



***R O S T E R***  
***NEW MOTOR VEHICLE BOARD***

2415 1<sup>st</sup> Avenue, MS L242  
Sacramento, California 95818

<b><u>NAME</u></b>	<b><u>APPOINTING AUTHORITY</u></b>	<b><u>STATUS</u></b>
Anne Smith Boland Term exp. 1-15-27	Governor's Office	Dealer Member
Ashley Dena Term exp. 1-15-26	Governor's Office	Dealer Member
Kathryn Ellen Doi Term exp. 1-15-25	Governor's Office	Public Member
Ardashes (Ardy) Kassakhian Term exp. 1-15-26	Senate Rules Committee	Public Member
Bismarck Obando Term exp. 1-15-26	Governor's Office	Public Member
Brady Schmidt Term exp. 1-15-25	Governor's Office	Dealer Member
Jacob Stevens Term exp. 1-15-27	Governor's Office	Public Member

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Sacramento, California 95818  
Telephone: (916) 445-1888  
Board staff contact: Alex Martinez  
[New Motor Vehicle Board website](#)  
DMV press contact: (916) 657-6438  
[dmvpublicaffairs@dmv.ca.gov](mailto:dmvpublicaffairs@dmv.ca.gov)

STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD  
**A G E N D A**  
**GENERAL MEETING**

Glendale City Hall  
Council Chamber Room  
613 E. Broadway, 2<sup>nd</sup> Floor  
Glendale, California 91206  
(818) 548-2094

August 1, 2025

Please note that Board action may be taken regarding any of the issues listed below. As such, if any person has an interest in any of these issues, they may want to attend.

The Board provides an opportunity for members of the public to comment on each agenda item before or during the discussion or consideration of the item as circumstances permit. (Gov. Code § 11125.7)

1. **8:30 a.m. -- Meeting called to order.**
2. **Roll Call.**
3. **Pledge of Allegiance.**
4. **Presentation of Resolution to Karthick Ramakrishnan, former Public Board Member.**
5. **Presentation of Resolution to late Administrative Law Judge Marilyn Wong's family.**
6. **Approval of the Minutes from the February 28, 2025, meeting of the Committee on Equity, Justice and Inclusion, February 28, 2025, General Meeting, and March 27, 2025, Industry Roundtable and Special Meeting.**

7. **Discussion and consideration of creating two-member working committees of the Committee on Equity, Justice and Inclusion to focus on land acknowledgements, and virtual and telephonic access to public meetings, by the Board President.**
8. **Appointment of members to the two-member working committees of the Committee on Equity, Justice and Inclusion to focus on land acknowledgements, and virtual and telephonic access to public meetings, by the Board President.**
9. **Update on Board Development Activities - Board Development Committee.**
10. **Discussion of materials pertaining to the recognition of jurisdictions that are ZEV (zero emission vehicle) ready (Strategic Plan Objective 2.7) - Executive Committee.**
11. **Report on non-substantive changes suggested by the Office of Administrative Law to the following regulations - Executive Committee.**
  - a. Request for Informal Mediation (13 CCR § 551.14)
  - b. Contents (13 CCR § 555)
12. **Report on non-substantive changes suggested by the Fair Political Practices Commission to the Board's Conflict of Interest Code in Section 599 of Title 13 of the California Code of Regulations - Executive Committee.**
13. **Report on the Board's financial condition and related fiscal matters - Fiscal Committee.**
  - a. Report on the Board's Financial Condition through the 3<sup>rd</sup> and 4<sup>th</sup> quarters of Fiscal Year 2024-2025.
  - b. Report concerning the Board's collection of its Annual Board Fee.
  - c. Status report concerning the Board's collection of the Arbitration Certification Programs' annual fee.
  - d. Discussion and consideration of the Board's proposed budget for the current fiscal year.
14. **Status report on participant and audience responses to the questionnaire concerning the Board's March 27, 2025, Industry Roundtable - Government and Industry Affairs Committee.**

15. **Discussion and consideration of materials pertaining to the EV (electric vehicle) Expert Pledge (Strategic Plan Objective 2.7) - Government and Industry Affairs Committee.**
16. **Discussion and consideration of proposed revisions to the Board adopted delegation of authority to the Executive Director to proceed with the rulemaking process to include non-substantive changes suggested by the Fair Political Practices Commission - Policy and Procedure Committee.**
17. **Review and consideration of Board delegations in compliance with the 1996 Performance Audit conducted by Business, Transportation & Housing Agency - Executive Committee.**
18. **Discussion and consideration of proposed non-substantive regulatory amendments to the Board's Conflict of Interest Code in Section 599 of title 13 of the California Code of Regulations - Policy and Procedure Committee.**
19. **Discussion concerning pending and enacted legislation - Legislative Committee.**
  - a. Pending Legislation of Special Interest: None
  - b. Enacted Legislation of General Interest:
    - (1) Senate Bill 26 (Senator Umberg) - Civil actions: restitution for or replacement of a new motor vehicle.
  - c. Pending Legislation of General Interest:
    - (1) Assembly Bill 766 (Assembly Member Sharp-Collins) - State agencies and departments: strategic plans: diversity, equity, and inclusion.
    - (2) Senate Bill 766 (Senator Allen) - California Combating Auto Retail Scams (CARS) Act.
  - d. Pending Federal Legislation of General Interest: None
20. **Executive Director's Report.**
  - A. Administrative Matters.
  - B. Case Management.
  - C. Judicial Review.
  - D. Notices Filed Pursuant to Vehicle Code sections 3060/3070 and 3062/3072.
  - E. Other.
21. **Selection of Board meeting dates for 2026.**

22. **Public Comment. (Gov. Code § 11125.7)**

23. **Adjournment.**

To request special accommodations for persons with disabilities at this or any future Board meeting or to request any accommodation for persons with disabilities necessary to receive agendas or materials prepared for Board meetings, please contact Alex Martinez at (916) 445-1888 or [Alejandro.martinez2@dmv.ca.gov](mailto:Alejandro.martinez2@dmv.ca.gov).



