

Initial Statement of Reasons
Title 13, Division 1, Chapter 1
Article 6.0 – Administration

In September 1993, the Department of Motor Vehicles (department) adopted Section 430.00, implementing Vehicle Code section 4763, to establish a \$3.00 fee assessed on processing agencies for each notice of delinquent parking violation filed with the department. In May 1999, the department adopted Section 431.00, implementing Vehicle Code section 4773, to establish a \$3.00 fee assessed on processing agencies for each notice of delinquent toll evasion violation filed with the department.

Assembly Bill (AB) 516 (Chapter 90; Statutes of 2016) added Vehicle Code section 4456.2 to require the department to develop an operational system, no later than January 1, 2019, that allows a vehicle dealer or vehicle lessor/retailer to electronically report the sale of a vehicle and provide a temporary license plate if the vehicle does not already display license plates. AB 516 also amended Vehicle Code sections 4763 and 4773 to authorize the department to assess a fee that is sufficient to provide for the administration of the electronic report of sale system established in Vehicle Code section 4456.2.

In September 2017, and effective on January 1, 2018, the department amended both Sections 430.00 and 431.00 to adjust each fee from \$3.00 to \$4.00. In that rulemaking, the department noted that, after the electronic report of sale system is fully funded, the department would reassess both fees to an amount sufficient to cover the cost of administrating the system. In the fifteen months that the fees were increased, the department received sufficient revenue to cover the implementation and one-time costs of the electronic report of sale system. The department conducted a costing review and ultimately determined that the fee should be reduced to \$2.00. Therefore, the department is amending Sections 430.00 and 431.00 to reflect the adjusted fee of \$2.00. This amendment is necessary to ensure the department is only collecting a fee that is sufficient to fund the actual costs of recording notices of delinquent parking and toll evasion violations.

**DEPARTMENTAL DOCUMENTATION SUPPORTING GOVERNMENT CODE
SECTIONS 11346.2(b)(3) THROUGH (b)(5)**

Studies, Reports or Documents – Gov. Code Sec. 11346.2(b)(3)

- ASF Revenue Spreadsheet

Reasonable Alternatives and Department’s Response – Gov. Code Sec. 11346.2(b)(4)(A)

- No alternatives have yet been presented that would be as effective.

Initial Statement of Reasons
Fee for Recording Parking and Toll Evasion Violations

Reasonable Alternatives That Would Lessen Any Adverse Impact on Small Businesses – Gov. Code Sec. 11346.2(b)(4)(B)

- No alternatives have been yet been presented that would lessen any adverse impact on small businesses.

Evidence Supporting Determination of No Significant Adverse Economic Impact on Business – Gov. Code Sec. 11346.2(b)(5)

- This regulation will not have an adverse economic impact on businesses. The fee for recording delinquencies are imposed on local citation agencies. No businesses are impacted by the fee.

ECONOMIC AND FISCAL IMPACT DETERMINATIONS

Cost or Savings to Any State Agency

- None

Other Non-Discretionary Cost or Savings to Local Agencies

- The fee for recording delinquent parking and toll evasion violations is a non-reimbursable cost by the state and is assumed absorbed by local agencies that update records to the DMV database. The cost for each fee is being reduced by two dollars.

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 will amend the recording fee paid to the department by violation processing agencies.

Effect on Housing Costs

- None

Local Agency/School District Mandates

- The proposed regulatory action will not impose any costs on local agencies or school districts that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Small Business Impact

- This proposed action is unlikely to impact small business as local violation processing agencies are the entities responsible for pay the fees to the department.

ECONOMIC IMPACT ANALYSIS (Government Code Section 11346.3(b))

The department has made the following determination related to this proposed regulatory action:

- **Creation or Elimination of Jobs Within the State of California**

The department does not anticipate the creation or elimination of jobs within California. The regulations do not impact existing businesses and the decreased fee is not likely to impact jobs employed by businesses. The fee will continue to be paid to the department by local entities responsible for collecting delinquent parking and toll evasion violations, however, the fee will decrease by two dollars.

- **Creation or Elimination of Businesses Within the State of California**

The department does not anticipate the creation or elimination of businesses within California. The regulations impact existing businesses and the decreased fee is not likely to create or eliminate businesses. The fee will continue to be paid to the department by local entities responsible for collecting delinquent parking and toll evasion violations, however, the fees will decrease by two dollars. Because these entities are tied to local governments, the fee increase will not create or eliminate businesses within California.

- **Expansion of Businesses Currently Doing Business Within the State of California**

The department does not anticipate the expansion of businesses currently doing business in California. The regulations impact existing businesses and the decreased fee is not likely to impact the expansion of businesses.

- **Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State's Environment**

This proposed action is also unlikely to benefit the health and welfare of California residents, worker safety, or the state's environment.