

INITIAL STATEMENT OF REASONS

Title 13, Chapter 1, Division 1

Article 3.6 – Business Partner Automation (BPA) Program

The Department of Motor Vehicles (department) proposes to amend Sections 225.00, 225.03, 225.06, 225.09, 225.12, 225.18, 225.21, 225.24, 225.35, 225.36, 225.38, 225.42, 225.45, 225.54, 225.60, 225.63, 225.66, 225.69, and 225.72 in Article 3.6, Chapter 1, Division 1 of Title 13, California Code of Regulations, relating to the department’s Business Partner Automation (BPA) Program.

Historically, the department is sole provider for collecting fees and issuing documents/indicia for vehicle registration to the public. Senate Bill 46 (Chapter 127, Statutes 2001-Polanco) established the Business Partner Automation (BPA) Program. This bill authorized the department to establish business partner relationships with private sector businesses for completing vehicle registration and titling transactions.

Effective July 1, 2012, AB 1215 (Chapter 329, Statutes 2011- Blumenfield) requires all eligible vehicles sold or leased by a new vehicle dealer to be registered electronically. The department will be expanding the Business Partner Automation (BPA) program to accommodate these additional business partners.

The proposed regulations make the following changes or additions among other revisions:

- Change: Limits contracts to only first-line business partners and first-line service providers.
- Addition: Expansion of business partner definitions. Now includes dealers, automobile dismantlers, salvage pools, and rental/leasing companies as business partners.
- Addition: Permanent Fleet Registration (PFR) Program transactions. These transactions add and delete vehicles from the PFR Program. The proposed regulations implement and make specific the requirements for business partners to add PFR transactions to the BPA Program.
- Change: Removal of second-line business partner contracts and bonds. The proposed regulations remove previous contract and bond requirements to streamline the permitting procedures for second-line business partners.
- Change: Removal of complicated fingerprint language. The proposed regulations remove previous redundant requirements to streamline the permitting process.

This proposed action is consistent and compatible with both state and federal regulations.

Usage of Capitalization, Punctuation, and Grammar

In an effort to ensure consistency throughout Chapter 1 of Title 13, the department had determined it necessary to implement standards when citing Vehicle Code sections and sections found in Chapter 1. This action makes amendments to Vehicle Code citations by using a small “s” under such circumstances and will read as ‘Vehicle Code section’ followed by the applicable section number. When citing a CCR section, the language will use capitalization in the citation and will read as

“Section xxx.xx of this Article.” When abbreviating United States these regulations, “U.S.” replaces “US.” The word “who” is replaced throughout these regulations by “that” for consistency and clarity. Also, numerous periods and commas are added and removed throughout these regulations to be consistent with actual form names along with standard punctuation rules. These modifications are non-substantive, maintaining consistency and clarity with departmental regulations.

Numbering

The proposed language implements number usage to ensure compliance with Business, Transportation and Housing Agency writing style requirements. Throughout this text, the numbers one through ten will be spelled out and numbers 11 and onward will be listed numerically. Exceptions will be made when a number is at the beginning of a sentence, where it will then be spelled out. These amendments are non-substantive and will ensure consistency with departmental regulations.

§225.00. Definitions.

Subsection (d) is amended to include dealers, automobile dismantlers, salvage pools, and rental/leasing companies as business partners.

Subsection (e) is amended to include PFR stickers to the controlled inventory for processing vehicle transactions.

Subsection (i) is amended to make a non-substantive grammatical correction by adding quotations to better identify the term being defined.

Subsection (i)(1) is amended to delete the word “history” as it is confusing and an extra period deleted.

Subsection (i)(2) is amended to delete the word “Statesbook” and substitute “States” as “Statesbook” is not part of the actual title and is confusing.

Subsections (i)(3) and (4) are amended to correct specified document names. Both documents are provided by the vehicle’s manufacturer and the term “Manufacturer’s” is included as part of the title for the two documents.

Subsection (j) is amended to make a non-substantive grammatical change by changing from capital letters in “limited liability company” and “%” to “percent.”

Subsection (k) is added to identify and define the Permanent Fleet Registration (PFR) Program and the participant vehicles added with this regulatory package.

§225.03. Application Requirements.

Subsection (a) (1) is amended to indicate the current revision of Business Partner Automation Application First-Line Business Partner form, REG 4024 (REV 11/2011).