## Memorandum

**Date : JULY 17, 2025**

**To : ALL BOARD MEMBERS**

**From : TIMOTHY M. CORCORAN**

**Subject : UPCOMING EVENTS**

The following highlights the upcoming Board and industry events:

- July 31, 2025, Ad Hoc Committee on Equity, Justice and Inclusion (Glendale)
- August 1, 2025, General Meeting (Glendale)
- August 1, 2025, Special Meeting (Glendale)
- August 26-29, 2025, National Association of Minority Automobile Dealers (NAMAD) Annual Meeting (Las Vegas)
- September 23-26, 2025, National Association of Motor Vehicle Boards and Commissions (NAMVBC) Fall Conference (San Diego)
- November 2025, Special Meeting (date/location to be determined)
- November 20, 2025, AutoMobility LA (formerly Los Angeles Auto Show Press and Trade Days; Los Angeles)
- February 3-6, 2026 NADA Show (Las Vegas)
- February 2026, General Meeting (location to be determined)
- March 2026 Industry Roundtable (Sacramento)

If you have any questions or concerns about any of the upcoming Board meetings, please do not hesitate to contact me at (916) 244-6774.

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## STATE OF CALIFORNIA

### NEW MOTOR VEHICLE BOARD

### **MINUTES**

The Committee on Equity, Justice and Inclusion held a meeting on February 28, 2025, at the West Fresno Center, Multi-Purpose Room, A-127, Fresno City College, 600 E. Church Avenue, Fresno, California 93706.

Jacob Stevens, Vice Chair and Public Member called the meeting to order at 8:34 a.m.

#### **2. ROLL CALL AND ESTABLISHMENT OF QUORUM**

Committee on Equity, Justice and Inclusion Members Present:

Jake Stevens, Vice Chair  
Anne Smith Boland, Member  
Ashley Dena, Member  
Ardy Kassakhian, Member  
Bismarck Obando, Member  
Brady Schmidt, Member

Committee Members Not Present: Kathryn Ellen Doi, Chair

Board Staff Present: Timothy M. Corcoran, Executive Director  
Kim Vaye, Assistant Director and Equity Officer  
Robin P. Parker, Chief Counsel  
Jason Rose, former Senior Staff Counsel  
Alejandro Martinez, Legal Program Analyst

Ms. Vaye indicated that a quorum was established.

#### **3. LAND ACKNOWLEDGMENT DISCUSSION**

Ms. Vaye discussed land acknowledgements. The members and staff watched a video on the history of Native California. They discussed the video and a Land

Acknowledgement Supplemental Fact Sheet. After reviewing these materials, Ms. Vaye posed the question of “what does this compel us [the Board] to do? In other words, what actions will accompany our written land acknowledgment?” The details in answering these questions, along with writing the actual land acknowledgment can be developed by a two-person workgroup or subcommittee. Examples of how others make Land Acknowledgements was also discussed. It was suggested by Ms. Vaye that a speaker could come to some meetings to further engage and educate the Committee.

#### 4. **NEXT STEPS AND TRAINING OPPORTUNITIES**

In conjunction with this item, Ms. Vaye reviewed the Committee’s Charter and Mission. The goals accomplished were highlighted as follows:

- Develop and maintain an Equity Glossary of terms to be updated annually for accuracy and relevancy.
- Develop and formally implement an equity lens assessment rubric for reviewal of Board proposed, new, and amended policies and practices.

The next goals to focus on are:

- Explore options to improve accessibility of all New Motor Vehicle Board (NMVB) public meetings.
- Explore opportunities for women, and other members of under-represented and marginalized groups to be considered for exempt executive level positions within California State Transportation Agency (CalSTA) and its departments.
- Support NMVB staff with strategic plan objectives related to the advancement of the CalSTA Core Four priorities: Safety, Equity, Climate Action, and Economic Prosperity.

#### 5. **FUTURE MEETING DATES DISCUSSION**

Future meetings will be held in conjunction with the Board’s General Meetings, which are tentatively set for August 1, 2025, in Glendale and December 12, 2025, in San Diego.

#### 6. **PUBLIC COMMENT (GOV. CODE § 11125.7)**

No additional public comment was presented.



7. **ADJOURNMENT**

Member Kassakhian moved to adjourn the meeting. With no further business to discuss, the meeting was adjourned at approximately 9:31 a.m.

Submitted by

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KIMBERLEE VAYE  
Assistant Director and Equity Officer

APPROVED: \_\_\_\_\_  
Jacob Stevens, Vice Chair  
Committee on Equity, Justice and Inclusion  
New Motor Vehicle Board

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STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD  
**MINUTES**

The New Motor Vehicle Board (“Board”) held a General meeting on February 28, 2025, at the West Fresno Center, Multi-Purpose Room, A-127, Fresno City College, 600 E. Church Avenue, Fresno, California 93706.

Ardashes (“Ardy”) Kassakhian, President and Public Member, called the meeting of the Board to order at 9:45 a.m.

2. **ROLL CALL**

Board Members Present:	Anne Smith Boland Ashley Dena Ardashes “Ardy” Kassakhian Bismarck Obando Brady Schmidt Jacob Stevens
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Board Members Not Present:	Kathryn Ellen Doi
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Board Staff Present:	Timothy M. Corcoran, Executive Director Kim Vaye, Assistant Director and Equity Officer Robin P. Parker, Chief Counsel Jason Rose, then Senior Staff Counsel Alejandro Martinez, Legal Program Analyst
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Mr. Corcoran indicated that a quorum was established for general business.

3. **PLEDGE OF ALLEGIANCE**

President Kassakhian led the members and staff in the Pledge of Allegiance.

4. **10:00 a.m. TOUR OF THE ADVANCED TRANSPORTATION CENTER (LONG PANTS AND CLOSED TOED SHOES ARE REQUIRED TO ENTER THE LABORATORY AREA) - BOARD DEVELOPMENT COMMITTEE**

Mr. Corcoran introduced Gurminder Sangha, Dean, West Fresno Center, and Wyatt Jones, Diesel Technology, instructor. The members and staff watched a video on the history of the Advanced Transportation Center (Center).

