

TITLE 13: DEPARTMENT OF MOTOR VEHICLES

Division 1, Chapter 1

Article 6 – Administration

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (department) proposes to amend Section 423.00 in Article 6, Chapter 1, Division 1, Title 13 of the California Code of Regulations, related the annual adjustment of fees.

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 **October 13, 2025**, the final day of the written comment period, for them to be considered by the department before it adopts the proposed regulation.

AUTHORITY AND REFERENCE

The department proposes to adopt/amend/repeal these regulations under the authority granted by Vehicle Code sections 1651 and 1678, to implement, interpret, or make specific Vehicle Code sections 1678, 1685, 4604, 5014, 5036, 6700.25, 9102.5, 9250, 9250.6, 9250.8, 9250.13, 9252, 9254, 9258, 9261, 9265, 9702, 11515, 11515.2, 14900, 14900.1, 14901, 14902, 15255.1, 15255.2, 38121, 38225.4, 38225.5, 38232, 38255, 38260 and 38265; Code of Civil Procedure section 488.385; and Revenue and Taxation Code sections 10902 and 11052.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code section 1678 requires the department to annually review and adjust a variety of department fees. The fees are to be adjusted in an amount equal to the increase in the California Consumer Price Index for the prior year, as calculated by the Department of Finance. The department adjusts its fees

only when the calculated amount equals or is greater than \$0.50, rounded to the next highest whole dollar.

The department is proposing to amend Section 423.00 to identify the Consumer Price Index for All Urban Consumers (CPI-U), based on the U.S. Bureau of Labor Statistics. Not only does the CPI-U represent over 90% of the total population, but the department has also been using the CPI-U for its fee adjustment calculations since it began adjusting fees in regulation in 2005.

BENEFITS OF THE PROPOSED REGULATION

The department anticipates this action will benefit California residents by providing transparency in the method by which fees are calculated.

CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS

The department has conducted a review of other state regulations and has determined there are no other regulations related to either the fees charged by the department or the method by which the fees are calculated. Therefore, this action is neither inconsistent nor incompatible with other existing state regulations.

COMPARABLE FEDERAL STATUTES OR REGULATIONS

The department has determined there are no comparable federal statutes or regulations related to the method by which the department calculates its fee increases.

DOCUMENTS INCORPORATED BY REFERENCE

There are no documents incorporated by reference.

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.
- Effects on Housing Costs: None.
- Cost to any local agency or school district requiring reimbursement pursuant to Gov. Code section 17500 et seq.: None.

- **Cost Impact on Representative Private Persons or Businesses:** This proposed action will not have a cost impact on representative private persons or businesses. The amendment identifies the CPI database used to calculate annual fee adjustments. This action does not increase any fees.
- **Small Business Impact:** This action will not have an impact on small businesses. The amendment only codifies the CPI database used to calculate past and future fee increases.
- **Local Agency/School District Mandate:** The proposed regulatory 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.
- **Significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states:** The department has made the initial determination that this action will not have a statewide adverse economic impact directly affecting businesses or the ability of California businesses to compete with businesses in other states. The amendment is limited to identifying the CPI database used to calculate fee increase. This action, however, does not increase any fees.

RESULTS OF THE ECONOMIC IMPACT STATEMENT

The department has made the initial determination that this action will not impact, 1) the creation or elimination of jobs within the State of California, 2) the creation of new businesses or elimination of existing businesses within the State of California, 3) the expansion of businesses currently doing business within the State of California, 4) worker safety or the state's environment and health because it is unrelated to health issues.

This action may benefit the welfare of California residents by identifying the CPI database used when calculating whether an annual fee increase is required. The amendment will ensure transparency related to the methodology used when increasing fees.

PUBLIC DISCUSSIONS 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:

Randi Calkins, Regulations Specialist

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) 282-7294

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:

Peggy Gibson, Attorney IV

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 <https://www.dmv.ca.gov/portal/about-the-california-department-of-motor-vehicles/california-dmv-rulemaking-actions/>.

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. Requests 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.