Occupational Licensing Industry News
OLIN 2020–09
New TVS Requirements and Forms

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Date: September 8, 2020

New Information

As of July 1, 2020, legislation established new licensing requirements for all existing and new Traffic Violator Schools (TVSs).

NOTE: The information in this memo is in addition to the OLIN 2020-06 New TVS Requirements memo issued on June 1, 2020.

Regulations

To clarify provisions of the new legislation, the Department of Motor Vehicles (DMV) adopted regulations as of July 24, 2020, to revise the following forms:

- Traffic Violator School (TVS) Owner Surety Bond (OL 704B) (Attachment A).
- Deposit Agreement and Assignment (OL 25E) (Attachment B).

IMPORTANT: The Traffic Violator School Owner Surety Bond (OL 704) form is obsolete.

TVS Name Approval

Statute prohibits a TVS name from including a cost, price, or amount of the course, unless the name accurately reflects the cost of the course.

TVS Owner Surety Bond Requirements

Statute requires that all TVS procure and file a $15,000 bond, regardless of the modality being offered. To ensure compliance, DMV eliminated the OL 704 and renamed the OL 704B. The OL 704B **must** be submitted as part of the owner application process, regardless of whether the school offers classroom instruction, internet, or home study.

NOTE: A TVS owner can submit a deposit of cash in lieu of the surety bond. The OL 25E is submitted by any TVS applicant who chooses to submit a deposit agreement rather than a bond.

Background

Changes are being made to the TVS program procedures, publications, and forms to comply with new legislation as of July 1, 2020.

References

California Vehicle Code §§11202 and 11204
California Code of Regulations, Title 13, Article 4.7, §§345.02, 345.65, and 345.66
Assembly Bill 708 (Frazier, Chapter 307, Statutes of 2019)
OLIN 2020-06 New TVS Requirements

Distribution

Notification that this memo is available at **dmv.ca.gov** was made via California DMV's Automated Email Alert System in September 2020 to the following:

- Traffic Violator School Owners
- Traffic Violator School Operators

Contact

Questions regarding this memo may be directed to DMV's Commercial Licensing Policy at (916) 657-6550.

Attachments (2)

Attachment A

STATE OF CALIFORNIA
DEPARTMENT OF MOTOR VEHICLES

DMV USE ONLY
OL OR ACCOUNT NUMBER
NAME

TRAFFIC VIOLATOR SCHOOL (TVS) OWNER SURETY BOND

(*California Vehicle Code* §11202)

Licensing Operations Division
Occupational Licensing Branch
P.O. Box 932342, MS L224
Sacramento, CA 94232-3420

Bond Number _____
SURETY USE ONLY

Premium Amount _____
SURETY USE ONLY

KNOW ALL PERSONS BY THESE PRESENTS:

That we, _____
PRINCIPAL NAME(S) AND DOING BUSINESS AS (DBA)

_____

_____,

doing business as a traffic violator school owner whose address for service is _____
TVS OWNER SERVICE ADDRESS

_____ as PRINCIPAL, and _____,
SURETY NAME

a corporation organized under the laws of _____ and authorized to transact a
STATE OF INCORPORATION

general surety business in the State of California, whose address for service is _____
SURETY SERVICE ADDRESS

_____, as SURETY, are held and firmly bound to the People of the State of California in the penal sum of FIFTEEN THOUSAND DOLLARS ($15,000), for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents. The bond term shall begin on _____.
BOND EFFECTIVE DATE

WHEREAS, §11202, *California Vehicle Code*, requires that the Principal file or have on file with the Department a bond in the sum of $15,000 and this bond is executed and tendered in accordance therewith.

NOW THEREFORE, the conditions of the foregoing obligation are that if the Principal shall not practice any fraud or make any fraudulent representation that will cause a monetary loss to a person taking instruction from the applicant or to any state or local agency and shall comply with *California Vehicle Code* §§11202(a)(6) and 11203.5, then this obligation is to be void; otherwise it is to remain in full force and effect.

PROVIDED HOWEVER, this bond is issued subject to the following express conditions:

(1) This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and each and every succeeding license period or periods for which said Principal may be licensed, after which liability hereunder shall cease except as to any liability or indebtedness therefore incurred or accrued hereunder.

(2) This bond is executed by the Surety to comply with chapter 1.5 (commencing with §11200), Division 5, *California Vehicle Code* and chapter 2, title 14, part 2, *Code of Civil Procedure* and said bond shall be subject to all the terms and provisions thereof.

(3) The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

(4) This bond may be cancelled by the Surety in accordance with Article 13 (commencing with §996.310), chapter 2, title 14, part 2, *Code of Civil Procedure*.

(5) The Surety, its successors and assigns, are jointly and severally liable on the obligations of the bond, chapter 2 (commencing with §995.010), title 14, part 2, *Code of Civil Procedure* and Chapter 1.5 (commencing with §11200), Division 5, *California Vehicle Code*.