Wyatt hosted the tour and provided the members and staff with an overview of the Center and answered many questions. The Center is impeccable, organized, and stocked with everything a student would need to learn to repair passenger cars, electric vehicles, and medium-duty and heavy-duty diesel trucks. A new automotive collision repair program will start late summer. There are many industry partners that donate vehicles, tools, and parts to the Center including General Motors Automotive Service Educational Program (ASEP), ACDelco, Mopar Career Automotive Program (CAP), Ford Automotive Career Exploration (ACE), Toyota and Lexus TECS Elite, Honda and Acura Professional Automotive Career Training (PACT), Subaru University (SU), Volvo, Mack, Peterbilt, Freightliner, CNH Industrial, Thermo King, and Kenworth.

There was no Board action as this matter was for information only.

5. **APPROVAL OF THE MINUTES FROM THE AUGUST 9, 2024, GENERAL MEETING, AUGUST 9, 2024, MEETING OF THE AD HOC COMMITTEE ON EQUITY, JUSTICE AND INCLUSION, NOVEMBER 1, 2024, SPECIAL MEETING, NOVEMBER 1, 2024, GENERAL MEETING, AND NOVEMBER 1, 2024, MEETING OF THE AD HOC COMMITTEE ON EQUITY, JUSTICE AND INCLUSION**

Member Stevens moved to adopt the Minutes from the August 9, 2024, General Meeting, August 9, 2024, Meeting of the Ad Hoc Committee on Equity, Justice and Inclusion, November 1, 2024, Special Meeting, November 1, 2024, General Meeting, and November 1, 2024, Meeting of the Ad Hoc Committee on Equity, Justice and Inclusion. Member Schmidt seconded the motion. The motion carried unanimously.

6. **2025 ELECTION OF BOARD PRESIDENT AND VICE PRESIDENT - EXECUTIVE COMMITTEE**

Member Kassakhian moved to nominate Member Stevens as President. Member Stevens accepted this nomination. No other nominations for President were made. Member Schmidt moved to close the nominations with Member Obando seconding the motion. This motion to close the nominations carried unanimously. Member Schmidt seconded the motion to nominate Member Stevens as President. The motion to nominate Member Stevens as President carried unanimously.

Member Stevens moved to nominate Member Smith Boland as Vice President. Member Smith Boland accepted this nomination. No other nominations for Vice President were made. Member Schmidt moved to close the nominations with Member Stevens seconding the motion. This motion to close the nominations carried unanimously. Member Schmidt

seconded the motion to nominate Member Smith Boland as Vice President. The motion to nominate Member Smith Boland as Vice President carried unanimously.

7. **ANNUAL REVIEW AND APPOINTMENT OF COMMITTEE MEMBERS TO THE ADMINISTRATION COMMITTEE, BOARD DEVELOPMENT COMMITTEE, COMMITTEE ON EQUITY, JUSTICE AND INCLUSION, FISCAL COMMITTEE, GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE, LEGISLATIVE COMMITTEE, POLICY AND PROCEDURE COMMITTEE, AND AD HOC COMMITTEE TO REVIEW THE MISSION AND VISION STATEMENTS, BY THE INCOMING BOARD PRESIDENT**

After a brief discussion off the record, the incoming Board President Member Stevens announced the following committee appointments:

**ADMINISTRATION COMMITTEE**

Bismarck Obando, Chair

Ashley Dena, Member

**BOARD DEVELOPMENT COMMITTEE**

Brady Schmidt, Chair

Kathryn Ellen Doi, Member

**COMMITTEE ON EQUITY, JUSTICE AND INCLUSION**

Kathryn Ellen Doi, Chair

Jake Stevens, Vice Chair

Anne Smith Boland, Member

Ashley Dena, Member

Ardy Kassakhian, Member

Bismarck Obando, Member

Brady Schmidt, Member

**EXECUTIVE COMMITTEE**

Jake Stevens, President

Anne Smith Boland, Vice President

**FISCAL COMMITTEE**

Ardy Kassakhian, Chair

Anne Smith Boland, Member

**GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE**

Ashley Dena, Chair

Brady Schmidt, Member

**LEGISLATIVE COMMITTEE**

Jake Stevens, President

Anne Smith Boland, Vice President

POLICY AND PROCEDURE COMMITTEE

Kathryn Ellen Doi, Chair  
Jake Stevens, Member

AD HOC COMMITTEE TO REVIEW THE MISSION AND VISION STATEMENTS

Ardy Kassakhian, Chair  
Jake Stevens, Member

8. **APPOINTMENT OF BOARD MEMBER DESIGNEE IN COMPLIANCE WITH THE BOARD'S 1997 "REVISED BOARD POLICY REGARDING REPRESENTATION IN COURT ACTIONS," BY THE INCOMING BOARD PRESIDENT**

This matter was pulled from the agenda since the incoming President is a Public Member and the incoming Vice President is a Dealer Member. If both the incoming President and Vice President were Dealer Members, this designation would be necessary to comply with the Board adopted policy.

9. **CONSIDERATION OF PRESENTATION OF RESOLUTION TO KARTHICK RAMAKRISHNAN, FORMER PUBLIC BOARD MEMBER**

Member Stevens moved to present a Resolution to Karthick Ramakrishnan, former Public Member, in recognition of his contribution to the New Motor Vehicle Board. Member Obando seconded the motion. The motion carried unanimously.

10. **CONSIDERATION OF PRESENTATION OF RESOLUTION FOR MERILYN WONG'S MORE THAN 40 YEARS OF SERVICE AS A HEARING OFFICER, ADMINISTRATIVE LAW JUDGE, AND THE BOARD'S DESIGNATED MANDATORY SETTLEMENT CONFERENCE JUDGE FROM 2017 TO 2024**

Member Obando moved to present a Resolution to Administrative Law Judge Marilyn Wong's family in recognition of her contribution to the New Motor Vehicle Board. Member Dena seconded the motion. The motion carried unanimously.

11. **CONSIDERATION OF THE REVISED GUIDE TO THE NEW MOTOR VEHICLE BOARD TO INCLUDE INFORMATION ON STATUTORY AND REGULATORY CHANGES - ADMINISTRATION COMMITTEE**

The members were provided with a memo and revised *Guide to the New Motor Vehicle Board* from Tim Corcoran and Robin Parker.

