

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 516

Introduced by Assembly Member Mullin
(Coauthor: Assembly Member Chiu)
(Coauthor: Senator Hill)

February 23, 2015

An act to amend Sections 1685, 4456, 4463, and 5200 of, to amend, repeal, and add Section 4456.5 of, and to add Sections ~~1686 and 1686~~, 4456.6 to, and 5202.5 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 516, as amended, Mullin. Vehicles: temporary license plates.

Existing law requires the Department of Motor Vehicles (DMV), upon registering a vehicle, to issue to the owner 2 license plates, as specified. Existing law also requires vehicle dealers and lessor-retailers to attach numbered report-of-sale forms issued by the DMV to a vehicle at the time of sale, and to submit to the DMV an application for registration of the vehicle, and the applicable fees, within a specified period after the date of sale. ~~A violation of the Vehicle Code is a crime.~~ Existing law generally makes a violation of the Vehicle Code an infraction, but makes counterfeiting a license plate a felony.

This bill would require the DMV to develop a temporary license plate system to enable *the DMV, vehicle dealers and lessor-retailers that are private industry partners, and first-line service providers, as defined*, to provide temporary license plates, and would require the system to begin operation ~~on or before~~ January 1, 2017. The bill would ~~also~~ require, commencing January 1, 2017, a motor vehicle dealer ~~or lessorretailer that is a private-industry partner~~ to affix a temporary

license plate, at the time of sale, to a vehicle sold without a permanent license plate. ~~Because a violation of this provision would be a crime, The bill would authorize the operation of a vehicle that has been issued temporary license plates for 90 days after the sale of the vehicle or until the owner receives the permanent license plates, and would direct the owner to destroy the temporary license plates upon the receipt of the permanent license plates, as specified. A violation of these provisions would be a crime. The bill would also make counterfeiting a temporary license plate a felony. By creating new crimes and expanding the scope of an existing crime, this bill would impose a state-mandated local program.~~

Existing law authorizes a vehicle dealer to charge the purchaser of a vehicle a document processing charge for the preparation and processing of documents, disclosures, and titling, registration, and information security obligations. Under existing law, if a dealer has a contractual agreement with the DMV to be a private industry partner, the document processing charge may not exceed \$80. Existing law also authorizes the dealer to impose an electronic filing charge that does not exceed the amount the dealer is charged by a first-line service provider for processing license plates, as specified.

This bill would increase to \$95 the document processing charge that may be imposed on a vehicle purchaser by a private industry partner. The bill would also require the first-line service provider to impose a \$2 transaction fee for processing temporary license plates, and would expand the electronic filing charge to include that amount.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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 provides to its customers, the department, in
- 5 conformance with Article 4 (commencing with Section 19130) of

1 Chapter 5 of Part 2 of Division 5 of Title 2 of the Government
2 Code, may establish contracts for electronic programs that allow
3 qualified private industry partners to join the department in
4 providing services that include processing and payment programs
5 for vehicle registration and titling transactions.

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

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

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

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

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

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

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

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

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

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

36 (d) (1) The department shall charge a three-dollar (\$3)
37 transaction fee for the information and services provided under
38 subdivision (a). The private industry partner may pass the
39 transaction fee to the customer, but the total charge to a customer

1 may not exceed the amount established by the director under
2 subdivision (c).

3 (2) *Commencing on January 1, 2017, the first-line service*
4 *provider shall charge a two-dollar (\$2) transaction fee for*
5 *temporary license plates processed pursuant to subdivision (a) of*
6 *Section 1686. The private industry partner may pass the transaction*
7 *fee to the customer.*

8 (e) All fees collected by the department pursuant to subdivision
9 (d) shall be deposited in the Motor Vehicle Account. On January
10 1 of each year, the department shall adjust the fee in accordance
11 with the California Consumer Price Index. The amount of the fee
12 shall be rounded to the nearest whole dollar, with amounts equal
13 to, or greater than, fifty cents (\$0.50) rounded to the next highest
14 whole dollar.

