

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 amend Section 345.50 in Article 4.7, Chapter 1, Division 1, Title 13 of the California Code of Regulations, related to traffic violator schools.

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 their 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 **August 9, 2021**, 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 11202, in order to implement, interpret, or make specific Vehicle Code sections 11200, 11202, 11202.5, 11204, 11206, 11208, 11210, and 11211.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Assembly Bill (AB) 708 [Chapter 307; Statutes of 2019] amended Vehicle Code section 11202 to require, in addition to all previous requirements, that traffic violator school owners ensure their school is open to the public during regular business hours and those hours are made available to the public by posting the hours at the place of business and on any internet website used or maintained by the school, have an operator or employee in each office or place of business during regular business hours, and have a school name that does not include a cost, price, or amount of the course, unless the name accurately reflects the cost of the course. AB 708 also prohibits a traffic violator school from being located within 50 feet of another traffic violator school. This proposed

rulemaking action will amend the department's existing regulations concerning traffic violator schools, implementing the described changes made to Vehicle Code section 11202 by AB 708, which includes setting specific business hours and location and structural requirements of these schools.

The changes made through this proposed rulemaking benefit Californians by providing assurance that students and potential students have the ability to make contact with a school employee, are equipped to easily find information related to course availability and eliminate circumstances where a student is enticed into enrolling in a school advertising a misleading cost for enrollment. The changes made through the amendment of Vehicle Code section 11202 will impact traffic violator schools and may cause some schools to have to move locations or close their school altogether. The vast majority of businesses that will be affected are the larger entities who are currently running multiple schools from one location. These are the schools that created the need for AB 708 in the first place, so this change aligns with the intent of the bill. This change will also allow more growth for smaller schools.

CONSISTENCY AND COMPATIBILITY WITH STATE REGULATIONS

The department has conducted a review of other state regulations and has concluded that these are the only regulations related to the process by which traffic violator schools are required to operate, including the licensure of owners, operators, and instructors. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

COMPARABLE FEDERAL STATUTES OR STATE REGULATIONS

There are no existing federal statutes or regulations that govern traffic violator schools or their personnel.

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:* The department is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed action. Businesses may be impacted, some adversely, due to the changes to Vehicle Code section 11202, requiring 50 feet between schools.
- *Small Business Impact:* This proposed action may impact small businesses.
- *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:* Although AB 708 imposes new requirements on these schools that may have an adverse economic impact directly affecting businesses and possibly the ability of California businesses to compete with businesses in other states, DMV has made an initial determination that the discretionary regulatory changes being adopted in this rulemaking do not.

RESULTS OF THE ECONOMIC IMPACT STATEMENT

The department has made the following determinations when assessing the economic impact associated with this proposed regulation:

The department has determined that this action may impact the creation and elimination of jobs as traffic violator schools are now required to have an employee in the business office during regular business hours and schools are prohibited from being within 50 feet of another school. The department also anticipates this action will impact the creation, elimination and expansion of businesses. The department is not currently able to assess how many schools will be affected. This action will benefit California residents who are attending a traffic violator school by providing assurance that students and potential students have the ability to make contact with a school employee, are equipped to easily find information related to course availability and eliminate

circumstances where a student is enticed into enrolling in a school based on advertising that is misleading in regards to the cost for enrollment. The department does not anticipate any benefit to worker safety and the state's environment

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 as effective 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 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) 657-8898
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.