As indicated in the memo, the section entitled "New as of 2025" was updated to reflect there were no changes to legislation, case law, and regulations impacting the Board. The following additional amendments were made:

- All references to paying filing fees by credit card have been deleted. In the absence of a vendor contract, credit card payments cannot be accepted.
- Gender specific language was replaced with gender neutral language in the

Amicus Curiae Briefs section on pages 11 and 76.

- The word “petitioner” replaced “protestant” in the Petitioner Filing Fees section on page 73.

Member Obando moved to adopt the revised *Guide to the New Motor Vehicle Board*. Member Stevens seconded the motion. The motion carried unanimously.

Ms. Parker indicated that all guides approved at this meeting will be posted on the Board’s website and a Public Notice will be issued reflecting this.

12. **UPDATE ON BOARD DEVELOPMENT ACTIVITIES - BOARD DEVELOPMENT COMMITTEE**

The members were provided a memo from Tim Corcoran concerning Board development activities. Mr. Corcoran indicated that Board development would be addressed during the Industry Roundtable discussion.

13. **BOARD MEMBER EDUCATION CONCERNING CHANGES TO THE ADMINISTRATIVE PROCEDURE ACT AND BAGLEY-KEENE OPEN MEETING ACT - BOARD DEVELOPMENT COMMITTEE**

The members were provided with a memo from Tim Corcoran and Robin Parker along with summaries of the Administrative Procedure Act and Bagley-Keene Open Meeting Act.

Ms. Parker noted that there were no legislative changes to the Administrative Procedure Act effective January 1, 2025. Nor were there any regulatory or procedural changes. Additionally, Ms. Parker reported that there were no legislative changes to the Bagley-Keene Open Meeting Act impacting the Board. Government Code section 11126 (pertaining to closed sessions) was amended effective January 1, 2025, authorizing the California Earthquake Authority to hold a closed session as specified.

There was no Board action as this matter was for information only.

14. **BOARD MEMBER EDUCATION CONCERNING CHANGES TO THE POLITICAL REFORM ACT AND PUBLIC RECORDS ACT - BOARD DEVELOPMENT COMMITTEE**

The members were provided with a memo from Tim Corcoran and Jason Rose along with summaries of the Political Reform Act and Public Records Act.

Mr. Rose highlighted the following changes to the Political Record Act:

- Effective January 1, 2025 - December 31, 2026, the gift limit will increase from \$590 to \$630. This gift limit is adjusted for inflation every odd-numbered year.

- The FPPC will no longer accept paper filings from officials who must disclose financial interests directly to the FPPC; they must be filed electronically.

Mr. Rose noted that there were no major changes to the Public Records Act but did highlight a couple of cases.

There was no Board action as this matter was for information only.

15. **UPDATE CONCERNING THE BOARD'S COMPLIANCE WITH THE 1996 PERFORMANCE AUDIT CONDUCTED BY BUSINESS, TRANSPORTATION & HOUSING AGENCY, AND THE RESULTANT CORRECTIVE ACTION PLAN - EXECUTIVE COMMITTEE**

Mr. Corcoran and Ms. Parker provided the members with an update regarding the Board's compliance with the 1996 performance audit. As indicated in the memo, the chart below provides a brief summary of the updates to the corrective action plan taken by the Board:

Finding No.	Description	Update
14	The Board should ensure that all required transaction reports are filed with the Agency.	Reference to the Senior Staff Counsel position providing the Week Ahead Report has been deleted. This allows flexibility in which member of the team submits this report.
15	Board delegations are not formalized.	Reflects updates to the Board adopted delegations.
28(29)	Designation of economic conflict-of-interest filing officials is incomplete.	Amendments are in process to reflect the new Assistant Division Chief/Program Manager position (Assistant Director and Equity Officer.)
30(31)	Board staff do not have access to written guidance on appropriate behavior.	All staff have access to written guidance on appropriate behavior via the DMV Driver and the DMV Expectations document. Additional language was added that these documents are also provided to staff.

There was no Board action as this matter was for information only.

16. **REPORT ON THE BOARD'S FINANCIAL CONDITION FOR THE 2<sup>nd</sup> QUARTER OF FISCAL YEAR 2024-2025 AND OTHER RELATED FISCAL MATTERS - FISCAL COMMITTEE**

The members were provided with a memo from Tim Corcoran, Kim Vaye, and Suzanne Luke. Ms. Vaye reported that staff continue to find ways to cut expenses. She mentioned

that the annual appropriation was reduced by about \$12,000. The memo provided to the members will continue to evolve to be transparent. Staff are closely working with the accounting and budgets staff at the Department of Motor Vehicles (DMV). The pro rata expense the Board pays is now shown in Realtime; \$80,000 was deducted out of \$135,000.

Ms. Vaye reported that \$157,000 has been allocated for Office of Administrative Hearings' expenses. Ms. Parker reported that she is not expecting any merits hearing prior to the end of the current fiscal year.

As indicated in the memo, the 2<sup>nd</sup> quarter of Fiscal Year 2024-2025 began with a budget appropriation of \$2.151 million, a beginning reserve balance of \$1.639 million, and a current reserve balance (as clarified) at \$2.009 million. Forty-two percent of the appropriated budget for Fiscal Year 2024-2025 was expended. For its Annual Fee collection from manufacturers and distributors, since July 2024, \$866,071.81 has been collected.

Mr. Corcoran thanked Ms. Vaye for being so proactive. The Board is in a better position than it was a year ago.

There was no Board action as this matter was for information only.

17. **CONSIDERATION OF OUT-OF-STATE TRAVEL PLANS FOR FISCAL YEAR 2025-2026 - FISCAL COMMITTEE**

The members were provided with a memo from Kim Vaye and Tim Corcoran concerning out-of-state travel plans for Fiscal Year 2025-2026. Ms. Vaye requested approval for one out-of-state trip for up to four staff and up to four Board members to attend the National Association of Motor Vehicle Boards and Commissions (NAMVBC) Fall Conference in September 2025 (tentatively), in Arizona or another bordering state. As indicated in the memo, if four staff and four Board members attend, the expense will not exceed \$15,000. If the Board approves this request, the staff will submit the request to the DMV and the California State Transportation Agency (CalSTA) for final approval.

