive dealer. Because of the seriousness of the crime and its direct relationship to the licensed occupation, I support the conclusion reached by the department and SOAH. I believe that it is critically important that we have a very high bar for licensed independent and franchised dealers in the state.

So in conclusion, I move that the Board enter a final order denying the respondent’s application to renew his wholesale automotive dealer license and revoking respondent’s GDN.

MR. BACARISSE: We have a motion. Is there a second?

MS. GILLMAN: Second.

MR. BACARISSE: Thank you, Member Gillman.

At this point is there any other discussion of this motion?

MR. GRAHAM: Just one additional comment. It never is a good thing to have to make a motion like this and it’s never a good thing for someone’s business to be
impacted and the lives that surround that to be impacted, but certainly in this case it looks like the individual is making strides to getting back on the right path and getting things turned around and that’s very positive. I weighed this very heavily and I do think that at the end of the day our responsibility to the citizens of Texas requires this motion.

Thank you.

MR. BACARISSE: Thank you.

Any other questions, comments?

(No response.)

MR. BACARISSE: At this point I will call for a vote. All those in favor of the motion signify by raising your hand.

(A show of hands.)

MR. BACARISSE: And any opposed?

(No response.)

MR. BACARISSE: Very good. Thank you. For the record, the motion passed unanimously.

And Member Graham, I agree with you. Thanks for your comments.

We’ll next move to rule adoptions, and for your information and for the record, agenda items 6, 9 and 11 will be addressed at a future Board meeting. These proposed rules are currently under review by the
Regulatory Compliance Division in the Governor’s Office, and actually, this is a new policy the governor put in place very recently to review all regulations coming out of state agencies, and I think that certainly Ms. Beaver can comment further on that for us.

MS. BEAVER: Thank you, Vice Chair Bacarisse.

This is Tracey Beaver, general counsel, for the record.

The Regulatory Compliance Division of the Office of the Governor will provide the active supervision needed over rulemaking so state boards controlled by active market participants can invoke that state action anti-trust immunity, so some rules that are going to be proposed by the department will go before the Governor’s Office new Compliance Division.

Thank you.

MR. BACARISSE: Okay. Thank you.

So if you’re following along on the agenda, we’ll now take up item number 7 which is Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators, and Salvage Vehicle Rebuilders. Mr. Avitia will take us through that.

MR. AVITIA: Vice Chairman, thank you.

Members, Ms. Brewster, again good morning. Daniel Avitia, director of the Motor Vehicle Division.

Today we are asking the Board’s approval and
permission to publish the adoption of rules in the Texas Register. These rule changes are listed as agenda item number 7, as the vice chair stated, and begin on page 32 of your board book.

The rule changes in agenda item 7 are all related to the salvage vehicle industry and implement two bills from the 86th Legislature. I believe adoption of these rules will further streamline the licensure process within the TxDMV and will also certainly align with the governor’s directive to state agencies issued on October 8 of this year which was to reduce unnecessary and burdensome licensing regulations.

The first bill, Senate Bill 604, contains several provisions authorizing licensing statutory changes recommended by the Sunset Advisory Commission. These changes included eliminating salvage agent licenses, eliminating salvage license endorsements, and creating a single salvage license, authorizing the Board to set salvage license terms to two years, currently the term is one year, as well as prorating those fees accordingly.

The second bill, House Bill 1667, allows independent motor vehicle dealers to perform salvage functions without also obtaining a salvage dealer license. In addition to these rule changes, they also implement Sunset Advisory Commission’s recommendation 3.5 which
directs the department to develop clear guidance and
criteria for prioritizing investigations and inspections.

Today we are proposing adoption of new 221.54
that adds three risk-based criteria for when the
department may conduct a site visit to a salvage dealer
location.

The rules in agenda item 7 were first published
as proposal in the Texas Register on August 23, 2019, and
public comment period closed on September 23, 2019. No
comments were received for the proposed 221 salvage rules.

Members, I request your approval to proceed
with adoption and publication in the Texas Register of the
rule changes included in agenda item 7. If the Board
adopts these amendments, new sections and repeals, staff
anticipates publication in the December 27, 2019 issue of
the Texas Register and an effective date of January 2, 2020.

Members, this concludes my remarks on this
agenda item. I’m certainly happy to answer any questions
you may have.

MR. BACARISSE: Members, any questions?
(No response.)

MR. BACARISSE: Daniel, would you just go ahead
and do background on item number 8, Chapter 215, Motor
Vehicle Distribution, as well. We’re going to take
separate votes but I figured you could brief us on that issue as well.

MR. AVITIA: On item number 8?

MR. BACARISSE: Item number 8, Chapter 215, Motor Vehicle Distribution amendments, Chapter 221, Salvage Vehicle Dealers, Salvage Pool Operators.

MR. AVITIA: Yes, I can certainly take that one up as well at the same time.

MR. BACARISSE: Great. And we’ll vote separately.

MR. AVITIA: Correct.

MR. BACARISSE: Thank you.

MR. AVITIA: You bet.

Again, members, for the record, Daniel Avitia. This morning again we’re asking for the Board’s approval and permission to publish the adoption of rules in the Texas Register. Rule changes for agenda item 8 begin on page 48 of your board books.

The rule changes in agenda item 8 implement Senate Bill 1200 from the 86th Legislature as well.

Senate Bill 1200 provides military spouses the opportunity to engage in business or occupation without a Texas license if licensed in another state with similar requirements and are in good standing. Amendments to 215.83 in the Motor Vehicle Distribution chapter, and
221.17 in the Salvage chapter implement this bill. Adoption of this bill will also align with the governor’s directive, as I mentioned in the previous agenda item.

These rules were first published in the Texas Register on August 23, 2019 and the public comment period closed on September 23. The department received one comment from the Texas Independent Automobile Dealers Association supporting this rule.

Members, I request your approval again to proceed with adoption and publication of these rules, adoption of these amendments, new sections and repeals. I anticipate publication, if approved or adopted, in the December 27, 2019 issue of the Texas Register, with also an effective date of January 2, 2020.

Members, this concludes my remarks on agenda item 8. Certainly happy to answer any questions.

MR. BACARISSE: Members, any questions? Ms. Gillman.