15 (f) The department shall adopt regulations and procedures that
16 ensure adequate oversight and monitoring of qualified private
17 industry partners to protect vehicle owners from the improper use
18 of vehicle records. These regulations and procedures shall include
19 provisions for qualified private industry partners to periodically
20 submit records to the department, and the department shall review
21 those records as necessary. The regulations shall also include
22 provisions for the dedication of department resources to program
23 monitoring and oversight; the protection of confidential records
24 in the department's files and databases; and the duration and nature
25 of the contracts with qualified private industry partners.

26 (g) The department shall, annually, by October 1, provide a
27 report to the Legislature that shall include all of the following
28 information gathered during the fiscal year immediately preceding
29 the report date:

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

32 (2) Volume of transactions, by type, completed by business
33 partners.

34 (3) Total amount of funds, by transaction type, collected by
35 business partners.

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

37 (5) Description of any fraudulent activities identified by the
38 department.

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

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

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

5 **SECTION 1.**

6 *SEC. 2.* Section 1686 is added to the Vehicle Code, to read:

7 1686. (a) The department shall develop, or contract with a
8 private industry partner for the development of, a temporary license
9 plate system that shall begin operating on ~~or before~~ January 1,
10 2017. The system shall enable the department, ~~vehicle dealers, and~~
11 ~~lessor-retailers~~ *dealers that are private industry partners under*
12 *Section 1685, and first-line service providers* to provide temporary
13 license plates at the time of sale of a vehicle. The system shall
14 provide ~~real-time~~ electronic access to information identifying the
15 vehicle and its owner only to those entities authorized to access
16 the state's vehicle registration system.

17 (b) *For purposes of this section, "first-line service provider"*
18 *has the same meaning as defined in Section 1685.*

19 *SEC. 3.* Section 4456 of the Vehicle Code is amended to read:

20 4456. (a) When selling a vehicle, dealers and lessor-retailers
21 shall use numbered report-of-sale forms issued by the department.
22 The forms shall be used in accordance with the following terms
23 and conditions:

24 (1) The dealer or lessor-retailer shall attach for display a copy
25 of the report of sale on the vehicle before the vehicle is delivered
26 to the purchaser.

27 (2) The dealer or lessor-retailer shall submit to the department
28 an application accompanied by all fees and penalties due for
29 registration or transfer of registration of the vehicle within 30 days
30 from the date of sale, as provided in subdivision (c) of Section
31 9553, if the vehicle is a used vehicle, and 20 days if the vehicle is
32 a new vehicle. Penalties due for noncompliance with this paragraph
33 shall be paid by the dealer or lessor-retailer. The dealer or
34 lessor-retailer shall not charge the purchaser for the penalties.

35 (3) As part of an application to transfer registration of a used
36 vehicle, the dealer or lessor-retailer shall include all of the
37 following information on the certificate of title, application for a
38 duplicate certificate of title, or form prescribed by the department:

39 (A) Date of sale and report of sale number.

40 (B) Purchaser's name and address.

1 (C) Dealer's name, address, number, and signature or signature
2 of authorized agent.

3 (D) Salesperson number.

4 (4) If the department returns an application and the application
5 was first received by the department within 30 days of the date of
6 sale of the vehicle if the vehicle is a used vehicle, and 20 days if
7 the vehicle is a new vehicle, the dealer or lessor-retailer shall
8 submit a corrected application to the department within 50 days
9 from the date of sale of the vehicle if the vehicle is a used vehicle,
10 and 40 days if the vehicle is a new vehicle, or within 30 days from
11 the date that the application is first returned by the department if
12 the vehicle is a used vehicle, and 20 days if the vehicle is a new
13 vehicle, whichever is later.

14 (5) If the department returns an application and the application
15 was first received by the department more than 30 days from the
16 date of sale of the vehicle if the vehicle is a used vehicle, and 20
17 days if the vehicle is a new vehicle, the dealer or lessor-retailer
18 shall submit a corrected application to the department within 50
19 days from the date of sale of the vehicle if the vehicle is a used
20 vehicle, and 40 days if the vehicle is a new vehicle.