Member Schmidt moved to approve the proposed out-of-state travel for Fiscal Year 2025-2026 as mentioned in the memo dated February 7, 2025. Member Schmidt gave the Executive Director broad discretion. Member Obando seconded the motion. The motion carried unanimously.

18. **DISCUSSION AND CONSIDERATION OF WHO WILL ATTEND THE OUT-OF-STATE TRIPS FOR THE 1<sup>st</sup> HALF OF FISCAL YEAR 2025-2026 THAT WERE APPROVED BY THE BOARD - EXECUTIVE COMMITTEE**

As a result of the action taken in Agenda Item 17, Member Obando moved to grant the Executive Director broad discretion on an interim basis to send up to four staff and up to four members to the NAMVBC Fall Conference. The Executive Director will consult in advance with the Executive Committee and report the action taken to the Board at the



next regularly scheduled meeting. Member Stevens seconded the motion. The motion carried unanimously.

19. **DISCUSSION OF THE 2025 NEW MOTOR VEHICLE BOARD INDUSTRY ROUNDTABLE FOCUSING ON INDUSTRY SERVICES - GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE**

Mr. Corcoran discussed the upcoming Industry Roundtable being held in Sacramento on March 27, 2025, the day after the event hosted by the California New Car Dealers Association (CNCDA). Mr. Corcoran indicated that he hopes to get a number of dealers to stay for the Roundtable. He noted the agenda is filled with items of interest to both dealers, manufacturers, and attorneys that practice before the Board. Additionally, the Roundtable targets non-government entities, local government, and non-profits. By aligning with the CNCDA, automakers, and the National Safety Council, the airbag recall press conferences were a success. Mr. Corcoran stated that as a small board we can do more when we align our shared goals, which allows for savings and for the Board to be more agile than a government agency typically is.

Mr. Corcoran reviewed the details of the agenda and the afternoon workshops where nonprofits, non-governmental organizations, cities, and counties will join Board staff to look at the Board's Strategic Plan to see if there are shared goals where the Board can partner. Additionally, a separate afternoon workshop invites stakeholder licensees (dealers, manufacturers, and distributors) to speak with the DMV's Occupational Licensing, Investigations, and Policy Section. Licensees can address statutes they think might need to be amended or how clarification on enforcement might change as the statute is not necessarily flawed.

There was no Board action as this matter was for information only.

20. **DISCUSSION CONCERNING PENDING LEGISLATION - LEGISLATIVE COMMITTEE**

Mr. Rose reported that when the materials were sent, there was not any special or general legislation of significance. However, Senator Benjamin Allen introduced Senate Bill 766 on February 21, 2025, that could impact the retail auto industry by repealing and replacing the current sales disclosure contract in the cooling-off period. Valueless add-ons will be banned and there will be a 10-day right to cancel. Mr. Rose noted the Board will monitor this legislation.

There was no Board action as this matter was for information only.

21. **DISCUSSION AND CONSIDERATION OF PROPOSED REVISIONS TO THE ASSIGNMENT OF CASES TO EXCLUSIVELY USE THE OFFICE OF ADMINISTRATIVE HEARINGS FOR ALL MERITS HEARINGS - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo from Tim Corcoran and Robin Parker concerning proposed revisions to the assignment of cases to exclusively use the Office

of Administrative Hearings (“OAH”) for all merits hearings.

Ms. Parker commented that for almost two years the Board has been discussing the transition to OAH for its merits hearings. She noted that this proposal was reviewed and approved by the then Ad Hoc Committee on Equity, Justice and Inclusion at its November 1, 2024, meeting. For the past 18 months or so, the staff have informed the parties that the Board is considering this transition and no complaints were received.

Member Stevens moved to adopt the staff recommendation that effective immediately all merits hearings in new protests and existing protests would be assigned to the Office of Administrative Hearings. The Board’s retired annuitant ALJs would be retained on the Alternative MSC Assignment Log and the Alternative Law and Motion Assignment Log. Member Schmidt seconded the motion. The motion carried unanimously.

22. **DISCUSSION AND CONSIDERATION OF APPOINTING ROBIN PARKER THE BOARD’S DESIGNATED MANDATORY SETTLEMENT CONFERENCE HEARING OFFICER - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo from Tim Corcoran and Robin Parker concerning appointing Robin Parker the Board’s Designated Mandatory Settlement Conference Hearing Officer. As indicated in the memo, on October 28, 2024, the Executive Committee designated Robin as the Board’s Hearing Officer for Mandatory Settlement Conferences on an emergency basis given the unexpected passing of Designated Mandatory Settlement Conference Judge Marilyn Wong. Robin has been authorized by the Board since 1997 to preside over law and motion hearings, discovery hearings, and Mandatory Settlements Conferences.

Member Smith Boland moved to appoint Robin Parker the Designated Mandatory Settlement Conference Hearing Officer. Member Dena seconded the motion. The motion carried unanimously.

23. **DISCUSSION AND CONSIDERATION OF PROPOSED REGULATORY AMENDMENTS TO SECTION 551.19 (MOTIONS; FORM, BRIEFING, AND HEARINGS) OF TITLE 13 OF THE CALIFORNIA CODE OF REGULATIONS - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo from Tim Corcoran and Robin Parker regarding proposed regulatory amendments to Section 551.19 of Title 13 of the California Regulations which specifies the procedural requirements for motions including whether the motion is oral or written, whether an opposition or reply brief is permissible, and if the hearing is in person or telephonic. Ms. Parker remarked that the Board’s merits hearings and motion hearings with live testimony have been held remotely via Zoom and teleconference. To formalize this process in motion hearings with live testimony, staff propose amending Section 551.19 as follows:

§ 551.19. Motions; Form, Briefing, and Hearings.

(a) Unless made during a hearing while on the record, all motions shall be

in writing and filed with the board with an attached proof of service on all parties.

(b) Motions and any response thereto including opposition to motion and reply to opposition shall conform to the requirements of Article 6 herein. The motion and any response shall state in plain language the relief sought and the facts, circumstances, and legal authority that support the motion or the response.