MS. GILLMAN: Yes. I have one question. On item number 7 under HB 1667, allowing independent motor vehicle GDN license holders to perform certain salvage related activities. Can you give me an example of an activity?

MR. AVITIA: Absolutely. Thank you for that question.
So for example, many GDN holders also hold a salvage license and go to salvage yards or salvage auctions to purchase vehicles, which would require a salvage license. This will eliminate the requirement for that salvage license and essentially allow a GDN holder to function both a used car dealer as well as a salvage dealer in that situation.

MS. GILLMAN: I guess I was wondering, I’m a franchised car dealer and every once in a while, not too often but every once in a while I do get a car in on trade that is traded in that has a salvage title and we take it immediately to the auction. I was just wondering if that activity would be similar to an independent motor vehicle license holder in that we both -- I’m not trying to acquire but trying to sell. Is that a similar activity and should franchised GDN license holders also be included? I don’t know.

MR. AVITIA: Under your GDN license, that activity would be permitted.

MS. GILLMAN: So we already have that.

MR. AVITIA: You do not need a separate salvage license to formalize that transaction.

MS. GILLMAN: Okay. And so you don’t think that franchised motor vehicle GDNs need to be included in this HB because it’s already there.
MR. AVITIA: Correct. All franchised dealers already have a GDN.

MS. GILLMAN: Okay. Well, thank you.

MR. BACARISSE: Good to know.

MS. McRAE: Vice Chairman, I have a question.

MR. BACARISSE: Yes, Member McRae.

MS. McRAE: Following Stacey’s question, so to clarify, franchised dealers would be allowed also under their GDN the same as the independent dealers?

MR. AVITIA: That is correct, ma’am. The law states so long as you have a GDN, you can function without -- you can take care of those salvage transactions without also having to have a separate salvage license.

MS. McRAE: Okay. Thank you.

MR. AVITIA: Yes, ma’am.

MR. BACARISSE: Members, any other questions on item 7?

(No response.)

MR. BACARISSE: Seeing none, I would entertain a motion on item 7.

MS. McRAE: I’d like to make a motion.

MR. BACARISSE: Member McRae.

MS. McRAE: I move that the Board approve the adoption of the amendments, the repeal and the new section to Chapter 221, as recommended by staff.
MR. BACARISSE: There is a motion on the floor. Is there a second?

MS. WASHBURN: Second.

MR. BACARISSE: There is a second by Member Washburn.

So all in favor signify by raising your hand, please.

(A show of hands.)

MR. BACARISSE: Any opposed?

(No response.)

MR. BACARISSE: Let the record reflect that was unanimously passed.

And now we need to vote on item number 8, Chapter 215. Are there any questions for Mr. Avitia on item number 8?

MS. WASHBURN: I have a question.

MR. BACARISSE: Ms. Washburn.

MS. WASHBURN: So what is the impact on your job or the department’s job on having to vet these people that have -- you know, the spouses of active military folks with other states? That was, sorry, not very well said. But is there an impact? So basically, what we’re saying is as long as they’re in good standing, the licensed is in good standing with another state that we’ll accept it here in the State of Texas. Is there an impact
on vetting that with you guys? Is that easy to do?

MR. AVITIA: Member Washburn, you’re speaking to Senate Bill --

MS. WASHBURN: Number 8.

MR. AVITIA: -- 1200, agenda item 8. And I think the impact to the department will be minimal. The way we looked at this, I think we may have one a year, if even. I think this bill was implemented for licenses more on the TDLR side of business and the myriad of licenses that they have. I really see this as minimal impact for this department.

MS. WASHBURN: Okay. Makes a lot of sense. I was just curious. Thanks.

MR. BACARISSE: Any other questions, members?

(No response.)

MR. BACARISSE: Seeing none, I would entertain a motion on item number 8.

MS. WASHBURN: I’d like to make a motion.

MR. BACARISSE: Member Washburn.

MS. WASHBURN: I move that the Board approve the adoption of the amendments to Section 215.83 and 221.17, as recommended by staff.

MR. BACARISSE: We have a motion on the floor. Is there a second?

MR. GRAHAM: Second.
MR. BACARISSE: Member Graham seconds.

All in favor please signify by raising your hand.

(A show of hands.)

MR. BACARISSE: Any opposed?

(No response.)

MR. BACARISSE: Let the record reflect the motion passed unanimously.

Thank you, Mr. Avitia.

MR. AVITIA: Members, thank you.

MR. BACARISSE: We’ll move to agenda item number 10 regarding rule adoption for Section 217.15, which will be presented by Jeremiah Kuntz.

Mr. Kuntz, I turn it over to you.

MR. KUNTZ: Good morning, members. Jeremiah Kuntz, director of the Vehicle Titles and Registration Division.

Before you for your consideration is a new Section 217.15. These rules are relating to House Bill 2315. That bill required the department to adopt rules relating to the evidence of ownership of temporary housing provided by governmental agencies in response to a natural disaster. More specifically, what this bill did is allowed for other state agencies that are providing temporary housing, i.e., travel trailers, for individuals
that are impacted by a natural disaster, such as a hurricane, to come to the department directly to obtain titles for those vehicles and they would not have to go to the local county tax assessor-collector in order to obtain those titles.

During natural disaster, you could have county offices that are closed, you could have impacted areas there. This allows for a streamlined process for those agencies to come to the department in order to obtain title quickly so that we can provide temporary housing to those impacted by the disaster.

MR. BACARISSE: Any questions for Mr. Kuntz on this item?

(No response.)

MR. BACARISSE: Seeing none, I’d entertain a motion.

MS. GILLMAN: I’d like to move.

MR. BACARISSE: Member Gillman.

MS. GILLMAN: I’d like to move that the Board approve the adoption of new Section 217.15, as recommended by staff.

MR. BACARISSE: There’s a motion on the floor. Is there a second?

MS. McRAE: I second.

MR. BACARISSE: Seconded by Member McRae.
All in favor signify by raising your hand, please.

(A show of hands.)

MR. BACARISSE: Any opposed?

(No response.)

MR. BACARISSE: Let the record reflect the motion passed unanimously. Thank you.

Now we move to item number 12. Again, Mr. Kuntz, you can present that for us, please.

