

Introduced by Senator Price

February 22, 2013

An act to amend Sections 1685 and 4850 of the Vehicle Code, relating to the Department of Motor Vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 806, as introduced, Price. Department of Motor Vehicles.

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. Existing law, the Schrade-Belotti Act, requires the department, upon registering a vehicle, to issue to the owner partially or fully reflectorized license plates or devices for the vehicle, as specified.

This bill would make technical, nonsubstantive changes to these provisions.

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

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

- 1 SECTION 1. Section 1685 of the Vehicle Code is amended to
- 2 read:
- 3 1685. (a) In order to continue improving the quality of products
- 4 and services—~~it~~ *the department* provides to its customers, the
- 5 department, in conformance with Article 4 (commencing with
- 6 Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of
- 7 the Government Code, may establish contracts for electronic

1 programs that allow qualified private industry partners to join the
2 department in providing services that include processing and
3 payment programs for vehicle registration and titling transactions.

4 (b) (1) The department may enter into contractual agreements
5 with qualified private industry partners. There are the following
6 three types of private industry partnerships authorized under this
7 section:

8 (A) First-line business partner is an industry partner that receives
9 data directly from the department and uses it to complete
10 registration and titling activities for that partner's own business
11 purposes.

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

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

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

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

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

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

26 (3) The department shall, through regulations, establish any
27 additional requirements for the purpose of safeguarding privacy
28 and protecting the information authorized for release under this
29 section.

30 (c) The director may establish, through the adoption of
31 regulations, the maximum amount that a qualified private industry
32 partner may charge its customers in providing the services
33 authorized under subdivision (a).

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

39 (e) All fees collected by the department pursuant to subdivision
40 (d) shall be deposited in the Motor Vehicle Account. On January

1 1 of each year, the department shall adjust the fee in accordance
2 with the California Consumer Price Index. The amount of the fee
3 shall be rounded to the nearest whole dollar, with amounts equal
4 to, or greater than, fifty cents (\$0.50) rounded to the next highest
5 whole dollar.

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

17 (g) The department shall, annually, by October 1, provide a
18 report to the Legislature that shall include all of the following
19 information gathered during the fiscal year immediately preceding
20 the report date:

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

23 (2) Volume of transactions, by type, completed by business
24 partners.

25 (3) Total amount of funds, by transaction type, collected by
26 business partners.

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

28 (5) Description of any fraudulent activities identified by the
29 department.

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

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

33 (h) Nothing in this section impairs or limits the authority
34 provided in Section 4610 or Section 12155 of the Insurance Code.

35 SEC. 2. Section 4850 of the Vehicle Code is amended to read:

36 4850. (a) The department, upon registering a vehicle, shall
37 issue to the owner two partially or fully reflectorized license plates
38 or devices for a motor vehicle, other than a motorcycle, and one
39 partially or fully reflectorized license plate or device for all other
40 vehicles required to be registered under this code. The plates or

1 devices shall identify the vehicles for which they are issued for
2 the period of their validity.

3 (b) Notwithstanding any other provision of law, no contract
4 shall be let to any nongovernmental entity for the purchase or
5 securing of reflectorized material for the plates, unless the
6 department has made every reasonable effort to secure qualified
7 bids from as many independent, responsible bidders as possible.
8 No contract shall be let to any nongovernmental entity for the
9 manufacturing of reflectorized safety license plates.

10 (c) In addition to any other fees specified in this code, a fee of
11 one dollar (\$1) for reflectorization shall be paid only by those
12 vehicle owners receiving license plates or devices under this
13 section.

14 (d) This section does not require vehicle owners with
15 nonreflectorized license plates or devices to replace them with
16 reflectorized plates or devices.

17 (e) This section shall be known, *and may be cited*, as the
18 Schrade-Belotti Act.