This revised form incorporates the following changes:

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- In Part I, now entitled Application For First-Line Business Partner, the mailing address, days and hours of operation are deleted. This information is not needed as the contact person is the representative and the department's contact that receives letters and telephone calls for the business. The federal identification tax number is now added in Part I.
- Part II, entitled Type Of Ownership, is changed by deleting the federal identification tax number which is now in Part I.
- In Part III, now entitled Sole Owner Or Corporate Name, the telephone and fax number are deleted. This information is not necessary as the contact information for this business partner is requested in Part IV.
- In Part IV, now entitled Contact Person, the requested information remains the same as the previous revision.
- In Part V, entitled Agent For Service Of Process which is required if the business's physical address is located out of the state, the requested information remains the same as the previous revision.
- In Part VI, now entitled Estimated Volume Of Vehicle Registration Transactions You Will Process Annually, which only requests a combined total rather than the previous individual listed transactions.
- In Part VII, now entitled Names of Employees Who Process The Transactions, the requested information remains the same as the previous revision in Part VIII and allows additional pages to be attached if needed.
- Part VIII, now entitled All Physical Location(s) Where DMV Inventory (License Plates, Stickers, Paper) Will Be Maintained and was Part X entitled All Physical Location(s) And Branch License Numbers Where DMV Inventory (License Plates, Stickers, Paper) will be Maintained. The requested information remains the same as the previous revision. Information requesting the branch license number is deleted as the information is no longer needed.
- Part IX is now entitled Certification and was Part XI in the previous revision with the same information requested.
- Page 2, the Business Partner Automation Declaration is limited to three lines under names for officers, partners, directors, and principal stockholders and under the names for the Limited Liability Company members. The mailing address for this form is now listed on this page.

Subsection (a) (2) is amended to indicate the current revision of Business Partner Automation Application First-Line Service Provider form, REG 4023 (REV 11/2011).

This revised form incorporates the following changes:

- In Part I, now entitled Application For First-Line Service Provider, the mailing address, dates and hours of operation are deleted. This information is not needed as the contact person is the

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representative and the department's contact that receives letters and telephone calls for the business. The federal identification tax number is now added in Part I.

- Part II, now entitled Type Of Application, is changed by deleting the federal identification tax number which is now in Part I.
- In Part III, now entitled Sole Owner Or Corporate Name, the telephone and fax number are deleted. This information is not necessary as the contact information for this business partner is requested in Part IV.
- In Part IV, now entitled Contact Person, with the requested information remaining the same as the previous revision. The contact person must be an authorized designee of the firm.
- In Part V, now entitled Agent For Service Of Process which is required if the business's physical address is located out of the state, the requested information remaining the same as the previous revision Part VI.
- In Part VI, now entitled Estimated Volume Of Vehicle Registration Transactions You Will Process Annually, which only requests a combined total rather than the previous individual listed transactions.
- In Part VII, now entitled BPA Administrative Staff, the requested information remains the same as the previous revision in Part VIII entitled Name of Employees Who Process Applications.
- Part VIII, now entitled List the Physical Location Where Your BPA Interface Services And Hardware Will Be Located and was Part X in the previous revision. The requested information remains the same as the previous revision.
- Part IX is now entitled Certification and was Part XI in the previous revision with the same information requested but omits the fax number.
- Page 2, the Business Partner Automation Declaration is limited to three lines under names for officers, partners, directors, and principal stockholders and under the names for the Limited Liability Company members. The mailing address for this form is now listed on this page.

Subsection (a) (3) is amended to indicate the current revision of Business Partner Automation Application Second-Line Business Partner, REG 4025 (REV 11/2011).

This revised form incorporates the following changes:

- In Part I, now entitled Application For Second-Line Business Partner, the mailing address, dates and hours of operation are deleted. This information is not needed as the contact person is the representative and the department's contact that receives letters and telephone calls for the business. The federal identification tax number is now added in Part I.
- Part II, entitled Type Of Ownership, is changed deleting the federal identification tax number which is now in Part I.