MR. KUNTZ: Again for the record, Jeremiah Kuntz, director of the Vehicle Titles and Registration Division.

Before you for your consideration are rule amendments to Chapter 217.27. These rules are related to House Bill 1262 which allows the department to provide extended registration to certain vehicles. Specifically, these would be trailers that are not subject to inspection; those are trailers that are under 7500 pounds. What the bill allowed and what these rules will allow is for individuals to get up to five years of registration for those trailers, and part of the reason for this is to allow somebody to not have to come in frequently to register their trailers.

These vehicles do not have to be inspected annually. Because of their weight they’re exempt from the
inspection requirements, and therefore inspection does not have to be validated every year at the time of registration, so the legislature saw fit to allow those individuals to get up to five years of registration in order to simplify this process for consumers.

MR. BACARISSE: Thank you, Mr. Kuntz.
Members, are there any questions on this item, item 10?

(No response.)

MR. BACARISSE: I would entertain a motion on item 10.

MS. McRAE: I’ll make a motion, but aren’t we on 12?

MR. BACARISSE: I’m sorry. How about that?

MR. GRAHAM: He was just checking.

MR. BACARISSE: Good job, Tammy.

MR. GRAHAM: Good catch.

(General laughter.)

MS. McRAE: I move that the Board approve the adoption of amendments to Section 217.27, as recommended by staff.

MR. BACARISSE: Great. Thank you, Member McRae.

MS. McRAE: You’re welcome.

MR. BACARISSE: There is a motion on the floor.
Is there a second?

MR. GRAHAM: I’ll second that, and my wife will second it too.

MR. BACARISSE: Good. Member Graham.

MR. GRAHAM: She’s very appreciative of this, so yes, absolutely.

(General laughter.)

MR. BACARISSE: We’ll hear the rest of that story in a minute.

All in favor of the motion please signify by raising your hand.

(A show of hands.)

MR. BACARISSE: Any opposed?

(No response.)

MR. BACARISSE: Thank you. Let the record reflect the motion passed unanimously.

Now we’ll move to item number 13. Again, Mr. Kuntz, please.

MR. KUNTZ: Again for the record, Jeremiah Kuntz, director of the Vehicle Titles and Registration Division.

Before you, agenda item 13, are amendments to Section 217.41 of the Administrative Code. These changes are related to House Bill 643 which expands the county locations in which somebody who is needing a handicapped
placard or disabled parking placard to be able to obtain those.

Prior to this statutory change, an individual coming into the state from another state who is receiving treatment in a county could apply for a disabled parking placard in the county in which they were receiving treatment. This bill actually expanded so that anyone in the State of Texas can apply for a disabled parking placard in whatever county they are receiving treatment. So for example, if somebody lived in El Paso and traveled to Houston for cancer treatment, then they would be able to go to the Harris County tax office in order to obtain that parking placard rather than having to go all the way back to El Paso to get that. So it is definitely something that’s friendly for our citizens.

MR. BACARISSE: Thank you, sir.

Any questions, members, on this item?

(No response.)

MR. BACARISSE: Seeing none, I would entertain a motion on item 13.

MS. WASHBURN: I’d like to make a motion.

MR. BACARISSE: Member Washburn.

MS. WASHBURN: I move that the Board approve the adoption of the amendments to Section 217.41, as recommended by staff.
MR. BACARISSE: There is a motion on the floor. Is there a second?

MS. McRAE: I’ll second.

MR. BACARISSE: Member McRae seconds.

Please signify a yay vote by raising your hand, please.

(A show of hands.)

MR. BACARISSE: Any opposed?

(No response.)

MR. BACARISSE: Let the record reflect the motion passed unanimously. Thank you.

Now we move to item number 14, and I believe you’ll lay that one out for us as well, Mr. Kuntz.

MR. KUNTZ: I will.

MR. BACARISSE: Okay.

MR. KUNTZ: For the record, Jeremiah Kuntz, director of the Vehicle Titles and Registration Division.

Before you is agenda item number 14 for your consideration. These will be laid out for proposal and public comment, so you’re not taking final action on these rules, they will be published for public comment.

These rules are a long time in the making, if you will. We have been working on assembled vehicles for some time now, working with industry folks, stakeholders, and trying to make sure that we come up with a process by
which the state could title and register assembled
vehicles. These would be vehicles that are built at home
or otherwise. Many of these are classic vehicles, those
types of things, replicas. And so what you see before you
are the results of many hours of coming up with the rule
language to implement House Bill 1755 from this last
legislative session.

The primary purpose is to implement the
legislative goal of titling and registering these
assembled vehicles that was enacted in that bill and to
achieve that goal the proposed procedures differ
significantly from standard titling and registration
procedures due to the nature of assembled vehicles. And I
want to really kind of point that out, that this is a new
process, if you will, for the titling and registering of
vehicles that is different than a standard vehicle that
would be coming through the titling and registration
process.

The proposed amendments to 217.3(5) delete
references to assembled vehicles because those are now
addressed in a new Subchapter L, so there was a lot of
line through, striking out of language that was taken out
of an existing section and moved to a whole new subchapter
so that we could try and address all of the separate and
new ways that we’re going to be titling and registering
these vehicles in a different subchapter.

Additionally, proposed amendments to 217.3 make changes concerning motor-driven cycles. This was to clean up some legislation from another bill that passed as well. It’s really more cleanup, not necessarily associated with the assembled vehicles, but is in the same section of the Administrative Code that we were opening up, so we needed to try and address that at the same time.

As well, farm trailers and farm semitrailers there are some changes to those definitions as well that were actually a long time in the making as well from the previous legislative session that we have been needing to get done but because we’ve been working on these rules and these rules were not able to be published we could not address, so we’re finally getting around to addressing that issue.

The proposed amendments to 217.141 through .143 implement the assembled vehicle inspection requirements under Transportation Code 731.101 through 731.102. This is really a very large portion of what these rules are needed to do in order to implement the statutory changes. Statute required us to come up with an inspection process to inspect an assembled vehicle prior to titling and registration of the vehicle. That’s primarily because it has been assembled by someone who is not necessarily in
the business. These are hobbyists that are assembling these vehicles, they’re not major manufacturers, and so there’s an additional requirement for a certified master mechanic to actually inspect these vehicles and the various component parts used to assemble the vehicles to ensure their safety and safe operation on the roadways. So that new section handles what that inspection process will look like, what items of equipment will be inspected, and lays out the requirement for a certified master mechanic to be the person that conducts that inspection.

