

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 18, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1627

Introduced by Assembly Member Gomez

February 10, 2014

An act to add Section 6102 to the Government Code, *and to amend Section 1685 of the Vehicle Code*, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1627, as amended, Gomez. Fees for state services.

Existing

(1) *Existing* law prohibits an officer of the state from performing an official service, unless the fees prescribed by law for the performance of the service have been paid, except as specified.

This bill would prohibit, except as specified, an individual, business, or other private entity from charging a fee for performing or facilitating the performance of a service that the state performs for the public without a cost or fee, unless the individual, business, or other private entity discloses that the state does not charge a fee for providing that service.

(2) *Existing* law authorizes the Department of Motor Vehicles to establish contracts for electronic programs that allow qualified private industry partners to join the department in providing services that include processing and payment programs for vehicle registration and titling transactions.

This bill would require, if a qualified private industry partner is providing a service or a similar service for a fee that the department

provides without charging a fee, a requirement to disclose to a customer that the department provides that service or similar service without charging a fee, as specified. This bill also makes a technical change.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6102 is added to the Government Code,
2 to read:

3 6102. (a) Notwithstanding any other law, an individual,
4 business, or other private entity shall not charge a fee for
5 performing or facilitating the performance of a service that the
6 state performs for the public without a cost or fee, unless the
7 individual, business, or other private entity discloses that the state
8 does not charge a fee for providing that service.

9 (b) The requirements of subdivision (a) shall not apply to a
10 membership-based organization providing a service to its members.

11 SEC. 2. Section 1685 of the Vehicle Code is amended to read:

12 1685. (a) In order to continue improving the quality of products
13 and services it provides to its customers, the department, in
14 conformance with Article 4 (commencing with Section 19130) of
15 Chapter 5 of Part 2 of Division 5 of Title 2 of the Government
16 Code, may establish contracts for electronic programs that allow
17 qualified private industry partners to join the department in
18 providing services that include processing and payment programs
19 for vehicle registration and titling transactions.

20 (b) (1) The department may enter into contractual agreements
21 with qualified private industry partners. There are the following
22 three types of private industry partnerships authorized under this
23 section:

24 (A) First-line business partner is an industry partner that receives
25 data directly from the department and uses it to complete
26 registration and titling activities for that partner’s own business
27 purposes.

28 (B) First-line service provider is an industry partner that receives
29 information from the department and then transmits it to another
30 authorized industry partner.

31 (C) Second-line business partner is a partner that receives
32 information from a first-line service provider.

1 (2) The private industry partner contractual agreements shall
2 include the following minimum requirements:

3 (A) Filing of an application and payment of an application fee,
4 as established by the department.

5 (B) Submission of information, including, but not limited to,
6 fingerprints and personal history statements, focusing on and
7 concerning the applicant's character, honesty, integrity, and
8 reputation as the department may consider necessary.

9 (C) Posting a bond in an amount consistent with Section 1815.

10 (D) *If the qualified private industry partner is providing a*
11 *service or a similar service for a fee that the department provides*
12 *without charging a fee, a requirement to disclose to a customer*
13 *that the department provides that service or similar service without*
14 *charging a fee. If a qualified private industry partner is providing*
15 *the service or similar service to a customer in person, then the*
16 *disclosure required pursuant to this subparagraph shall be in*
17 *writing. If a qualified private industry partner is providing the*
18 *service or similar service to a customer on an Internet Web site,*
19 *then the disclosure required pursuant to this subparagraph shall*
20 *be in a conspicuous place on the Internet Web site.*

21 (3) The department shall, through regulations, establish any
22 additional requirements for the purpose of safeguarding privacy
23 and protecting the information authorized for release under this
24 section.

25 (c) The director may establish, through the adoption of
26 regulations, the maximum amount that a qualified private industry
27 partner may charge its customers in providing the services
28 authorized under subdivision (a).

29 (d) The department shall charge a three-dollar (\$3) transaction
30 fee for the information and services provided under subdivision
31 (a). The private industry partner may pass the transaction fee to
32 the customer, but the total charge to a customer may not exceed
33 the amount established by the director under subdivision (c).

34 (e) All fees collected by the department pursuant to subdivision
35 (d) shall be deposited in the Motor Vehicle Account. On January
36 1 of each year, the department shall adjust the fee in accordance
37 with the California Consumer Price Index. The amount of the fee
38 shall be rounded to the nearest whole dollar, with amounts equal
39 to, or greater than, fifty cents (\$0.50) rounded to the next highest
40 whole dollar.

1 (f) The department shall adopt regulations and procedures that
2 ensure adequate oversight and monitoring of qualified private
3 industry partners to protect vehicle owners from the improper use
4 of vehicle records. These regulations and procedures shall include
5 provisions for qualified private industry partners to periodically
6 submit records to the department, and the department shall review
7 those records as necessary. The regulations shall also include
8 provisions for the dedication of department resources to program
9 monitoring and oversight; the protection of confidential records
10 in the department's files and databases; and the duration and nature
11 of the contracts with qualified private industry partners.

12 (g) The department shall, annually, by October 1, provide a
13 report to the Legislature that shall include all of the following
14 information gathered during the fiscal year immediately preceding
15 the report date:

16 (1) Listing of all qualified private industry partners, including
17 names and business addresses.

18 (2) Volume of transactions, by type, completed by business
19 partners.

20 (3) Total amount of funds, by transaction type, collected by
21 business partners.

22 (4) Total amount of funds received by the department.

23 (5) Description of any fraudulent activities identified by the
24 department.

25 (6) Evaluation of the benefits of the program.

26 (7) Recommendations for any administrative or statutory
27 changes that may be needed to improve the program.

28 (h) ~~Nothing in this section impairs or limits~~ *This section shall*
29 *not impair or limit* the authority provided in Section 4610 or
30 Section 12155 of the Insurance Code.