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- In Part III, now entitled Sole Owner Or Corporate Name, the telephone and fax number are deleted. This information is not necessary as the contact information for this business partner is requested in Part IV.
- In Part IV, entitled Contact Person, the requested information remains the same as the previous revision.
- In Part V, entitled Agent for Service Of Process which is required if the business's physical address is located out of the state, the requested information remains the same as the previous revision.
- Part VI is now entitled Occupational Licensee. This part requests the same information as before but was listed in the previous revision as Part VII.
- In Part VII, now entitled Names of Employees Who Process Transactions, the requested information remains the same as Part XIII in the previous revision and allows additional pages to be attached if needed.
- Part VIII is now entitled All Physical Location(s) Where DMV Inventory (License Plates, Stickers, Paper) Will Be Maintained and was Part X entitled All Physical Location(s) And Branch License Numbers Where DMV Inventory (License Plates, Stickers, Paper) Will Be Maintained. The requested information remains the same as the previous revision. Information requesting the branch license number is deleted as the information is no longer needed.
- Part IX is now entitled Certification and was Part XI in the previous revision with the same information requested.
- Page 2, the Business Partner Automation Declaration is limited to three lines under names for officers, partners, directors, and principal stockholders and under the names for the Limited Liability Company members. The mailing address for this form is now listed on this page.

Subsection (c) is amended to add incorporation by reference for the Business Partner Automation Program Information Security Pre-Implementation Checklist First-Line Business Partner and First-Line Business Partner Service Provider form, EXEC 5555A (NEW 11/2002) and the Business Partner Automation Program Information Security Pre-Implementation Checklist Second-Line Business Partner form, EXEC 5555B (NEW 11/2002) since the incorporation by reference was omitted previously. Names for both forms are amended to reflect complete and correct form names.

Subsection (d) is amended to indicate the current revision of the Request for Live Scan Service Applicant Submission (License, Certification, Permit Only, or Business Partner Automation Program Participant) form, DMV 8016 (Rev. 2/2008) and is incorporated by reference as it was previously omitted. Names for both forms listed in this subsection are amended to reflect complete and correct form names.

This revised form incorporates the following changes:

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- Number 2 in the previous revision is now number 3. The requested information remains the same as in the previous revision.
- Number 2 in the current revision is identified as 2A and 2B. Number 2 was the previous number 4 in the previous revision. The information remains the same.
- The previous number 3 and requested information is deleted.
- Numbers 5 through 27 in the previous revision are now number 4 through 26 in the current revision. All information requested remains the same.

Subsection (d)(1) was revised to accommodate applicants located out-of-state. Requiring out-of-state applicants to be printed in their home state will ensure the department receives the most current information regarding their criminal history record.

Subsection (d)(1)(A) was deleted as it is no longer applicable.

Subsection (d)(1)(B) is renumbered to (d)(1)(A) and amended to require hardcopy of the fingerprint results and a Statement of Personal History Pre-Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002). The REG 4019 form name was amended as it was listed by the incorrect name previously. The mailing address is added for clarity.

Subsection (e) is amended for grammar and clarity.

Subsection (g) is amended to correctly identify the actual form name.

Subsection (h) is amended to correctly refer to a businesses copy of their Occupational License issued by the department not the form.

Subsection (j) is amended for correct punctuation, grammar and clarity.

§225.06. Fingerprints.

Section 225.06 is deleted for redundancy with fingerprint requirements in Section 225.03, increasing clarity in the department's fingerprint requirements for business partner applicants.

§225.09. Financial Security Requirements.

Subsection (a) is amended to limit financial security requirements to first-line business partners and first-line service providers. This subsection is also amended to indicate the correct title of Business Partner Automation Surety Bond (Vehicle Code Section 1685) form, REG 866 (Rev. 11/2008).

Subsection (b)(3) is deleted since the department is no longer requiring second-line business partners to maintain surety bonds.

Subsection (c) is deleted since the department is no longer limits processing transaction types requiring a surety bond rider.

Subsection (d) renumbered to (c) and amended to indicate the correct title of Business Partner Deposit Agreement and Assignment (Vehicle Code section 1685 and CCP section 995.710) form, (REG 4029, REV. 10/2008).

Subsection (e) renumbered to (d).

§ 225.12. First-Line Business Partner or First-Line Service Provider Business Partner Contract.

The title of this section is renamed from Business Partner Contract to First-Line Business Partner or First-Line Service Provider Business Partner Contract. This change reflects the elimination of contract for second-line business partners. The department eliminated these contracts and associated bonds for second-line business partners to streamline the permitting process.