(c) Briefing may be permitted by stipulation of the parties or by order of the board.

(d) Notwithstanding Government Code section 11440.30 of the Administrative Procedure Act, the ALJ may conduct the hearing by telephone, television, or other electronic means if each party in the hearing has an opportunity to participate in and to hear the entire proceeding while it is taking place and to observe exhibits. In the event of live testimony, the hearing shall be conducted in person before the ALJ or other electronic means if each party in the hearing has an opportunity to participate in and to hear the entire proceeding while it is taking place and to observe exhibits.

NOTE: Authority cited: Section 3050(a), Vehicle Code. Reference: Section 3050(a), Vehicle Code; and Section 11440.30, Government Code.

Member Schmidt moved to adopt the proposed regulatory amendments. Member Stevens seconded the motion. The motion carried unanimously.

President Kassakhian read the following statement into the record for the proposed regulatory changes:

Given the Board's decision to go forward with the proposed regulatory amendment, I hereby delegate to the Executive Director the [ministerial] duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. Notice of the proposed rulemaking will be published in the California Regulatory Notice Register and will be sent to the Public Mailing List.

During the public comment period, I want to invite and encourage written and oral comments. Additionally, a public hearing at the Board's offices may be held to accept oral and written comments. By the Board instructing staff to go forward with the proposed regulatory amendments, this does not necessarily indicate final Board action.

If any written or oral comments are received, the full Board will consider the comments and reconsider the text of the proposed regulatory amendments. Furthermore, if the staff decides that substantive modifications to the

proposed text are necessary, the Board will consider those modifications at a noticed meeting.

However, non-substantive changes involving format, grammar, or spelling suggested by the Office of Administrative Law or the staff will not be considered by the Board because they are non-regulatory in nature. They will be considered by the Executive Committee and ultimately reported to the Board at a future meeting.

If there are no written or oral comments received, then the rulemaking process will proceed without further Board involvement.

24. **CONSIDERATION OF 2025 RULEMAKING CALENDAR - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memorandum and 2025 Rulemaking Calendar from Tim Corcoran and Jason Rose. Mr. Rose reported that the Rulemaking Calendar has been approved by CalSTA. The rulemaking pertains to the fee increase and staff anticipate the rulemaking process will be completed in November 2025.

Member Obando moved to adopt the 2025 Rulemaking Calendar. Member Schmidt seconded the motion. The motion carried unanimously.

25. **ANNUAL REPORT CONCERNING BOARD ADOPTED POLICIES - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo from Tim Corcoran and Robin Parker concerning the annual review of Board adopted policies. As indicated in the memo, the following policies were added or amended:

- President Kassakhian converted the Ad Hoc Committee on Equity, Justice and Inclusion to the Committee on Equity, Justice and Inclusion. Delegations made to the Ad Hoc Committee were transferred to the standing committee.
- The adjusted annual gift limit increased from \$590 to \$630 from January 1, 2025, through December 31, 2026.
- Updates were made to the “Appointment of Hearing Officers” to reflect removal of ALJs from assignment logs and the hiring of ALJ Tammy Bayne for law and motion hearings.
- “Case Assignments” were updated to reflect ALJ Marilyn Wong’s passing.
- With the addition of OAH to the Board’s “Merit Hearings Judge Assignment Log,” the policy reflecting the “Source of Board Hearing Officers” is obsolete.
- In the absence of a vendor contract, credit card payments cannot be accepted.

- Board Delegations were updated to reflect:
  - The Executive Director's discretion to remove an ALJ from an assignment log based on performance.
  - That recruitment and hiring practices should be designed and implemented with the goal of filling at least 44% of Board public contact positions with bilingual employees who have passed the DMV's Bilingual Verbal Proficiency Examination.
  - The Committee on Equity, Justice and Inclusion's review of all new and revised policies prior to Board action in order to further institutionalize equity within Board programs.
  - Three new Vehicle Code section 3065.3 protests.
  - The Board adopted Strategic Plan June 2024-30.
  - The Executive Director's discretion to take action responsive to the objectives in the Strategic Plan.
  - Personnel duties in the Delegation of Administrative Duties were updated to reflect the newly created Assistant Director and Equity Officer position.
  
- The "Delegation of Authority Concerning Promulgating Regulations" was expanded, if necessary, to allow staff discretion in consultation with the Executive Committee to reduce the proposed fees to any number between \$400 to \$425 for the dealer licensing fee and the per vehicle fee of \$.60 to \$.65 for manufacturers and distributors with a minimum of \$400 to \$425.
  
- The *Guide to the New Motor Vehicle Board, Informational Guide for Manufacturers and Distributors*, and *Export or Sale-for-Resale Prohibition Policy Protest Guide* were updated.
  
- The Strategic Plan 2024-30 was added.

There was no Board action as this matter was for information only.

26. **ANNUAL REPORT ON THE ASSIGNMENT OF CASES TO ADMINISTRATIVE LAW JUDGES - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo from Tim Corcoran, Robin Parker, and Jason Rose concerning the assignment of cases to Board Administrative Law Judges in 2024. Mr. Rose reported that there were six law and motion hearings, one discovery hearing (ruling on objections), and four mandatory settlement conferences. There was one merits hearing held in 2024.

There was no Board action as this matter was for information only.

27. **CONSIDERATION OF THE EXPORT OR SALE-FOR-RESALE PROHIBITION POLICY PROTEST GUIDE (VEHICLE CODE SECTION 3085, ET SEQ.) - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo and *Export or Sale-for-Resale Prohibition Policy Protest Guide*. As indicated in the memo, the following changes were made:

- The references to paying filing fees by credit card has been deleted on pages 3 and 4. In the absence of a vendor contract, credit card payments cannot be accepted.
- Gender specific language was replaced with gender neutral language in the Amicus Curiae Briefs section on page 4.

Member Obando moved to adopt the 2025 *Export or Sale-for-Resale Prohibition Policy Protest Guide*. Member Stevens seconded the motion. The motion carried unanimously.

