

AMENDED IN SENATE JUNE 15, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1864

Introduced by Assembly Member Daly

February 19, 2014

An act to amend Section 4456 of, *and to add and repeal Section 1687 of*, the Vehicle Code, relating to registration of vehicles and certificates of title.

LEGISLATIVE COUNSEL'S DIGEST

AB 1864, as amended, Daly. Registration of vehicles and certificates of title.

Existing law allows a vehicle displaying a copy of the report of sale to be operated without license plates or registration card until either the license plates and registration card are received by the purchaser, or the expiration of a 90-day period beginning with the date of sale of the vehicle, whichever occurs first. A violation of this provision is an infraction.

This bill would instead allow a vehicle to be operated without license plates or registration card until either the license plates and registration card are received by the purchaser, or the expiration of a 75-day period beginning with the date of sale of the vehicle, whichever occurs first.

By ~~expanding~~ *changing* the definition of a crime, this bill would impose a state-mandated local program.

This bill would also require the Department of Motor Vehicles, in consultation with the Department of the California Highway Patrol, to assess the need for a temporary vehicle identification system that is different from the process described above. The bill would require the department, in making this assessment, to consider information from

relevant entities and the experience of other states, as specified. The bill would require the department, if its assessment demonstrates the need to enhance or change the existing temporary vehicle identification system, to examine the costs and benefits of employing different systems, as specified. The bill would require the department to submit, no later than January 1, 2016, a report that includes the results of the assessments and examinations described above, as specified. The bill would require the department, in consultation with the Department of the California Highway Patrol, to make a recommendation in the report as to whether the state should implement a new temporary vehicle identification system. This bill would repeal these provisions on January 1, 2017.

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 1687 is added to the Vehicle Code, to
2 read:
3 1687. (a) The department shall, in consultation with the
4 Department of the California Highway Patrol, assess the need for
5 a temporary vehicle identification system that is different from the
6 current practice of displaying the report of sale on a vehicle
7 pursuant to Section 4456. In making this assessment, the
8 department shall consider information from relevant entities
9 including, but not limited to, local government, law enforcement
10 agencies, licensed vehicle dealers, and consumer representatives.
11 The department shall also consider the experience of other states
12 in using temporary vehicle license plates or other alternative
13 temporary vehicle identification systems that are employed prior
14 to the installation of permanent license plates.
15 (b) If the department's assessment, as specified in subdivision
16 (a), demonstrates the need to enhance or change the existing
17 temporary vehicle identification system, the department shall
18 examine the costs and benefits of employing different temporary

1 vehicle identification systems, including potential methods of
2 paying for the costs associated with these systems. The types of
3 temporary vehicle identification systems examined by the
4 department shall include, but not be limited to, all of the following:

- 5 (1) An enhanced display of the report of sale on a vehicle.
- 6 (2) A temporary license plate system that is not integrated with
7 the databases of the department or law enforcement.
- 8 (3) A temporary license plate system with a database that is
9 accessible to the department and law enforcement.
- 10 (4) A temporary license plate system that is fully integrated with
11 the department's database and the California Law Enforcement
12 Telecommunications System.

13 (c) (1) The department shall submit, no later than January 1,
14 2016, a report to the chairs of the Assembly Committee on
15 Transportation and the Senate Committee on Transportation and
16 Housing that includes the results of the assessment specified in
17 subdivision (a) and the examination specified in subdivision (b),
18 if conducted. The department, in consultation with the Department
19 of the California Highway Patrol, shall make a recommendation
20 in the report as to whether the state should implement a new
21 temporary vehicle identification system.

22 (2) A report submitted pursuant to paragraph (1) shall be
23 submitted in compliance with Section 9795 of the Government
24 Code.

25 (3) Notwithstanding Section 10231.5 of the Government Code,
26 the requirement for submitting a report imposed by this section is
27 inoperative on January 1, 2017.

28 (d) This section shall remain in effect only until January 1, 2017,
29 and as of that date is repealed, unless a later enacted statute, that
30 is enacted before January 1, 2017, deletes or extends that date.

31 **SECTION 1.**

32 **SEC. 2.** Section 4456 of the Vehicle Code is amended to read:
33 4456. (a) When selling a vehicle, dealers and lessor-retailers
34 shall use numbered report-of-sale forms issued by the department.
35 The forms shall be used in accordance with the following terms
36 and conditions:

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

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

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

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

(B) Purchaser's name and address.

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

(D) Salesperson number.

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

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

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

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

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

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

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

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

9 (D) The actual mileage of the vehicle as indicated by the
10 vehicle's odometer at the time of delivery to the dealer conducting
11 the auction.

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

14 (F) The name, address, and occupational license number of the
15 buyer.

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

17 (2) Submission of the completed form specified in paragraph
18 (1) to the department shall fully satisfy the requirements of
19 subdivision (a) and subdivision (a) of Section 5901 with respect
20 to the dealer selling at auction and the dealer conducting the
21 auction.

22 (3) The single form required by this subdivision does not relieve
23 a dealer of any obligation or responsibility that is required by any
24 other provision of law.

25 (c) A vehicle displaying a copy of the report of sale may be
26 operated without license plates or registration card until either of
27 the following, whichever occurs first:

28 (1) The license plates and registration card are received by the
29 purchaser.

30 (2) A 75-day period, commencing with the date of sale of the
31 vehicle, has expired.

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

33 ~~SEC. 2.~~

34 *SEC. 3.* No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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