Subsection (a) “first” and “or first-line service provider” are added to reflect the elimination of contract for second-line business partners. Contracts are only required for first-line business partners and first-line service providers.

§ 225.15. BPA Permit Authority.

Subsection (a) “first” and “or first-line service provider” are added to reflect the elimination of contract for second-line business partners. Contracts are only required for first-line business partners and first-line service providers.

Subsection (b) is added to clarify the BPA permitting process for first-line business partners and first-line service providers. This ensures that these business partners understand that they need a permit for each qualified site location in addition to their BPA contract to process registration transactions.

Subsection (b) is renumbered (c). This subsection is amended to clarify the permitting process for the second-line business provider for each qualified site location.

Subsection (c) is renumbered (d).

§ 225.18. Cause for Refusal to Enter into a Contract and/or Issue a Permit.

The title of this section is renamed by adding “/or” since this section covers first-line business partners, first-line service providers and second-line business partners. First-line business partners and first-line service providers require a contract and a permit while second-line business partners only need a permit to process registration transactions.

Subsection (a) “first-line business partner or first-line service provider” is added to ensure all business applicant types (first-line business partners, first-line service providers and second-line business partners) applicants must establish its establish honesty, integrity, good character and reputation to the satisfaction of the department. “And/or permit with” is added to cover the requirements the department maintains for first-line business partners and first-line service providers (contract and permit) and second-line business partners (permits only).

Subsection (b) “first-line business partner or first-line service provider” is added to ensure all business applicant types (first-line business partners, first-line service providers and second-line business

partners) the applicant must establish honesty, integrity, good character and reputation of its owners and employees to the satisfaction of the department. “And/or permit with” is added to cover the requirements the department maintains for first-line business partners and first-line service providers (contract and permit) and second-line business partners (permits only).

Subsection (c) is amended to correct the REG 4019 form name since it was listed by the incorrect name previously.

Subsection (d)(5) is amended to require compliance with Article 3.6, Business Partner Automation (BPA) Program regulations.

§ 225.21. Review of Criminal History Information.

Subsection (a) is amended to indicate the current revision of the department’s Occupational Licensing and Disciplinary Guidelines (Rev. 4/2010).

§ 225.24. Failure to Meet Security Requirements.

This section is amended by adding “and/or BPA permit” with to cover the department’s security requirements for first-line business partners and first-line service providers (contract and permit) and second-line business partners (permits only).

§225.35. Renewal.

Subsection (a)(1) is amended to indicate the current revision date of Business Partner Automation Renewal Application form, REG 5056 (REV 11/2011).

This revised form incorporates the following changes:

- In Part I, entitled Application for Business Partner Automation Renewal, the mailing address, dates and hours of operation are deleted. This information is not needed as the contact person is the representative and the department’s contact that receives letters and telephone calls for the business. The federal identification tax number is now added in Part I.
- Part II, entitled Security Information, amends the signature requirement for the signature of the Authorized Agent. Instead, a yes or no answer is required on any changes in security documents/floor plans for the business.
- Part III, entitled Type of Ownership, is changed deleting the federal identification tax number which is now in Part I.
- In Part IV, now entitled Sole Owner or Corporate Name, the telephone and fax number are deleted. This information is not necessary as the contact information for the business is requested in Part V.
- In Part V, entitled Contact Person which is required if the business’s physical address is located out of the state, the requested information remains the same as the previous revision.

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- In Part VI, now entitled Agent for Service of Process, the requested information remains the same as the previous revision.
- In Part VII, now entitled Estimated Volume Of Vehicle Registration Transactions You Will Process Annually, which only requests a combined total rather than the previous individual listed transactions.
- In Part VIII, entitled Names of Employees Who Process Transactions, the requested information remains the same as the previous revision.
- Part IX, now entitled All Physical Location(s) Where DMV Inventory (License Plates, Stickers, Paper) Will be Maintained, was Part X in the previous revision. The requested information remains the same as the previous revision. Information requesting the branch license number is deleted as the information is no longer needed.
- Part X is now entitled Certification and was Part XI in the previous revision. The signature is required to be in blue ink to better identify an original signature.

Subsection (a)(2) is amended to correctly identify the actual form name.

Subsection (a)(3) is amended to make a non-substantive grammatical change to the form name by capitalizing “occupational license” and removal of form number with revision date as that information is no longer applicable.

