

OFFICE OF THE DIRECTOR
DEPARTMENT OF MOTOR VEHICLES
P.O. BOX 932328
SACRAMENTO, CA 94232-3280



TITLE 13: DEPARTMENT OF MOTOR VEHICLES

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (department) proposes to adopt Section 225.73 and amend Sections 225.15, 225.24, 225.66, 225.69, and 225.72 in Article 3.6, Chapter 1, Division 1, Title 13 of the California Code of Regulations, relating to the Business Partner Automation (BPA) Program.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested party or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than midnight, **October 19, 2020**, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulation.

AUTHORITY AND REFERENCE

The department proposes to adopt these regulations under the authority granted by Vehicle Code Sections 1651 and 1685, in order to implement Vehicle Code Section 1685.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code Section 1685 authorizes the Department of Motor Vehicles (department) to enter into contracts with private industry business partners to facilitate electronic registration and titling transactions required for vehicles under the Vehicle Code. The department created the Business Partner Automation (BPA) program pursuant to the authority granted in Vehicle Code Section 1685. The contracts are governed by the Public Contracting Code and regulations implementing that code adopted by the Department of General Services. The department regulates non-contract aspects of the program to ensure departmental records remain accurate and to ensure the vehicle owning public experiences the convenience of electronic registration and titling transaction being completed without the need to visit a department field office. Upon completion of an application process, payment of fees, and meeting specified financial responsibility requirements, the department issues a permit to business partners. The program has grown to accommodate millions of registration and titling transactions per year securely and accurately.

Vehicle Code Section 1685 creates three types of business partners (1) a first-line business partner is an industry partner that receives data directly from the department and uses it to complete registration and titling transactions for that partner's own business purposes, (2) a first-line service provider is an industry partner that receives information from the department and then transmits it to another authorized industry partner, and (3) a second-line business partners is a partner that receives information from a first-line service provider.

The department relies on contracts and permits to regulate these business partners as authorized by Vehicle Code Section 1685. Regulations governing the contracting and permitting procedures have been in place for many years and periodically the department need to update the regulations.

Problem the Department Intends to Remedy Through These Proposals:

The department has identified one main area in which a problem exists. The current BPA regulations do not adequately include a due process (appeals and hearing) section. This proposed action will add in an appeals and hearing section and make necessary amendments to the other relevant sections of the existing regulations.

ANTICIPATED BENEFITS OF THE PROPOSED REGULATION

This action will promote fairness and increase openness and transparency in business and government because the proposed action will adopt due process guidelines which include an appeals and hearing section. The due process guidelines will protect the BPA permit holder's customers from any harm that may be caused if the department was unable to temporarily suspend the permit when action is found to be required. Additionally, an expedient hearing process and appeals decision will also protect the BPA permit holder.

CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS

During the process of developing these regulations, the department has conducted a search of any similar regulations on the topic of the BPA program and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

COMPARABLE FEDERAL STATUTES OR REGULATIONS

The department has conducted a review of federal regulations related to the BPA program and has determined that there are no comparable federal regulations.

Economic and Fiscal Impact Determinations

The department has made the following initial determinations concerning the proposed regulatory action:

- *Cost or Savings to Any State Agency:* None.
- *Other Non-Discretionary Cost or Savings to Local Agencies:* None.
- *Costs or Savings in Federal Funding to the State:* None.
- *Cost to any local agency or school district requiring reimbursement pursuant to Gov. Code section 17500 et seq.:* None.
- *Effects on Housing Costs:* None.
- *Impacts Directly Affecting Businesses:* None.
- *Significant, Statewide Adverse Economic Impact Directly Affecting Business, Including the Ability of California Businesses to Compete with Businesses in Other States:* None.
- *Cost Impact on Representative Private Persons or Businesses:* The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- *Small Business Impact:* This proposed action will affect small businesses in the same manner it will affect any business.
- *Local Agency/School Districts Mandate:* The proposed regulation action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code.

Results of the Economic Impact Statement

The department has determined that this proposed action will not affect the creation or elimination of jobs within the state, the creation of new businesses or the elimination of existing businesses within the state, or the expansion of businesses currently doing business within the state.

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PUBLIC DISCUSSION OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

CONTACT PERSON

Any inquiries or comments concerning the proposed rulemaking action may be addressed to:

Tracy Brazil, Regulations Analyst
Department of Motor Vehicles
Legal Affairs Division
PO Box 932382, MS C-244
Sacramento, CA 94232-3820

Any inquiries or comments concerning the proposed rulemaking action requiring more immediate response may use:

Telephone: (916) 657- 8919
Facsimile: (916) 657-6243
E-Mail: LADRegulations@dmv.ca.gov

In the event the contact person is unavailable, inquiries should be directed to the following back-up person:

Shelly Johnson Marker, Chief of Staff
Department of Motor Vehicles
Telephone: (916) 657-6469

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an Initial Statement of Reasons for the proposed regulatory action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the Express Terms of the

proposed regulatory action using underline or italics to indicate additions to, and strikeout to indicate deletions from the California Code of Regulations.

The contact person identified in this notice shall also make available to the public, upon request, the Final Statement of Reasons and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons, and Express Terms) may be accessed at <http://www.dmv.ca.gov/portal/dmv/detail/about/lad/regactions>.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.