

**RULE COMMITTEE  
MINUTES  
OCTOBER 15, 2018**



**TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
DIVISION OF REGULATORY BOARDS  
MOTOR VEHICLE COMMISSION  
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**TENNESSEE  
MOTOR VEHICLE COMMISSION  
MINUTES**

**RULES COMMITTEE**

**DATE:** June 13, 2018

**PLACE:** Davy Crockett Tower – Conference Room 4-A  
500 James Robertson Parkway  
Nashville, Tennessee

**PRESENT:** Rules Committee Members via Teleconference:  
Farrar Vaughan, Chair (Present)  
Eddie Roberts (Present)  
Chris Lee (Present)  
John Murrey (Present)  
Kahren White (teleconference)

**ABSENT:** Ronnie Fox

**ATTENDEES:** Brian McCormick, Deputy Commissioner  
Carter Lawrence, Assistance Commissioner Regulatory Boards  
Elizabeth Goldstein, Staff Attorney  
Sara Page, Staff Attorney  
Jason Gilliam, MVC  
Paula J. Shaw, Executive Director MVC  
Paul Hartbarger, Assistant Commissioner  
Robert Weaver, Tennessee Automotive Association

**CALL TO ORDER:** Rules Committee Chair, Farrar Vaughan, called the meeting to order.

**STATEMENT OF NECESSITY:**

The Tennessee Motor Vehicle Commission has called a regularly scheduled meeting of the Commission to discuss concerns of the Audit Committee. The determination for this meeting by electronic means was that it was not feasible to bring all necessary members physically to the building. Additionally, it was cost prohibitive to do so. Pursuant to TCA 8-44-108, a necessary matter is considered by this governing body at this meeting requiring timely action, the physical presence by a quorum of the members is not practical within the period of time requiring action, and participation by a quorum of the members by electronic or other means of communication is necessary. Decisions of the Commission will be confirmed by roll call vote.

Executive Director, Paula J. Shaw, read the meeting notice.

Chairman Vaughan called for a motion to adopt the agenda. Commissioner Murrey made a motion to adopt the agenda, seconded by Chairman and at-large member, Eddie Roberts.

**ROLL CALL VOTE:**

<b>FARRAR VAUGHAN</b>	<b>YES</b>
<b>EDDIE ROBERTS</b>	<b>YES</b>
<b>CHRISTOPHER LEE</b>	<b>YES</b>
<b>JOHN MURREY</b>	<b>YES</b>
<b>KAHREN WHITE</b>	<b>YES</b>

**MOTION CARRIES**

**DISCUSSION**

Executive Director, Paula J. Shaw, indicated to Chairwoman Vaughan, the staff would proceed with the old business first, as it was a follow up to previous actions the Committee had recommended, which had been passed to the full Commission, and had become rules. She also advised that following Old Business, they would move into New Business. Director Shaw requested staff attorney, Elizabeth Goldstein, to quickly summarize the rules which had previously been passed. Ms. Goldstein complied, and updated the Committee as requested.

Chairwoman Vaughan instructed to move on to New Business. The item being discussed was the certification for the separation of businesses. Director Shaw indicated there were parties present to speak about this, and thought it best to bring it before the Committee for their consideration. Chairwoman Vaughan recognized Bob Weaver from the Tennessee Automobile Association. Mr. Weaver made a statement in support of revisiting the current rule.

Chairwoman Vaughan called for discussion or motion. Commissioner Murrey made a motion to adopt Mr. Weaver's recommendation and refer to Mr. Weaver and legal for the appropriate language, seconded by Chairman Roberts.

**VOICE VOTE**

**MOTION CARRIED**

The next item of discussion was for salesperson appeals and dealer presence vs affidavit. Director Shaw indicated the proposed rule was for salesperson appeals and whether dealer presence during the appeal or affidavit attesting the individual was still employed by the dealer principal. Analysis indicated it is a high risk area for individuals who are not affiliated with a dealer, which is a violation.

After some discussion, Chairwoman Vaughan called for a motion. Chairman Roberts made a motion for legal to craft a rule for a dealer affidavit to bring back before the Committee. Commissioner Murrey seconded.

**VOICE VOTE**

**MOTION CARRIED**

The next item of discussion involved electronic record retention. Director Shaw read the staff analysis to the Committee, which indicated drafting language that clarifies specific time frame for a licensee to make available for inspection any and all records, transactions, memos, etc., to the Commission or its authorized representative.

After some discussion, Chairwoman Vaughan called for a motion. Commissioner Lee made a motion to refer to legal to draft language, seconded by Chairman Roberts.

**VOICE VOTE**

**MOTION CARRIED**

Usage of a "Corrective Action Plan" was the next item discussed. Director Shaw read into record the staff analysis and recommendation which included drafting rule language that enables a Corrective Action Plan be used in certain circumstances, to be developed and approved by legal, in order to mitigate hardship or loss to the consumer, and assist the licensee in developing compliant business practices.

After some discussion, Chairwoman Vaughan called for a motion. Chairman Roberts made a motion to refer to staff to draft language which includes a self-reporting feature for licensees. Commissioner Murrey seconded.

**VOICE VOTE**

**MOTION CARRIED**

The final discussion item was in regards to requiring an email address from all applicants in order to communicate with licensees and applicants more effectively.

After some discussion, Chairwoman Vaughan called for a motion. Commissioner Lee made a motion to require all businesses, applicants and licensees to provide a valid email address. Commissioner Murrey seconded.

**VOICE VOTE**

**MOTION CARRIED**

Staff Attorney, Elizabeth Goldstein, spoke briefly to the Committee about the impact of the Fresh Start Act, and indicated more information would be shared during the July Commission meeting.

Chairwoman Vaughan asked for a motion to adjourn. Commissioner Lee made the motion to adjourn, seconded by Commissioner Murrey.

**VOICE VOTE**

**MOTION CARRIED**

**ADJOURNED**