28. **CONSIDERATION OF REVISIONS TO THE INFORMATIONAL GUIDE FOR MANUFACTURERS AND DISTRIBUTORS, WHICH OUTLINES THEIR OBLIGATIONS TO PROVIDE NOTICES, SCHEDULES, AND FORMULAS MANDATED BY THE CALIFORNIA VEHICLE CODE AND CIVIL CODE TO THE NEW MOTOR VEHICLE BOARD AND/OR IMPACTED DEALERS - POLICY AND PROCEDURE COMMITTEE**

The members were provided with a memo and revised *Informational Guide for Manufacturers and Distributors* from Tim Corcoran and Robin Parker. As indicated in the memo, the following changes were made:

- References to the California RV Show sponsored by the Recreation Vehicle Industry Association on pages 6, 8 and 23 have been deleted or changed to “an annual show sponsored by a national trade association of recreation vehicle manufacturers.”
- In the section on “What is a Certificate of Proposed Franchise (OL 124),” the sentence to contact Occupational Licensing on page 11 has been deleted as they do not provide phone assistance.

Member Smith Boland moved to adopt the 2025 *Informational Guide for Manufactures and Distributors* as amended. Member Obando seconded the motion. The motion carried unanimously.

29. **REPORT ON THE 3<sup>RD</sup> ANNUAL CALSTA (CALIFORNIA STATE TRANSPORTATION AGENCY) LEADERSHIP SUMMIT BY TIM CORCORAN, EXECUTIVE DIRECTOR**

Mr. Corcoran provided a detailed summary of the 3<sup>rd</sup> Annual CalSTA Leadership Summit. The theme this year was “Action Leading to Outcomes.” PowerPoint slides from the Summit were displayed on leadership and the superpowers of Objectives and Key

Results (OKRs). Mr. Corcoran commented that the CalSTA OKRs caused the Board to “stretch” especially for a small organization with such a narrow focus so it was meaningful to help save lives with the air bag recall campaign.

Next, the newly established CalSTA Secretary’s Award was discussed. It was reported that Secretary Omishakin hopes this award will be a future tradition. Fifteen people were to be recognized by him. Under the CalSTA umbrella, there are eight departments, commissions and Boards comprising over 40,000 employees. Ms. Vaye was one of the recipients. Mr. Corcoran shared Secretary Omishakin’s remarks:

Kim improved existing New Motor Vehicle Board CalSTA Core Four priority initiatives, including one that changes significantly to increase the repair rate of motor [vehicle] recalls in California, preventing traffic deaths on our roads. She did this by reimagining the initial, narrowly scoped objective of addressing Takata airbag recalls growing into one, which seeks to educate and inform Californian's regarding all open safety recalls in the state and how motorists may have their free repair performed.

Kim also created a number of new initiatives, including one which will enhance the Board’s collaboration with California communities and raise its agency profile. She seeks to accomplish this by scheduling town-hall events in conjunction with Board meetings throughout the state.

Kim improved existing services and developed new ones, each time putting people first and creating partnerships where they did not exist before. She brings energy, enthusiasm and creativity to every project Kim works on and is a valued member of the CalSTA leadership team, not only as assistant director, but as a true OKR champion who looks to build lasting relationships with her peers to assure improved outcomes for all.

Mr. Corcoran and Ms. Vaye discussed their tour of the California High Speed Rail mockup train set and seat. A mobile version is forthcoming but has not arrived in the U.S.

Ms. Vaye displayed a poster the National Safety Council prepared for the Check-to-Protect campaign with CalSTA’s logo. Ms. Vaye and Mr. Martinez delivered these to the entities under CalSTA’s umbrella. This information is on the screens in DMV field offices.

Member Smith Boland inquired about outreach to address interim fixes for a recall that requires the consumer to return for the final remedy. Member Smith Boland will provide an example of this situation. Member Dena commented on a recent recall of electric vehicles and a recall about 10 years ago that did not have parts for several weeks so the ticket could be opened but not closed until the parts arrived. In response to President Kassakhian’s question about Vehicle Safety Recalls Week, Ms. Vaye indicated she would share the social media materials so the members can share it with their contacts.

30. **EXECUTIVE DIRECTOR'S REPORT**

- A. Administrative Matters.
- B. Case Management.
- C. Judicial Review.
- D. Notices Filed Pursuant to Vehicle Code sections 3060/3070 and 3062/3072.
- E. Other.

Mr. Corcoran provided the members with a report on Administrative Matters that identified all pending projects, the Board staff and committee assigned, estimated completion dates, and status. Mr. Corcoran provided the members with a copy of the 2024 CalSTA Accomplishments Report in which the Board is featured on three pages. This is expected to increase next year as 25% of the Board's Strategic Plan are CalSTA Core Four initiatives. Next, as staff are doing more public-facing work, Ms. Vaye arranged for several members of the team to attend training at Caltrans.

Mr. Corcoran noted that he is working to report differently on the OKRs themselves and decide whether it makes sense to report them under the various committees that align with a particular OKR or Core Four item or lump them together under one committee.

Additionally, Mr. Corcoran discussed two Core Four items in the Strategic Plan that are expected to launch soon and may launch at the Industry Roundtable. One, is the recognition of jurisdictions for their successes in becoming Zero Emission Vehicle or ZEV-ready for implementing a ZEV-ready infrastructure. Ms. Vaye commented that this pertains to Objective 2.7, which is to recognize local jurisdictions that demonstrate ZEV readiness. Ms. Vaye stated that the Board's website has been updated in a draft mode to detail the form and process for submitting and reviewing an application, Board approval, and presentation of the award. Approval is still pending though from CalSTA and potentially the Governor's Office. Once approved, these documents will be shared.

Mr. Corcoran stated that at the Roundtable the electric-vehicle expert pledge for California dealerships will launch. He commented that the ElectrifiQ training offered by NADA (National Automobile Dealers Association) is available at no cost for a limited time to CNCDA members. The Board is not endorsing this training but it just happens to be one with the same criteria in the Strategic Plan. As part of the Strategic Plan, the Board wants to encourage dealers to train their staff to engage in responsible sales activity. As it is not just about selling EVs but about selling the right EV to the right customer at the right time. With the idea being that you do not want consumers who enter into this purchase to have a terrible experience and then tell 10 people how awful it is. The ask is for dealers to have one expert on their sales team who is there and available to educate consumers.