21 (6) An application first received by the department more than
22 50 days from the date of sale of the vehicle if the vehicle is a used
23 vehicle, and 40 days if the vehicle is a new vehicle, is subject to
24 the penalties specified in subdivisions (a) and (b) of Section 4456.1.

25 (7) The dealer or lessor-retailer shall report the sale pursuant to
26 Section 5901.

27 (b) (1) A transfer that takes place through a dealer conducting
28 a wholesale vehicle auction shall be reported to the department by
29 that dealer on a single form approved by the department. The
30 completed form shall contain, at a minimum, all of the following
31 information:

32 (A) The name and address of the seller.

33 (B) The seller's dealer number, if applicable.

34 (C) The date of delivery to the dealer conducting the auction.

35 (D) The actual mileage of the vehicle as indicated by the
36 vehicle's odometer at the time of delivery to the dealer conducting
37 the auction.

38 (E) The name, address, and occupational license number of the
39 dealer conducting the auction.

1 (F) The name, address, and occupational license number of the
2 buyer.

3 (G) The signature of the dealer conducting the auction.

4 (2) Submission of the completed form specified in paragraph
5 (1) to the department shall fully satisfy the requirements of
6 subdivision (a) and subdivision (a) of Section 5901 with respect
7 to the dealer selling at auction and the dealer conducting the
8 auction.

9 (3) The single form required by this subdivision does not relieve
10 a dealer of any obligation or responsibility that is required by any
11 other ~~provision of law~~.

12 (c) *If temporary license plates have been issued for a vehicle,*
13 *the vehicle may be operated until either of the following events,*
14 *whichever occurs first:*

15 (1) *The permanent license plates and registration card are*
16 *received by the purchaser.*

17 (2) *A 90-day period, commencing with the date of sale of the*
18 *vehicle, has expired.*

19 ~~(e) A~~

20 (d) *If temporary license plates have not been issued for a*
21 *vehicle, the vehicle displaying a copy of the report of sale may be*
22 *operated without license plates or registration card until either of*
23 *the following events, whichever occurs first:*

24 (1) *The license plates and registration card are received by the*
25 *purchaser.*

26 (2) *A 90-day period, commencing with the date of sale of the*
27 *vehicle, has expired.*

28 ~~(d) This section shall become operative on July 1, 2012.~~

29 *SEC. 4. Section 4456.5 of the Vehicle Code is amended to read:*

30 4456.5. (a) A dealer may charge the purchaser or lessee of a
31 vehicle the following charges:

32 (1) A document processing charge for the preparation and
33 processing of documents, disclosures, and titling, registration, and
34 information security obligations imposed by state and federal law.
35 The dealer document processing charge shall not be represented
36 as a governmental fee.

37 (A) If a dealer has a contractual agreement with the department
38 to be a private industry partner pursuant to Section 1685, the
39 document processing charge shall not exceed eighty dollars (\$80).

1 (B) If a dealer does not have a contractual agreement with the
2 department to be a private industry partner pursuant to Section
3 1685, the document processing charge shall not exceed sixty-five
4 dollars (\$65).

5 (2) An electronic filing charge, not to exceed the actual amount
6 the dealer is charged by a first-line service provider for providing
7 license plate processing, postage, and the fees and services
8 authorized pursuant to subdivisions (a) and (d) of Section 1685.
9 The director may establish, through the adoption of regulations,
10 the maximum amount that a first-line service provider may charge
11 a dealer. The electronic filing charge shall not be represented as a
12 governmental fee.

13 (b) As used in this section, the term “first-line service provider”
14 shall have the same meaning as defined in subdivision (b) of
15 Section 1685.