The proposed new Subchapter L, 217.401 through .407 implements the assembled vehicle titling and registration requirements under Chapter 731. The proposed new sections address the titling application review process, vehicle inspection numbers, and evidence of ownership, including a process to obtain a title using a bond as evidence of ownership.

So with these assembled vehicles there’s not a manufacturer’s certificate of origin, so with a new vehicle that’s rolling off an assembly plant from a major manufacturer, a manufacturer’s certificate of origin is issued to that vehicle with a VIN number laying out the make, model, year, all of those critical important things that we would need. With these vehicles there’s not always that document, so we would not have a
manufacturer’s certificate of origin for a vehicle that’s been built by a hobbyist. It won’t necessarily have a VIN number assigned to it, so what these rules do are lay out the procedures for somebody to obtain a VIN number to be affixed to the vehicle, assigned by the department, and lay out the different requirements for what evidence of ownership must be presented at the time of title to ensure that the person that’s applying for title is actually the owner of the vehicle so that we can positively identify the owner.

And with that, that completes my layout, and I’ll be happy to answer any questions.

MR. BACARISSE: Members, any questions for Mr. Kuntz?

MR. GRAHAM: I do.

MR. BACARISSE: Go ahead, Mr. Graham.

MR. GRAHAM: So just to be clear, this assembled vehicle language includes what we previously called dune buggies?

MR. KUNTZ: Yes, sir.

MR. GRAHAM: And does it include what was described as a replica?

MR. KUNTZ: Yes, sir.

MR. GRAHAM: Okay. And does this mean, if this rule passes, that I can ditch this chart I’ve carried
around for my entire DMV career?

MR. KUNTZ: We worked very hard on that chart.

MR. GRAHAM: I’m sorry. I got excited. I thought I could finally ditch it.

MR. BACARISSE: That’s awesome.

MR. GRAHAM: Sorry about that, Mr. Chairman.

MR. BACARISSE: Don’t stand up and yell amen, hold on a second.

MR. GRAHAM: Well, I will retain the chart then. I’m good.

MR. BACARISSE: You were just trying to see if I was awake after missing that agenda item.

MR. GRAHAM: I know. I’m sorry about that.

(General laughter.)

MR. BACARISSE: We’re good. Any other questions?

MS. GILLMAN: So we’re not voting on this?

MR. BACARISSE: We are voting to actually propose the rules and they will be published for a public comment period of one month, or how long is that comment period?

MR. KUNTZ: Thirty days.

MR. BACARISSE: Thirty days. Okay. So that would be the action before us under this agenda item would be just to vote to publish and receive public comment,
which I’m sure there will be plenty of when these rules are pushed out for comment.

MR. GRAHAM: Do you think this is where the hobbyists want it to be?

MR. KUNTZ: I sure hope so.

MR. GRAHAM: To the best of your knowledge.

MR. KUNTZ: To the best of my knowledge.

MR. GRAHAM: There’s some good solid agreement with the language.

MR. KUNTZ: We have not gone out to seek input up until this point from the industry. I mean, that’s what the public comment period is intended to do is to seek that input from them. In order to get these before the public for public comment in the most expeditious way, we are trying to bring these forward to publish them for public comment so that we can solicit those comments from them and make sure that we are in line with what the industry is expecting on this.

MR. GRAHAM: Thank you.

MR. BACARISSE: And of course, that process is taken, obviously, very seriously. The public is very welcome to make these comments and they will be all of them read and we listen.

MR. KUNTZ: We welcome the comments.

MR. GRAHAM: For sure.
MR. KUNTZ: Obviously, we hope that we have hit the mark on the rules but if there’s things that we’ve missed or things that need to be changed, that’s what the public comment period is for is for members of the public to provide us with their input so that we can ensure that the rules are in a way that folks can actually get through this process.

MR. BACARISSE: Members, any other questions for Mr. Kuntz?

MS. GILLMAN: I have one.

MR. BACARISSE: Yes, Member Gillman.

MS. GILLMAN: I guess instead of classic car hobbyist, my first thought was a manufacturer that is not necessarily -- has not met the standards by which to be a manufacturer, could you ship the body of a car to you one month and an engine the next month and as long as you put it all together you can build your own car and obtain a VIN number and the title.

MR. KUNTZ: So under state and federal law, essentially the final producer of the vehicle, the person who actually puts all of the parts and pieces together in that final assembly is the ultimate builder of the vehicle. I’ll use that term instead of manufacturer or hobbyist, they’re the person that did the final assembly. So if there is a company that is mass producing kits,
they’re producing bodies, frames, all of the steering components, they can ship those unassembled to an individual for final assembly.

Usually what is contemplated is that they are not including the engine in those kits, so in most instances what you will see, we see kit manufacturers all the time that will send you a kit that’s 90 percent, you’ve got to add the engine, basically, and you’ll reach out to a major manufacturer, Chevy, Ford, Mopar, whoever, to obtain an engine to put into that vehicle. And the person, the hobbyist, that is assembling that vehicle in their garage, they would use this process by which to title and register that vehicle.

MR. BACARISSE: Member Scott.

MS. GILLMAN: I guess I was thinking that it would be a way, a manufacturer that’s not meeting emissions guidelines or unable to pass the NHTSA standards could enter the market. I don’t know, that was my thought. Maybe I’m wrong on that. That it’s just a way to bypass and yet get their vehicles -- I don’t know.

MR. KUNTZ: The vehicles that are being constructed and assembled through this process are not necessarily going to meet the federal standard. They will not have airbags, they will not have been crash tested as a manufacturer would have to crash test a vehicle, they
will not have a 17 digit conforming VIN attached to them, as is required by NHTSA. So yes, many of the requirements that are required under federal regulations for a newly manufactured vehicle will be avoided through this process.

You are absolutely correct.

MR. BACARISSE: Member Scott, do you have a question?

MR. SCOTT: Is there any limitation as to how many vehicles an individual or an entity can process in the course of a year?

MR. GRAHAM: That would be my question.