Subsection (b) is amended to correctly identify the actual form name. This form is incorporated by reference as it was omitted previously.

§225.36. Change of First-Line Service Provider.

Subsection (a) is amended to make a non-substantive grammatical change, clarify the requirements by removing confusing language and add the words “first-line” for clarity. This subsection is also amended to indicate the current revision and correct name of Business Partner Automation Program Service Provider Change Form, REG 4022 (REV 4/2010).

The revised form incorporates the following changes:

- Line three on the form requires the Occupational License number.
- A notation is added after the Effective Date of Change. The notation ensures the partner is aware the effective date of the change must be at least 20 days from the date the form is submitted to the department.
- The perjury statement is updated to match the statement on other departmental forms.
- Disclosure fields for Estimates of Yearly Transaction Volumes and New Vehicle Reports of Sale are deleted since this information is not needed.

Finally, the last sentence in subsection (a) is deleted and moved to the new subsection (b).

Subsection (b) is added to relocate the last sentence deleted from subsection. This change was done to enhance clarity.

The contents of former subsection (b) are moved to subsection (d).

Subsection (c) is added to include the timeframe of 30 days for second line business partners to remain with their current service provider. The timeframe is established to limit second line business partners to changing service providers more than once a month. Every time a service provider is changed, a new office and site identification must be issued. The current process become very cumbersome and time consuming for both business and the department. The new requirement streamlines the process.

Subsections (e) through (e)(2) are added to identify the inventory procedures required to change when a business partner changes to another service provider. This is necessary as each service provider is accountable for the inventory it provides to each second-line business partner.

Subsection (e)(3) is added to ensure a second-line business partner remains with a new first-line service provider for a minimum of 30 days.

§ 225.38. First-Line Business Partner or First-Line Service Provider Obligations.

Subsection (a) is amended to clarify the release of liability. A first-line business partner or first-line provider now release the state, as listed in the regulation, from liability for monetary losses caused by the first-line business partner's or first-line provider's and/or that provider's second-line business partner's misuse of department information or information from customer transactions processed by the first-line business partner or first-line provider and secured by bond.

Subsection (b) is amended to clarify that the first-line business partner or first-line service provider shall pay to the department all collected monies due to the department as previously defined.

Subsection (c) is amended to limit first-line business partner or first-line service provider or that provider's second-line business partners to the requirements of this section.

Subsection (c)(1) is amended to clarify the requirements for first-line business partner or first-line service provider and/or that provider's second-line business partner.

Subsection (c)(2) is amended to clarify the requirements for first-line business partner or first-line service provider and/or that provider's second-line business partner.

Subsection (c)(3) is amended to clarify the requirements for first-line business partner or first-line service provider and/or that provider's second-line business partner.

§225.42. Business Partner Changes.

Subsection (a) is amended to indicate the current revision date of Business Partner Automation Program Application for Changes form, REG 4026 (REV 11/2011). Also, the address in this subsection was updated.

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The Business Partner Automation Program Application for Changes form, REG 4026 (REV 11/2011) was revised to make it user friendly and to identify actual situations that are being changed.

The revised form incorporates the following changes:

- Name – The words “Business Partner” were deleted and (the word “business” was replaced with “company.”
- Side A & Side B were deleted.
- Second box - DBA Name was added.
- The sentence “The appropriate fee must accompany the application” was deleted.
- Eighth box was deleted “Change of management/supervising BPA personnel.”
- Ninth box was added – “Change of floorplan and/or adding a terminal.”
- Tenth box was added – “Changing processing address only.”
- First sub-heading – The word “Business” was replaced with “Company.”
- Second sub-heading – The word “Business” was deleted.
- Third sub-heading – Adding or Deleting Employees – reformatted for clarity.
- Fourth sub-heading – Certification – Four signature lines were deleted, leaving only one.

Subsections (a)(2) and (a)(7) are amended to make a non-substantive correction to capitalization.

Subsection (a)(2) is also amended to include the DBA name to ensure an amended contract is issued reflecting the complete business name of the applicant.

Section (a)(3) is amended to reflect the streamlined permit process for all business partners.

Section (a)(4) is amended to include changing the processing address to ensure the department is aware of where its indicia is being stored and that the applicant has submitted the required security documentation for review and approval by the department’s security office.