16 ~~(e) This section shall become operative on July 1, 2012.~~

17 *(c) This section shall remain in effect only until January 1, 2017,*
18 *and as of that date is repealed, unless a later enacted statute, that*
19 *is enacted before January 1, 2017, deletes or extends that date.*

20 *SEC. 5. Section 4456.5 is added to the Vehicle Code, to read:*

21 *4456.5. (a) A dealer may charge the purchaser or lessee of a*
22 *vehicle the following charges:*

23 *(1) A document processing charge for the preparation and*
24 *processing of documents, disclosures, and titling, registration,*
25 *and information security obligations imposed by state and federal*
26 *law. The dealer document processing charge shall not be*
27 *represented as a governmental fee.*

28 *(A) If a dealer has a contractual agreement with the department*
29 *to be a private industry partner pursuant to Section 1685, the*
30 *document processing charge shall not exceed ninety-five dollars*
31 *(\$95).*

32 *(B) If a dealer does not have a contractual agreement with the*
33 *department to be a private industry partner pursuant to Section*
34 *1685, the document processing charge shall not exceed sixty-five*
35 *dollars (\$65).*

36 *(2) (A) An electronic filing charge, not to exceed the actual*
37 *amount the dealer is charged by a first-line service provider for*
38 *both of the following:*

1 (i) *Permanent license plate processing, postage, and the fees*
2 *and services authorized pursuant to subdivisions (a) and (d) of*
3 *Section 1685.*

4 (ii) *Temporary license plate processing authorized pursuant to*
5 *Section 1686.*

6 (B) *The director may establish, through the adoption of*
7 *regulations, the maximum amount that a first-line service provider*
8 *may charge a dealer. The electronic filing charge shall not be*
9 *represented as a governmental fee.*

10 (b) *As used in this section, “first-line service provider” has the*
11 *same meaning as defined in Section 1685.*

12 (c) *This section shall become operative January 1, 2017.*

13 ~~SEC. 2.~~

14 SEC. 6. Section 4456.6 is added to the Vehicle Code, to read:

15 4456.6. (a) A motor vehicle dealer ~~or lessor-retailer~~ *that is a*
16 *private industry partner pursuant to Section 1685* shall, at the time
17 of sale, affix a temporary license plate to a vehicle sold without a
18 permanent license plate.

19 (b) This section shall become operative on January 1, 2017.

20 SEC. 7. *Section 4463 of the Vehicle Code is amended to read:*

21 4463. (a) A person who, with intent to prejudice, damage, or
22 defraud, commits any of the following acts is guilty of a felony
23 and upon conviction thereof shall be punished by imprisonment
24 pursuant to subdivision (h) of Section 1170 of the Penal Code for
25 16 months or two or three years, or by imprisonment in a county
26 jail for not more than one year:

27 (1) (A) Alters, forges, counterfeits, or falsifies a certificate of
28 ownership, registration card, certificate, license, license plate,
29 device issued pursuant to Section 4853, special plate, or permit
30 provided for by this code or a comparable certificate of ownership,
31 registration card, certificate, license, license plate, device
32 comparable to that issued pursuant to Section 4853, special plate,
33 or permit provided for by a foreign jurisdiction, or alters, forges,
34 counterfeits, or falsifies the document, device, or plate with intent
35 to represent it as issued by the department, or alters, forges,
36 counterfeits, or falsifies with fraudulent intent an endorsement of
37 transfer on a certificate of ownership or other document evidencing
38 ownership, or with fraudulent intent displays or causes or permits
39 to be displayed or have in his or her possession a blank, incomplete,
40 canceled, suspended, revoked, altered, forged, counterfeit, or false

1 certificate of ownership, registration card, certificate, license,
2 license plate, device issued pursuant to Section 4853, special plate,
3 or permit.

4 (B) For purposes of this paragraph, “license plate” includes
5 both temporary and permanent license plates.

6 (2) Utters, publishes, passes, or attempts to pass, as true and
7 genuine, a false, altered, forged, or counterfeited matter listed in
8 paragraph (1) knowing it to be false, altered, forged, or
9 counterfeited.