MS. GILLMAN: That’s a good question.

MR. KUNTZ: So these rules do not lay out a specific number. The statute defines a hobbyist as somebody who is constructing a vehicle for personal use. That’s the standard by which these rules are being proposed.

MR. SCOTT: And that’s in like House Bill 1755?

MR. KUNTZ: Yes, sir.

MR. SCOTT: And it says hobbyist, or what does the language say?

MR. KUNTZ: It defines a hobbyist as somebody who is constructing an assembled vehicle for personal use, and that’s an assembled motor vehicle, assembled trailer, or assembled motorcycle.
MR. SCOTT: So the assumption there is that would limit. I guess the question is how many vehicles can a hobbyist build in a year?

MR. KUNTZ: There is not a limit on the number of vehicles a hobbyist can construct in a year. If they are falling under the definition of a hobbyist, then the vehicles have to be constructed for personal use.

MR. SCOTT: Their personal use?

MR. KUNTZ: For personal use.

MR. SCOTT: Not necessarily their personal use.

MR. GRAHAM: Personal use.

MR. KUNTZ: For personal use.

MR. BACARISSE: It’s a little ambiguous. The statutory language sounds like it’s a bit ambiguous. Would that be fair to say, Mr. Kuntz? I don’t want to put you on the spot too hard. It’s broad.

MR. KUNTZ: I’ll go ahead and say that this is the particular provision that is probably the most complex in 1755 that caused us to really take a very deep dive into this. 1755 lays out quite a few definitions around assembled vehicles. Those definitions are very carefully crafted, I would say, but there are three definitions for assembled vehicles, there are also replicas, there are also what are known as glider kits that are also included in the definition of an assembled vehicle. Glider kits
and replicas are not required to be built by a hobbyist under that statute under 1755. However, assembled motor vehicles, assembled trailers, and assembled motorcycles are all required to be built by hobbyists. So there are a couple of vehicle classes under this definition, which would include custom vehicles and street rods, that are not required to be built by hobbyists.

MS. McRAE: I have a question.

MR. BACARISSE: Member McRae.

MS. McRAE: Jeremiah, if once the vehicle is initially titled -- kind of following up with Member Scott’s question -- and it is titled in that individual’s name that assembled the vehicle, would there be a notation or anything that would indicate that it’s assembled for subsequent sales? Let’s say you assembled and then later you sold it to me, and then you sell five or more, then that would fall under, I would think, having to obtain a GDN. Is that correct?

MR. KUNTZ: Because we have assembled vehicles today, we have custom vehicles and street rods fall into that category, that we title today and those are titled as ASVE brands, so on the title you would have a brand that says this is an assembled vehicle. ASVE is the acronym that we use on the title for assembled vehicles. We also have a replica brand that we would apply to vehicles that
will continue as well, so there will be brands that are
applied to those titles. There is no tracking of how many
assembled vehicles John Smith has assembled in a year. We
don’t have a mechanism, a regulatory mechanics, by which
to go in and see that John Smith assembled five in order
to do the kind of tracking that you’re referring to.

MR. SCOTT: Do we have the authority under the
statute to limit that or regulate that to a certain
number?

MR. KUNTZ: That’s a good question for general
counsel.

MS. BEAVER: Tracey Beaver, general counsel,
for the record.

HB 1755 does provide that a hobbyist is someone
who assembles these vehicles for personal use and also
does not engage in continuous sale of these vehicles, and
the rule proposal does define continuous sale, as Mr.
Kuntz was mentioning earlier. Continuous sale is
considered offering for sale or selling five or more
assembled vehicles, and the time frame for that is within
a calendar year if those vehicles are not owned and titled
in the name of the owner.

MR. SCOTT: Thank you. That answers my
question.

MR. BACARISSE: Members, any other questions at
this point? Member Gillman.

MS. GILLMAN: Just to complement what Paul said, I think it should be -- I think I would feel better if it was clearly defined and limited to something; otherwise, the hobbyist becomes a manufacturer.

MR. KUNTZ: I want to make sure that we’re clear. The hobbyist only applies to assembled motor vehicles, assembled motorcycles, and assembled trailers. The hobbyist definition does not apply to custom vehicles, street rods, replicas and glider kits. So that restriction that we’ve just laid out does not apply to those three categories of vehicles.

MR. BACARISSE: But to clarify or maybe amplify Member Gillman’s question, Ms. Beaver, what you read from or what you quoted was the statute itself, is that correct, under definition of hobbyist in terms of building only a limit of five, or being able to sell only five a year? Is that in statute, or where is that language coming from?

MS. BEAVER: Tracey Beaver, general counsel, for the record.

So HB 1755 defines a hobbyist, and I can read from that.

MR. BACARISSE: Please.

MS. BEAVER: "A hobbyist means a person who
builds or assembles an assembled vehicle for personal use, does not engage in the continuous sale of vehicles, as defined by the department." And I’ll stop there. So the word "continuous sale" is statutory in HB 1755. The department then, in the proposed rules, has defined continuous sale, and that’s what I read from earlier regarding the offering for sale or selling five or more assembled vehicles in a calendar year.

MR. BACARISSE: That’s our language that we’ve defined. Right?

MS. BEAVER: Yes.

MR. BACARISSE: As per statute’s direction.

MS. BEAVER: Yes.

MR. BACARISSE: Okay, great. Thank you.

Members, any other questions? Member Graham.

MR. GRAHAM: So the conclusion there is it is defined, it is essentially defined as written.

MR. BACARISSE: Could be if this rule is passed as proposed.

MR. GRAHAM: Would you agree with that?

MR. KUNTZ: Yes. For assembled motor vehicles, assembled trailers, and assembled motorcycles, not for replicas, custom vehicles, street rods, and glider kits.

MR. GRAHAM: Okay, great. Thank you.

MR. BACARISSE: Member Scott.
MR. SCOTT: So you could have someone who is --
the replicas, I know that this is an issue we’re trying to
engineer our way around to help those people, the
hobbyists and so forth, but I’m just curious with the
 replica kits and so forth, does this open up a channel for
distribution of those vehicles that doesn’t currently
exist?

MR. KUNTZ: Tracey.

MS. BEAVER: Tracey Beaver, general counsel,

for the record.