(6) The Principal and Surety may be served with notices, papers and other documents under chapter 2 (commencing with §995.010), title 14, part 2, *Code of Civil Procedure* at the addresses given above.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. The undersigned executes this bond on behalf of the surety under an unrevoked power of attorney.

Executed at _____

X _____
SIGNATURE OF ATTORNEY-IN-FACT

On (Date) _____

_____
PRINTED OR TYPED NAME OF ATTORNEY-IN-FACT

Print Clear Form

Attachment B

ADDENDUM TO THE DEPOSIT AGREEMENT AND ASSIGNMENT, OL 25 E

NAME OF PRINCIPAL	OL LICENSE NUMBER

ADDENDUM TO THE DEPOSIT AGREEMENT DATED	DEPOSITOR	PRINCIPAL

SECTION 1 — NAMES AND ADDRESSES OF ADDITIONAL PRINCIPALS

NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE

SECTION 2 — NAMES AND ADDRESSES OF ADDITIONAL DEPOSITORS

NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE
NAME			
ADDRESS	CITY	STATE	ZIP CODE

SECTION 3 — CERTIFICATIONS AND SIGNATURES OF ADDITIONAL DEPOSITORS

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	SIGNATURE OF ADDITIONAL DEPOSITOR	PRINTED NAME OF ADDITIONAL DEPOSITOR
	X	

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	SIGNATURE OF ADDITIONAL DEPOSITOR	PRINTED NAME OF ADDITIONAL DEPOSITOR
	X	

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	SIGNATURE OF ADDITIONAL DEPOSITOR	PRINTED NAME OF ADDITIONAL DEPOSITOR
	X	

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE	SIGNATURE OF ADDITIONAL DEPOSITOR	PRINTED NAME OF ADDITIONAL DEPOSITOR
	X	

Print Clear Form

STATE OF CALIFORNIA
DEPARTMENT OF MOTOR VEHICLES

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

DEPOSIT AGREEMENT AND ASSIGNMENT

(Occupational Licenses, *California Vehicle Code* Division 5)

Licensing Operations Division
Occupational Licensing Branch
P.O. Box 932342, MS L224
Sacramento, CA 94232-3420

KNOW ALL PERSONS BY THESE PRESENTS:

That I/we _____
TRUE FULL NAME OF APPLICANT(S)

_____

_____

doing business as _____
DOING BUSINESS AS NAME

An applicant for or holder of the below type of license:

☐ $10,000 Principal in All-Terrain Vehicle Safety Training Organization	CVC §11102
☐ $10,000 Driving School Owner	CVC §11102
☐ $15,000 Traffic Violator School Owner	CVC §11202
☐ $ 5,000 Vehicle Verifier	CVC §11301
☐ $25,000 Registration Service	CVC §11402
☐ $50,000 Lessor-Retailer	CVC §§11612/11710
☐ $50,000 Dealer	CVC §11710
☐ $10,000 Motorcycle Dealer and/or All-terrain Vehicle Dealer	CVC §11710
☐ $50,000 Remanufacturer	CVC §11710
☐ $10,000 Wholesale Only Dealer sells fewer than 25 vehicles per year	CVC §11710.1

whose address for service of notices, papers, and other documents permitted or required to be given is:

_____
ADDRESS OF APPLICANT(S)

_____

_____

as PRINCIPAL; and, _____
FULL NAME OF DEPOSITOR(S)

_____

as DEPOSITOR, whose address for service of notices, papers, and other documents permitted or required to be given is:

_____
ADDRESS OF DEPOSITOR(S)

_____

are held and firmly bound to the People of the State of California in the penal sum of _____ dollars ($_____), for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

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Depositor hereby hypothecates and deposits as security for the obligation the following property:

☐ (1) Lawful money of the United States in the amount of $ _____ (DOLLAR AMOUNT) evidenced by Department receipt number _____. The money shall be maintained by the department in an interest-bearing trust account; and, if no proceedings are pending to enforce the liability of the Depositor on the deposit, the State shall pay quarterly, on demand, any interest on the deposit, when earned in accordance with the terms of the account or certificate, to the Depositor.

☐ (2) Bonds or notes of the United States or the State of California:

_____
DESCRIBE IN DETAIL *(BANK NOTE NUMBER, ACCOUNT NUMBER AND/OR CONTROL NUMBER)*

☐ (3) Certificates of deposit "payable to the California Department of Motor Vehicles", not exceeding the federally insured amount, issued by;

_____
NAME & ADDRESS OF FINANCIAL INSTITUTION

a bank or savings association authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, issued or dated _____ (ISSUE DATE), identified by number _____ (ACCOUNT NUMBER), in the amount of $ _____ (DOLLAR AMOUNT).

☐ (4) A savings account, investment certificate or share account not exceeding the federally insured amount, together with evidence of the deposit in the accounts with

_____
NAME & ADDRESS OF FINANCIAL INSTITUTION

a bank or savings association authorized to do business in this state and insured by Federal Deposit Insurance in the amount of $ _____ (DOLLAR AMOUNT).