10 (b) A person who, with intent to prejudice, damage, or defraud,
11 commits any of the following acts is guilty of a misdemeanor, and
12 upon conviction thereof shall be punished by imprisonment in a
13 county jail for six months, a fine of not less than five hundred
14 dollars (\$500) and not more than one thousand dollars (\$1,000),
15 or both that fine and imprisonment, which penalty shall not be
16 suspended:

17 (1) Forges, counterfeits, or falsifies a disabled person placard
18 or a comparable placard relating to parking privileges for disabled
19 persons provided for by a foreign jurisdiction, or forges,
20 counterfeits, or falsifies a disabled person placard with intent to
21 represent it as issued by the department.

22 (2) Passes, or attempts to pass, as true and genuine, a false,
23 forged, or counterfeit disabled person placard knowing it to be
24 false, forged, or counterfeited.

25 (3) Acquires, possesses, sells, or offers for sale a genuine or
26 counterfeit disabled person placard.

27 (c) A person who, with fraudulent intent, displays or causes or
28 permits to be displayed a forged, counterfeit, or false disabled
29 person placard, is subject to the issuance of a notice of parking
30 violation imposing a civil penalty of not less than two hundred
31 fifty dollars (\$250) and not more than one thousand dollars
32 (\$1,000), for which enforcement shall be governed by the
33 procedures set forth in Article 3 (commencing with Section 40200)
34 of Chapter 1 of Division 17 or is guilty of a misdemeanor
35 punishable by imprisonment in a county jail for six months, a fine
36 of not less than two hundred fifty dollars (\$250) and not more than
37 one thousand dollars (\$1,000), or both that fine and imprisonment,
38 which penalty shall not be suspended.

1 (d) For purposes of subdivision (b) or (c), “disabled person
2 placard” means a placard issued pursuant to Section 22511.55 or
3 22511.59.

4 (e) A person who, with intent to prejudice, damage, or defraud,
5 commits any of the following acts is guilty of an infraction, and
6 upon conviction thereof shall be punished by a fine of not less than
7 one hundred dollars (\$100) and not more than two hundred fifty
8 dollars (\$250) for a first offense, not less than two hundred fifty
9 dollars (\$250) and not more than five hundred dollars (\$500) for
10 a second offense, and not less than five hundred dollars (\$500)
11 and not more than one thousand dollars (\$1,000) for a third or
12 subsequent offense, which penalty shall not be suspended:

13 (1) Forges, counterfeits, or falsifies a Clean Air Sticker or a
14 comparable clean air sticker relating to high occupancy vehicle
15 lane privileges provided for by a foreign jurisdiction, or forges,
16 counterfeits, or falsifies a Clean Air Sticker with intent to represent
17 it as issued by the department.

18 (2) Passes, or attempts to pass, as true and genuine, a false,
19 forged, or counterfeit Clean Air Sticker knowing it to be false,
20 forged, or counterfeited.

21 (3) Acquires, possesses, sells, or offers for sale a counterfeit
22 Clean Air Sticker.

23 (4) Acquires, possesses, sells, or offers for sale a genuine Clean
24 Air Sticker separate from the vehicle for which the department
25 issued that sticker.

26 (f) As used in this section, “Clean Air Sticker” means a label
27 or decal issued pursuant to Sections 5205.5 and 21655.9.

28 *SEC. 8. Section 5200 of the Vehicle Code is amended to read:*

29 5200. (a) When two license plates are issued by the department
30 for use upon a vehicle, they shall be attached to the vehicle for
31 which they were issued, one in the front and the other in the rear.

32 (b) When only one license plate is issued for use upon a vehicle,
33 it shall be attached to the rear thereof, unless the license plate is
34 issued for use upon a truck tractor, in which case the license plate
35 shall be displayed in accordance with Section 4850.5.

36 (c) *For purposes of this section, “license plate” includes both*
37 *temporary and permanent license plates.*

38 *SEC. 9. Section 5202.5 is added to the Vehicle Code, to read:*

39 5202.5. *Upon receipt of permanent license plates, the owner*
40 *of a vehicle shall replace any temporary license plates with the*

1 *permanent license plates and shall destroy the temporary license*
2 *plates in accordance with instructions issued by the department.*

3 ~~SEC. 3.~~

4 *SEC. 10.* No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.