Assembled vehicles that are replicas may only
be transferred to and by dealers, so there’s that
restriction as well.

MR. BACARISSE: I have a question of Mr. Scott,
if I may, just to add or amplify. So if I’m a hobbyist
and I’m putting a replica together for my own personal
use, that’s one thing, but if I attempt to want to sell
them, then I would have to either obtain a dealer’s
license or I’m limited by what you just said, Ms. Beaver,
basically it would have to be a dealer that would sell
them. I could build them for that dealer. Right? Is
that the way I read that or is that what I’m hearing?

MR. KUNTZ: The way that I understand the
statute is an auto dealer is not allowed to engage in the
sale of assembled motor vehicles, assembled trailers, or
assembled motorcycles. That restriction does not apply to replicas, custom vehicles and street rods where a dealer may sell those vehicles, which is what the statute was clarifying, that if somebody builds a replica 1967 hot rod or whatever, that those can be sold by licensed dealers in the state, however, a dune buggy, for example, is not allowed to be sold by a dealer.

MR. GRAHAM: New or used.

MR. KUNTZ: New or used.

MR. BACARISSE: Any other questions, members?

(No response.)

MR. BACARISSE: Hearing none, at this point I would entertain a motion to approve item number 14 which is the publication of this rule for public comment.

MR. PREWITT: Mr. Chairman, I’d like to make a motion, please.

MR. BACARISSE: Member Prewitt.

MR. PREWITT: I move that the Board approve the proposed amendments to Sections 217.3 and 217.141 through 217.143, and new Subchapter L, Chapter 217 rules for publication in the Texas Register for public comment.

MR. BACARISSE: We have a motion on the floor. Is there a second?

MR. SCOTT: Second.

MR. BACARISSE: Member Scott seconds the
motion.

All in favor raise your hand, please.

(A show of hands.)

MR. BACARISSE: All opposed?

(No response.)

MR. BACARISSE: Let the record reflect that motion passed unanimously. We look forward to the activity that will be generated from the publication of this proposed rule.

Thank you, Mr. Kuntz.

MR. GRAHAM: I think I’ll hold on to my spreadsheet a little longer.

(General laughter.)

MR. BACARISSE: You may want to frame it.

We now move to item number 15 on our agenda which is a briefing on specialty plate designs.

And gosh, Mr. Kuntz, you’re up again, we won’t let you go.

MR. KUNTZ: Sorry.

MR. BACARISSE: That’s all right. This is item 15.A. We actually have two items under 15, A and B. So do you want to brief us on both and then we’ll vote on the two of them?

MR. KUNTZ: For the record, Jeremiah Kuntz, director of the Vehicle Titles and Registration Division.
Before you are two license plate redesigns, so you can see them on the board here. Both of these are for the Texas A&M University.

(General talking and laughter.)

MR. KUNTZ: So these redesigns are at the request of the university in order to update their logo that is on the plate but also to change the background as well. So as you can see, we’ve got one of them that is now going to have an all black background that was requested by the university as well.

I really wanted to kind of go into a little bit just to help understand, there’s a word in here, crossover plates that we wanted to make sure that the Board understood what a crossover plate was. So we have three ways that a license plate is brought up or I guess offered for public sale: we have statutory license plates, we have sponsored license plates by a state agency, and then we have our My Plates program.

The My Plates program provides marketing services for a license plate. They go out, they push these license plates, they’ve got call centers for call center support, those kind of things, to really try and get the word out on a specific license plate. If a license plate is not in the My Plates program, it is up to the sponsoring entity, whether it be the state agency, the
nonprofit organization, whoever it is, to market their license plates for sale. At certain times we will have individuals that have a license plate that is not in the My Plates program that wants to cross over into the My Plates program so they can enjoy the benefits of having that marketed service, the sale online, all of those things that My Plates provides to the State of Texas.

And so what you have here is one license plate that is a crossover plate -- where that term is from -- that is being marketed by My Plates and it was getting redesigned as well. So just wanted to make sure y’all understood what that term was in case there were any questions, but really, it’s just a matter of a plate that’s crossing over from not being marketed into the marketing program.

For your consideration are the two redesigned license plates before you.

MR. BACARISSE: Mr. Kuntz, the plates on our left as we look at them vertically -- should I look at it vertically or horizontally? I mean, the plate on the left is the current plate, the plate on the right would be the new plate. Is that correct?

MR. KUNTZ: The redesigns -- hold on, I’ve got to look at these.

MR. BACARISSE: Sorry. I want to know what the
Aggies are doing; I’ve got to keep track.

MR. KUNTZ: (Not at microphone.) So this license plate and this license plate, the ones on the bottom.

MR. BACARISSE: Oh, those are the two new ones on the bottom. Okay. All right. Thank you.

MR. KUNTZ: Let me say that back into the record. The two license plates on the bottom are the new license plate designs. There is a very slight nuance that you will see in the logo itself. There’s the highlight is in maroon on the previous logos, it is now a silver highlight on the new logo, which was one of the primary reasons for the redesign request.

MR. BACARISSE: Okay, good.

Members, any other questions?

(No response.)

MR. BACARISSE: I’d entertain a motion on item 15.A.

MS. GILLMAN: I would like to make a motion.

MR. BACARISSE: Member Gillman.

MS. GILLMAN: I move that the Board approve the Texas A&M maroon redesign specialty plate. That’s item 15.A.

MR. BACARISSE: There is a motion on the floor. Is there a second?
MS. McRAE: I second.

MR. BACARISSE: Member McRae seconds.

All in favor please raise your hand.

(A show of hands.)

MR. BACARISSE: All opposed?

(No response.)

MR. BACARISSE: Let the record reflect that was unanimous. Thank you, members.

MS. GILLMAN: Again, on agenda item 15.B, I move that the Board approve the Texas A&M classic crossover redesign specialty plate.

MR. BACARISSE: Very good. There is a motion on the floor. Is there a second?

MR. SCOTT: Second.

MR. BACARISSE: Mr. Scott is our second.

All in favor please raise your hand.

(A show of hands.)

MR. BACARISSE: Opposed?

(No response.)

MR. BACARISSE: That is unanimous as well.

Thank you, Mr. Kuntz. I think we’re finally going to let you go now. Thank you.

