

TITLE 13: DEPARTMENT OF MOTOR VEHICLES

Division 1, Chapter 1

Article 3.6 – Vehicle Industry and Business Enterprises

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (department) proposes to amend Sections 225.03 in Article 3.6, Chapter 1, Division 1, Title 13 of the California Code of Regulations, related to the business partner application documents.

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 **April 6, 2026**, 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 section 1651, to implement, interpret, or make specific Vehicle Code section 1685.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code section 1685 authorizes the department to enter into contracts with private industry business partners to facilitate electronic registration and titling transactions required for vehicles and vessels 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 department 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 authorizes the department to establish application requirements. Part of the application requirements include documentation that establishes the department's information security criteria that ensures the department's records are maintained and accessed in a manner that protects the privacy of those records.

The department is amending Section 225.03, related to application requirements for all business partners, to require business partner applicants to submit an Information Security and Disclosure Statement Public/Private Partnerships Employee, EXEC 200X, as part of the application documentation. The form EXEC 200X is a form that is required to be completed by employees who will have access to the department's records. The document instructs the employee on methods to keep the records safe, such as creating a strong password, ensuring workstations are safeguarded by logging off of the terminal when the employee is away and securing the user guide. When followed, the security measures listed on the form EXEC 200X will ensure the integrity and privacy of all records in the department's database.

BENEFITS OF THE PROPOSED REGULATION

If left unprotected, information could be accessed by unauthorized individuals and could be used to harm individuals that provided information to a school with the understanding that the information they provided would be confidential. Vehicle Code section 1808.21 prohibits dissemination of an address held in a department record. It also restricts the unauthorized dissemination of any department record. By these regulations, the department is prohibiting dissemination of these department records for any purpose other than to fulfill the objective of a functioning database for conveying course completion information to a court. This database is maintained by the department and thus contains department records. Users found to be violating the requirements of Form EXEC 200X will be denied access to the database because complying with the terms of the EXEC 200X is a condition of using the database.

CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS

The department has conducted a review of other state regulations and have determined that this action is the only regulation that, 1) establishes application

requirements for business partners, and 2) requires privacy documentation to be completed by business partner employees who have access to the department's records. The department has determined this action is neither inconsistent nor incompatible with state regulations.

COMPARABLE FEDERAL STATUTES OR REGULATIONS

Many provisions in the adopted form are governed and authorized by several sections in Title 18 of the United States Code, related to information privacy. Corresponding Code sections are included in the initial statement of reasons for reference. While this proposed action relies on federal statutes, there are no comparable federal statutes or regulations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents is incorporated by reference:

- Information Security and Disclosure Statement Private/Public Partnerships Employee, form EXEC 200X (Rev. 3/2003)

This form is not published in the California Code of Regulations because it would be impractical and cumbersome to do so; however, the documents is readily available to interested parties by contacting the department representative identified below.

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 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. This action requires employees of business partners to complete a form that affirms their intention to maintain the department's records in a safe and responsible manner.
- Effect on Housing Costs: None.
- Local Agency/School District Mandates: 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.

- **Small Business Impact:** This proposed action may impact small businesses. This amendment requires employees of a business partner to complete a form EXEC 200X as part of the business partner's application process. The form instructs the employee on methods to ensure documents and the database are maintained in a safe and responsible manner. There are many business partners that are small businesses, however, this proposed action requires action by the employee and any action that must be taken by the business partner would not be so great that it would be likely to cause any positive or negative impact.
- **Potential significant statewide adverse economic impact:** The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The purpose of this amendment is to add an employee privacy form to the documents required during the application process.

RESULTS OF THE ECONOMIC IMPACT STATEMENT

The department has made the initial determinations that the economic impact associated with this proposed regulation 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) or the expansion of businesses currently doing business within the State of California.

This proposed action is also unlikely to benefit the state's environment, however, the department anticipates benefits to employee welfare by providing guidance in instruction on how to safely access and maintain records within the department's database and will benefit California citizens who are vehicle owners with records maintained by the department. This proposed action establishes requirements that a business partner applicant must put into place to ensure those records are accessed and maintained in a manner that will ensure their privacy. As a result, the proposed action identifies benefits to worker safety and public health and safety.

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.