AMENDED IN ASSEMBLY MAY 18, 2011

AMENDED IN ASSEMBLY MARCH 24, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL No. 1291

Introduced by Assembly Member Davis
(Coauthors: Assembly Members Fong and Ma)

February 18, 2011

An act to amend Section 1685 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as amended, Davis. Vehicles: existing and emerging technologies.

Existing law authorizes the Department of Motor Vehicles, in order to continue improving the quality of products and services it provides to its customers, 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 additionally authorize the department to pursue the use and development of existing or emerging technologies, including technological applications that impact traffic safety or law enforcement procedures developed and evaluated in conjunction with the Department of the California Highway Patrol, for the purpose of maximizing the efficient delivery of vehicle registration services and achieving cost savings for business partners, service providers, or other customer groups as determined by the department. The bill would also require the department to follow the procurement procedures adopted by the

Department of General Services as set forth in the State Contracting Manual for contracts entered into pursuant to these provisions, *including the use of a specified solutions-based procurement, and would authorize the department to use a savings-based compensation model*.

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

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

SECTION 1. The Legislature finds and declares that California has 28 million registered vehicles, and managing the registration of those vehicles presents certain fixed costs for the Department of Motor Vehicles. The use of technology may present opportunities for the department to reduce the costs to carry out the duties of vehicle registration administration both internally and with respect to communications with vehicle owners.

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

1685. (a) In order to continue improving the quality of products and services it provides to its customers, the department, in conformance with Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, may 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The department may pursue the use and development of existing or emerging technologies for the purpose of maximizing the efficient delivery of vehicle registration services and achieving cost savings for business partners, service providers, or other customer groups as determined by the department.

(1) "Existing and emerging technologies" may include technologies that are in development or commercially available for administrative, on-road, or vehicle applications that improve or create efficiencies in departmental administrative processes.

(2) Technological applications that impact traffic safety or law enforcement procedures shall be developed and evaluated in conjunction with the Department of the California Highway Patrol. *For purposes of this subdivision, the department shall utilize a solutions-based procurement and may use a savings-based compensation model. The solutions-based procurement shall include a requirement that the vendor pay for the costs of all activities identified in this subdivision and any additional related costs identified by the department.*

(h) The department shall follow the procurement procedures adopted by the Department of General Services as set forth in the State Contracting Manual for contracts entered into pursuant to this section.

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

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

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

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

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

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

(6) Descriptions of technology solutions in use or under development, the amount of any funds expended by the department, and the outcome of any evaluation or implementation conducted for purposes of this subdivision.

(7) Evaluation of the benefits of the program.

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

(j) This section does not impair or limit the authority provided in Section 4610 or Section 12155 of the Insurance Code.

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