We’re going to move now to item 16, Finance and Audit, and Mr. Archer is here to present to us. We have two items under item number 16, one is for a vote.
So please, Mr. Archer.

MR. ARCHER: Good morning, Vice Chair Bacarisse and Board members. For the record, my name is Jimmy Archer and I’m the director of the Motor Carrier Division. This agenda item may be found on page 217 of your board books.

Today I’m requesting the Board delegate authority to the executive director, Whitney Brewster, for the approval and execution of a new services contract for the Commercial Vehicle Information Exchange Window, also known as CVIEW. CVIEW is the main component of the Innovative Technology Deployment program, also called ITD. The Innovative Technology Deployment program is a national program administered by the Federal Motor Carrier Safety Administration that facilitates data sharing within and between states and the FMCSA.

A new contract is needed for a vendor to provide software maintenance for CVIEW hosting and support and maintain Core ITD compliance that can assist in developing projects that fit within Federal Motor Carrier safety. The current vendor contract expires on January 31, 2020.

With the CVIEW tool, the State of Texas receives and shares motor carrier safety data with other states. This includes real-time out of service status for
on the road police enforcement. CVIEW is critical nationwide for data transference 24/7. ITD is important to the state for achieving a statewide intelligent transportation system that improves safety and security, improves productivity of motor carriers, commercial vehicles and their drivers, improves efficiency and effectiveness of safety programs through targeted enforcement, and reduces federal and state industry and regulatory and administrative costs.

DMV is an ITD designated lead agency for the state. The program is governed by a steering committee and working group comprised of representatives of DMV, Texas Department of Transportation, Texas Department of Public Safety, TxDOT, the Comptroller’s Office, Federal Motor Carrier Safety Administration, the Federal Highway Administration, and the Texas Trucking Association. Texas has successfully achieved and maintained Core ITD compliance by meeting FMCSA requirements for safety information exchange, credentialing administration and electronic screening.

This contract will have an initial term of two years and three two-year renewals. If the cost proposal for the successful vendor on the proposed contract is consistent with the current contract, the total estimated cost of the proposed contract will be $600,000 per year,
for a total of $4.8 million over eight years.

Again, I’m requesting that the Board delegate authority to the executive director to approve and execute this contract.

MR. BACARISSE: Thank you, Mr. Archer.

Is there a motion, or any questions for Mr. Archer first?

(No response.)

MR. BACARISSE: If not, I’d entertain a motion on item A.

MR. GRAHAM: So I’m prepared to make a motion, Mr. Chairman.

MR. BACARISSE: Okay, Mr. Graham.

MR. GRAHAM: I’m going to make the motion to include a term of two years with three two-year renewal options, and then it’s up to the Board’s discretion as to whether or not that’s fine or shorten it or whatever.

So I will make at motion that I will move to delegate authority to the executive director, after consultation with the Board chairman or the chairman of the Finance and Audit Committee, to approve and execute the Innovative Technology Deployment Commercial Vehicle Information Exchange Window services contract, with an initial term of two years and three two-year renewal options.
MR. BACARISSE: There is a motion on the floor.

Is there a second to that?

MS. GILLMAN: Second.

MR. BACARISSE: Okay. There is a second by Member Gillman.

Is there any further discussion before we vote, members? Mr. Scott.

MR. SCOTT: The two-year limitation on that, does that work for the provider and everything? If we say we’re going to give the authority for two years, is that going to put a hitch in something?

MR. ARCHER: I don’t believe so, no, sir. It gives the executive director the authority to negotiate and approve the contract.

MR. SCOTT: Okay.

MR. BACARISSE: So we have a motion and a second to Mr. Graham’s motion.

All in favor please raise your hand.

(A show of hands.)

MR. BACARISSE: Opposed by same.

(No response.)

MR. BACARISSE: Okay. Let the record reflect that it was unanimous approval.

MR. ARCHER: Thank you.

MR. BACARISSE: And we have item B, and item B
is briefing only, and Sandra is coming, but she’s a bit under the weather today.

Hope you’re feeling better.

MS. MENJIVAR-SUDDEATH: My allergies are acting up more than anything.

MR. BACARISSE: I understand.

MS. MENJIVAR-SUDDEATH: Good morning. Sandra Menjivar-Suddeath, Internal Audit director.

On page 219 you’ll find the Internal Audit Division status update. I’m actually going to have Derrick Miller, our senior auditor, do the update since I will probably get into a coughing fit.

MR. BACARISSE: Understood.

Mr. Miller, please.

MR. MILLER: Good morning, members. Derrick Miller, senior auditor, Internal Audit Division. I’ll be providing a brief update on the status of the Internal Audit Plan and external coordination items. These are on page 220 of your board book.

We’re currently working on two audit projects, the patch management audit and the Title and Registration customer support audit. Both of these projects are currently in field work and scheduled to move into draft reporting next week which puts them in schedule for a final report release date of January 2020.
We’re also working on the FY2020 recommendation follow-up for the first quarter of this fiscal year. Included in the first quarter is 19 recommendations. Within those 19 are two information security recommendations and three procurement recommendations, and that report will be issued later this month towards the end of December.

We have two external coordination items to report on. Firstly, the Texas Workforce Commission Civil Rights Division will be conducting a compliance review of the department beginning December 17, this month. And the State Auditor’s Office released its analysis of quality assurance team projects report last month in November. That report included a review of the webDEALER application. That review was just informational only, looking at the completion status of the project; it was not an audit and there’s no recommendations for us. And those are all the items on our briefing.

MR. BACARISSE: Members, any questions for Mr. Miller?

(No response.)

MR. BACARISSE: Okay, great. Thank you all. Appreciate it. Thank you.

We’re going to just change the agenda slightly so that we can get to the public comments before we go...
into executive session. No sense in asking you all to wait through that.

I think we do have two members or two items having to do with TACA. So Cathy Talcott is here. Welcome. Please come forward and speak with us.

MS. TALCOTT: Good morning.

MR. BACARISSE: Good morning. And do state your name for the record. I didn’t want to mess it up.

MS. TALCOTT: Gladly. My name is Cathy Talcott. I am proud to be the president of TACA this year, the Tax Assessor Collectors Association. I also serve as tax assessor-collector for Comal County in New Braunfels, just down the road.