☐ (5) Share certificates "payable to the Department of Motor Vehicles" not exceeding the guaranteed or insured amount, issued by

_____
NAME & ADDRESS OF FINANCIAL INSTITUTION

a credit union, as defined in §14002 of the *California Financial Code*, whose share accounts are insured by the National Credit Union Administration or guaranteed or insured by any other agency that the Commissioner of Business Oversight has not deemed unsatisfactory, issued or dated _____ (ISSUE DATE), identified by number _____ (ACCOUNT NUMBER), in the amount of $ _____ (DOLLAR AMOUNT).

In the event the property hypothecated consists of an account in a financial institution as permitted under subdivisions (a)(3), (a)(4), (a)(5), or (a)(6) of §995.710 of the *Code of Civil Procedure*, the Depositor assigns to the Department the account and the right in the insurance or guarantee of the account by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund (SAIF), or any similar insurance. The Depositor authorizes the Department to collect, sell, or otherwise apply the deposit to enforce the liability of the Principal and Depositor pursuant to chapter 2 (commencing with §995.010) of title 14, part 2 of the *Code of Civil Procedure*.

WHEREAS, the provisions of division 5 of the *California Vehicle Code*, referenced above require that the Principal file or have on file with the Department of Motor Vehicles a bond and this deposit agreement is executed and tendered under *Civil Code of Procedure* §995.710 in lieu of the bond.

NOW THEREFORE, the conditions of the foregoing obligation are that if the Principal complies with the conditions of the bond provided for the type of license, then this obligation is to be void; otherwise it is to remain in full force and effect.

PROVIDED HOWEVER, this deposit agreement is issued subject to the following express conditions:

(1) This deposit agreement shall be deemed to be continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and for each and every succeeding license period or periods for which said Principal may be licensed, after which liability hereunder shall cease except as to any liability or indebtedness therefore incurred or accrued hereunder.

(2) This deposit agreement is executed by the Depositor to comply with the provisions of the *California Vehicle Code* applicable to the type of license and of chapter 2; title 14, part 2 of the *Code of Civil Procedure* ("the Bond and Undertaking Law") and said deposit agreement shall be subject to all the terms and conditions thereof.

(3) The aggregate liability of the Depositor hereunder on all claims whatsoever shall not exceed the penal sum of this deposit agreement in any event.

(4) This deposit agreement may be cancelled by the Depositor in accordance with the provisions of article 13 (commencing with §996.310) of chapter 2, title 14, part 2 of the *Code of Civil Procedure*.

(5) The Depositor, its successors and assigns, are jointly and severally liable on the obligations of this agreement.

(6) The Depositor and the Principal may be served with notices, papers and other documents under chapter 2 (commencing with §995.010) of title 14, part 2 of the *Code of Civil Procedure* at the addresses given above.

(7) Total number of pages attached, if any _____.

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I certify (or declare) under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed at _____ X _____
CITY AND STATE SIGNATURE OF DEPOSITOR

On _____ _____
DATE PRINTED OR TYPED TRUE FULL NAME OF DEPOSITOR

ACKNOWLEDGEMENT OF NOTICE

Receipt is hereby acknowledged to the Department of Motor Vehicles of the State of California of written notice of the assignment to the Department of the above identified account. We have noted our records to show the interest of the Department in said account as shown in the above assignment. We have retained a copy of this document. We certify that we have not received any notice of lien, encumbrance, hold, claim, or other obligation against the above account prior to its assignment to the Department. We agree to make payments as required by the Department in accordance with the banking, savings and loan, or credit union laws applicable to the bank, association, or credit union. We further agree that the full sum of $_____ shall be available for payment to the Department and shall not be reduced to pay penalties for early withdrawal or other cause, or to pay service or other fees to this institution.

_____ ( ) _____
NAME OF FINANCIAL INSTITUTION TELEPHONE NUMBER

_____
ADDRESS OF FINANCIAL INSTITUTION CITY STATE ZIP CODE

Executed at _____ X _____
CITY AND STATE SIGNATURE OF FINANCIAL INSTITUTION REPRESENTATIVE

On _____ _____
DATE PRINTED OR TYPED NAME OF OFFICER AND TITLE

SECOND ENDORSEMENT

Receipt is hereby acknowledged of the receipt of the deposit described above and the account described above. The bank, savings and loan association or credit union named in the assignment above is hereby authorized and directed to pay any earnings on the deposit to the Depositor.

Dated this :_____ of _____, _____ at Sacramento, California.
DAY MONTH YEAR

DEPARTMENT OF MOTOR VEHICLES BY

X _____
SIGNATURE OF DEPARTMENT DESIGNEE, OCCUPATIONAL LICENSING BRANCH

_____
PRINTED OR TYPED NAME OF MANAGER, OCCUPATIONAL LICENSING BRANCH

X _____
SIGNATURE OF MANAGER, OCCUPATIONAL LICENSING BRANCH

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