Subsection (a)(8) is added to makes sure the floor plans are submitted in sufficient time to be reviewed by the department’s security office for compliance before the move occurs.

Subsection (b) is deleted to streamline the reporting process.

Subsection (b)(1) is renumbered to (9).

Subsection (b)(2) is renumbered to (10).

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Subsection (c) is renumbered to (b).

Subsection (d) is renumbered to (c). New subsection (c)(1) is amended to correctly identify the EFT contract as Electronic Fund Transfer Authorization Agreement for Preauthorized Payments (12/2011) (EFT contract).

Subsection (e) is renumbered to (d).

§225.45. Customer Fees.

Subsection (a) is amended to indicate the current revision date of Business Partner Automation Disclaimer form, REG 4020 (REV 7/2010) and incorporate this form by reference as it was omitted previously in this subsection. Also, EXCEPTIONS: (3) language is deleted that refers to a deleted subsection within the regulations.

Business Partner Automation Disclaimer form, REG 4020 (REV 7/2010) was revised to comply with the Consumer Price Indexing.

Subsection (a)(3) is deleted for consistency.

Subsection (b)(1) is amended changing “that” to “who” for clarity.

Subsection (b)(2), (b)(3), and (b)(4) are deleted. The department initially set the maximum limits based on a survey sent to all BPA business partners in 2001 when the initial regulations were developed and promulgated. The department established the maximum limits by taking the medium set (eight different set monetary amounts) provided in the written survey and telephone discussions with licensed registration services that were allowed to set fees based on business need. The survey did not include dealers restricted to charging the documentation fee identified in California Vehicle Code section 11713.1. Additionally, the survey did not include licensed dismantlers as these businesses did not charge customers a fee for disposing vehicles.

The maximum fee limit is removed for all the participants except licensed vehicle dealers and licensed dismantlers. This change allows registration services participating in the BPA program parity with non BPA registration services that have unrestricted fees. More registration service businesses may become interested in the BPA program due to removal of the maximum fee limit.

The maximum fee limit removal is not applicable to licensed vehicle dealers. Licensed vehicle dealers are authorized to charge customers a \$55 documentation fee; therefore, allowing licensed vehicle dealers to increase the BPA service fee may be considered excessive and unfair to the consumer. The maximum fee limit removal is not applicable to licensed dismantlers. Licensed dismantlers process the transactions electronically which is more beneficial to the business than the consumer. The existing fee covers licensed dismantlers cost to participate in the BPA program.

Subsection (c) is renumbered to (b). This subsection is amended by: “that” is changed to “who” for clarity; “are” is changed to “is” for correct grammar; and to correct capitalization error.

§225.54. Transaction Procedures and Inventory Requirements.

This section is amended to remove quotation marks from BPA Transaction Procedures and Inventory Requirements Handbook and updates the revision date from March 2009 to November 2011. This revision reformats the handbook into three parts, with chapters numbered instead of alphabetized and one inventory requirement chapter renamed. All chapter content revised to improve clarity as well as to more concisely represent current BPA procedures. Each chapter is formatted to include an introduction specific to the chapter.

§ 225.60. Retention of Business Records

Subsection (a) is amended to clarify that all types of business partners' requirements are the duration of their permits not contracts. This change is part of the streamlined permit process.

Subsection (d) is amended to require business record requirements are according to BPA regulations in Article 3.6 and no longer pursuant to contract. This change is part of the streamlined permit process.

§225.63. Audit Requirements.

Subsection (a) is amended to remove this section's requirements from second-line business partners. The department found these regulations too burdensome for the second-line business partners.

Subsections (a)(1), (a)(1)(A), and (a)(1)(B) are deleted to eliminate business partner audit self certification form requirement. This changed requirement streamlines the process.

Subsections (a)(2) is renumbered (a)(1).

Subsections (a)(3) is renumbered (a)(2).

Subsections (a)(4) is renumbered (a)(3).

Subsection (b) is amended to indicate the current revision date and correct the form name for the Registration Operations Branch Business Partner Automation Program Representative Non-Disclosure Statement form, REG 4028 (REV 4/2003). This subsection is also amended to incorporate this form by reference as it was omitted previously in this subsection.

Registration Operations Branch Business Partner Automation Program Representative Non-Disclosure Statement form, REG 4028 (REV 4/2003) was revised to add the word "other" to third paragraph, next to last sentence of the oath.