This is just a good morning welcome and I wanted to get to see each of you and let you know the face behind this year’s president of TACA. I’m sorry I wasn’t able to attend last meeting, I was quite under the weather, but I’m so glad to be here this morning and see the faces, and thank you all for your service.

And I’m especially pleased and our entire board is -- by the way, we do have several other tax assessor-collectors here this morning. On the back row, Shay Luedeke from Bell County, John Ames from Dallas County, of course, Michelle French from Denton County, of course, who is our liaison with TxDMV. Appreciate all the work that
she does, and Shay coming up for sure.

   But as soon as I became president in June, our
board decided to have a retreat and we came up with five
goals that we really wanted to work on this year. One of
those goals has to do with our state agencies that we
partner with, and of course, y’all are at the top of the
list because you affect every one of our offices
throughout the state, and want to strengthen our
relationship with all of you. We appreciate so much the
reaching out that y’all have done this year to us, asking
for our input on different items, we’ve been having
quarterly meetings, a few of us, with the IT department
regarding reports and how things are culminating well, and
we’ve been so well received and we’ve really had wonderful
results from our meetings that we’ve had. We are
partners, we look forward to working with you all.

   And I also want to thank you all for every time
we have a conference, whether it be our V.G. Young
conference or our June conference -- which will be in
Austin this year, by the way -- your whole staff, all of
the upper echelon has attended in full force, and they’re
always there, they’re so accessible, they want to make
sure we’re on top of everything as far as the new rules
go. And we thank you so much, Ms. Brewster, for you
allowing all of your staff, so many of them, to attend and
be there and be so accessible to the rest of the tax
assessor-collectors in the State of Texas at those times.

So thank you again. Please let me know if
there’s anything I can do to help and work with y’all in
any way possible. Thank you.

MR. BACARISSE: Thank you.

In another life I was the district clerk in
Harris County, and so I greatly appreciate the work that
county officials do, I know it, and you are invaluable
partners to us. So thank you for your interactions with
us.

I know we have Michelle French who has signed
up as well, to speak with us, and so look forward to
hearing from her.

MS. FRENCH: Good morning, good morning.
Michelle French, Denton County tax assessor-collector, and
the DMV’s liaison for TACA.

And I just want to echo Cathy’s comments. We
just appreciate so much the working relationship we have
with DMV, and we certainly want to be a resource to you
all. If at any time there’s anything that we on the board
or any of your county tax assessors can be of assistance,
a resource or feedback or input or you just need someone
to say, hey, how does this really work in the real world,
we are here to help you. We are absolutely here to help
I did want to just touch on a couple of things. Thank you very much for your consideration, for your thoughtfulness in considering the rules and certainly in reviewing the comments. I know our association, we try really hard to vet through all of the rules when they are proposed, to review through them, to help you as a resource, to really say this is how this might really work in the real world. You know, positive, negative, in between, we feel like it’s important to see what impact it might be, and so when our association submits a response, it’s really on behalf of all 254 of our county tax assessors.

We work very hard to keep our tax assessors in the loop, and we have an actual committee, it’s a pretty broad committee, it’s a DMV liaison committee, so we have a great group of people, a large group of people, and then kind of a smaller group that is sort of a subcommittee that we really go through and vet everything. And so we appreciate your thoughtful consideration on everything as well.

And just to finish up, thank you very much for considering and actually approving the rules on the disabled placards. I think that’s really going to help people as they’re dealing with sometimes life or death
decisions. The last thing you want to have to worry about is, oh, my goodness, I didn’t get my placard, I’m going to have to figure out how to get back home, and home 2- or 3- or 400 miles away. So thank you very much for that.

And that’s all I have. Thank you.

MR. BACARISSE: Thank you. Thank you all for the work you do.

Okay. At this point we’re going to move to item number 17 which is executive session, and we are going to go into a closed session. It is now 9:26 a.m. on December 5, 2019. We’ll go into closed session under Texas Government Code Section 551.071, 551.074, and 551.076, and 551.089.

For those of you in the audience, I anticipate being in executive session for about half an hour, so we’ll reconvene in open session after that if any of you are still here. We’ll be recessed from the public meeting at that time, but right now we’re going to go into executive session.

Thank you.

(Whereupon, at 9:26 a.m., the meeting was recessed, to reconvene this same day, Thursday, December 5, 2019, following conclusion of the executive session.)

MR. BACARISSE: Good morning still. It is 10:37 a.m., and the Board of the Texas DMV is now back in
open session.

There are no actions arising from the executive session that the Board must act upon in open session pursuant to Section 551.102 of the Texas Government Code.

Ms. Beaver, who had something she wanted to point out to the Board.

MS. BEAVER: Thank you. Tracey Beaver, general counsel, for the record.

I just wanted to clarify that on agenda item number 7, the rule does not change any of the requirements for what activities a franchised dealer can do.

And also, for the record, no additional public comments were received, commenters for the meeting today.

MR. BACARISSE: Other than the two that we had heard from previously.

MS. BEAVER: Absolutely. No additional.

MR. BACARISSE: Agenda item number 7. I just wanted to make sure I knew what you were referring to.

Okay, great.

Members, any other questions?

MR. GRAHAM: I’d just like to make a comment that it is absolutely spectacular to have John Prewitt back. We’ve missed you, brother.

(Applause.)

MR. BACARISSE: John, we wish you Godspeed in
that journey, and we’re with you at all times.

MR. PREWITT: Thank you, Chairman.

MR. BACARISSE: Any other announcements or anything?

MS. BREWSTER: No, sir.

MR. BACARISSE: Whitney, we’re good.

I would entertain a motion to adjourn.

MS. McRAE: I make a motion we adjourn.

MR. BACARISSE: Is there a second?

MS. GILLMAN: Second.

MR. BACARISSE: Okay. We are adjourned. Thank you.

(Whereupon, at 10:38 a.m., the meeting was adjourned.)
CERTIFICATE

MEETING OF:       TxDMV Board
LOCATION:        Austin, Texas
DATE:            December 5, 2019

I do hereby certify that the foregoing pages, numbers 1 through 71, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Motor Vehicles.

DATE: December 13, 2019

/s/ Nancy H. King
(Transcriber)

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