Subsection (b)(1) is amended to correct the form name.

Subsection (b)(2) is deleted for consistency.

Subsection (c) is amended to update the address.

§ 225.66. Investigation and Review.

Subsection (b) is amended by adding “or permit” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners. The last sentence is changed to permit to also reflect the streamlined permitting process.

§ 225.69. Cancellation or Termination of a BPA Contract and Permit.

Subsection (a)(1) is amended by removing “contract and” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsection (b) is amended by adding “/or” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsection (b)(1) is amended by adding “and/or permit” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsection (c) is amended by adding “/or” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsection (b)(1) is amended by adding “and/or permit” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

§225.72. Voluntary Closing.

Subsection (a) is amended by adding “and/or permit” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsection (a)(2) is amended to incorporate Physical Inventory (Non-DMV Entities) form, ADM 175A (Rev. 2/2000) by reference as it was omitted previously.

Subsections (a)(3) and (a)(4) are amended to clarify that the accountable inventory is related to the unassigned inventory and not the inventory assigned to a vehicle in which the transaction was processed.

Subsection (a)(5) is amended to clarify that the controlled inventory is related to the unassigned inventory and not the inventory assigned to a vehicle in which the transaction was processed.

Subsection (b) is amended by adding “and/or permit” to reflect the streamlined permitting process since this subsection’s requirements are for all types of business partners.

Subsections (b)(4) and (b)(5) are amended to clarify that the accountable inventory is related to the unassigned inventory and not the inventory assigned to a vehicle in which the transaction was processed.

Subsection (c) is amended to clarify that these business partners’ requirements are for permits not contracts. This change is part of the streamlined permit process.

Subsection (c)(1) is amended to clarify that this business partners' requirements are for permits not contracts. This change is part of the streamlined permit process.

Subsection (c)(3) is amended to clarify that these business partners' requirements are for permits not contracts. This change is part of the streamlined permit process.

PROBLEMS THIS AGENCY INTENDS TO ADDRESS:

With passage of Assembly Bill 68 (Ch. 128; Stats. 2005; Montanez), or the Car Buyers Bill of Rights, an increase of new document requirements were placed on motor vehicle dealers which resulted in increased costs. The provisions in this regulatory action will authorize dealers to increase the document processing fee in an effort to recoup some of the costs associated with AB 68.

With the growth of different types of vehicle transactions, the current system is seeing processing delays. This proposed amendment authorizes business partners to process permanent fleet registration transactions, and original salvage and non-repairable transactions. It also expands the type license plates business partner will be authorized to issue. By allowing these processes to fall under the process of business partners, the public and business partners will benefit through faster and more efficient registration transactions.

Second-line business partners have been required to have a bond on file with the department prior to processing transactions. This action will benefit business by deleting the bond requirement for second-line business partners. This will streamline the application and business processes for all businesses participating in the BPA program.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION:

Businesses participating in the department's BPA program will see multiple benefits from increased work load efficiencies, streamlined application processes, and increased savings resulting from the document processing fee.

ALTERNATIVES CONSIDERED

No alternatives were considered that would be as effective and less burdensome on the affected businesses.

ECONOMIC AND FISCAL IMPACT DETERMINATIONS

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The proposed regulations would eliminate the department's maximum monetary limits that a business partner is currently

authorized to charge a customer to process a transaction and authorize PFR vehicle add and delete transactions to be processed by business partners.

- Effect on Housing Costs: None.
- Local Agency/School District Mandates: The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- Small Business Impact: This proposed action may impact small business.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The department has relied on the Economic Impact Assessment, prepared pursuant to Government Code section 11346.3(b) in considering the proposed rulemaking action. The results of the Economic Impact Assessment are as follows:

- 1) The creation or elimination of jobs within the State of California.
 - The proposed regulation will neither create nor eliminate jobs within the State of California.
- 2) The creation of new businesses or the elimination of existing businesses within the State of California.
 - The proposed regulation will neither create new business nor eliminate existing business within the State of California.
- 3) The expansion of businesses currently doing business within the State of California.
 - This bill will not expand businesses currently doing business within the State of California.
- 4) The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.
 - The proposed regulatory action has no impact on health and welfare workers, worker safety, nor the state's environment.
- 5) Potential significant statewide adverse economic impact:
 - The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.