Ms. Parker indicated that an additional termination protest was filed in response to a 15-day notice. There will likely be law and motion so there could be three case management matters at the August 1, 2025, General meeting as there will be two proposed decisions. Additionally, she noted that this year is busier than 2024. There have already been six protests filed and 25 notices of termination predominately for recreational vehicles. Lastly, there are three hearing readiness conferences scheduled this year including one in March but it is unlikely any cases will go to hearing this fiscal year.



Mr. Rose reported 10 consolidated protests reached a settlement so they will be dismissed. A termination protest filed against Mitsubishi resulted in the protestant voluntarily terminating so this matter will be dismissed.

Mr. Corcoran encouraged the members to RSVP to the Industry Roundtable and share the event if possible.

There was no Board action as this matter was for information only.

31. **PUBLIC COMMENT** (Gov. Code § 11125.7)

No additional public comment was presented.

President Kassakhian thanked the staff and the incoming President and Vice President. When he first joined the Board and was the “new kid on the block,” he relied on Member Obando and other members who have moved on to show him what to do, how to do it, and be the best contributor he could be. President Kassakhian added that as important as their guiding work was, if it was not for the staff, he could not have done his term as president. Although the Board has gone through a number of changes and there are a lot of new faces, it is all for the better. The Board is a better organization today than it was the first day he joined.

Member Stevens moved to adjourn the meeting. Member Dena seconded the motion.

32. **ADJOURNMENT**

With no further business to discuss, the meeting was adjourned at 1:10 p.m.

Submitted by

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TIMOTHY M. CORCORAN  
Executive Director

APPROVED: \_\_\_\_\_  
Jacob Stevens, President  
President  
New Motor Vehicle Board

2415 1<sup>st</sup> Avenue, MS L242  
Sacramento, California 95818  
Telephone: (916) 445-1888  
Board staff contact: Alex Martinez  
[New Motor Vehicle Board website](#)  
DMV press contact: (916) 657-6438  
[dmvpublicaffairs@dmv.ca.gov](mailto:dmvpublicaffairs@dmv.ca.gov)

STATE OF CALIFORNIA  
NEW MOTOR VEHICLE BOARD  
**MINUTES**

The New Motor Vehicle Board (“Board”) held a Special meeting on March 27, 2025, at California Natural Resources Agency, Main Auditorium, 1<sup>st</sup> Floor, 715 P Street, Sacramento, California 95814.

Jacob Stevens, President and Public Member, called the meeting of the Board to order at 8:36 a.m.

**2. ROLL CALL**

Board Members Present: Anne Smith Boland  
Ashley Dena (left at 12:00 p.m.)  
Kathryn Ellen Doi (left at 12:00 p.m.)  
Ardashes “Ardy” Kassakhian (left at 12:00 p.m.)  
Jacob Stevens (left at 12:00 p.m.)

Board Members Not Present: Bismarck Obando  
Brady Schmidt

Board Staff Present: Timothy M. Corcoran, Executive Director  
Kim Vaye, Assistant Director and Equity Officer  
Robin P. Parker, Chief Counsel  
Suzanne Luke, Senior Administrative Services Analyst  
Alejandro Martinez, Legal Program Analyst  
Navpreet (Penny) Bhatti, Administrative & Consumer  
Services Analyst  
Rabia Sadiq, Staff Support and Public Services Analyst

A quorum was established for general business. No action was taken as the Industry Roundtable is for informational purposes only.

3. **WELCOMING REMARKS BY JACOB STEVENS, PRESIDENT, CALIFORNIA NEW MOTOR VEHICLE BOARD**

President Stevens welcomed everyone to the Industry Roundtable commemorating the Board's 50 years of public service. He remarked that there were about 100 industry stakeholders in the audience with an approximate make-up of: 25% New Car Dealers; 10% Manufacturers; 30% Other DMV Occupational Licensees; 20% Other Government Organization; 10% Law Firms; and 5% Non-Government/Nonprofit Organizations

4. **8:40 a.m. -- KEYNOTE ADDRESS, TOKS OMISHAKIN, SECRETARY, CALIFORNIA STATE TRANSPORTATION AGENCY**

President Stevens introduced Keynote speaker Toks Omishakin, Secretary, California State Transportation Agency (CalSTA).

Secretary Omishakin thanked the Board, staff, Executive Director Tim Corcoran, and Assistant Director Kim Vaye. He noted the Board is a small but powerful agency. Mr. Corcoran was acknowledged by the Secretary as a dedicated public servant. Next, Secretary Omishakin discussed in detail the CalSTA Core Four Initiatives: Safety, Climate Action, Equity, and Economic Prosperity.

5. **9:05 a.m. -- TRANSITION TO THE OFFICE OF ADMINISTRATIVE HEARINGS FOR MERITS HEARINGS, MODERATED BY TIM CORCORAN, EXECUTIVE DIRECTOR, NEW MOTOR VEHICLE BOARD**

Gavin M. Hughes, The Law Offices of Gavin M. Hughes  
Mark Clouatre, Nelson Mullins  
Steve Kelso, Greenberg Traurig, LLP  
Robin Parker, New Motor Vehicle Board

Mr. Corcoran provided an overview of the Board's transition to the Office of Administrative Hearings (OAH). The panelists discussed: (1) the initial "test" hearing and the steps leading up to it; (2) the training OAH Administrative Law Judges received; (3) their thoughts and concerns on this transition; (4) how similar hearings through centralized agencies in other states are conducted; (5) lessons learned from the first Board hearing that OAH presided over; and (6) the process going forward with OAH and how it differs from Board hearings.

**9:50 a.m. to 10:05 a.m. break**

A break was taken between 9:50 a.m. to 10:05 a.m.

6. **10:05 a.m. -- NEW MOTOR VEHICLE FRANCHISE TRENDS AND MAJOR EVENTS IMPACTING THE INDUSTRY, MODERATED BY TIM CORCORAN, EXECUTIVE DIRECTOR, NEW MOTOR VEHICLE BOARD**

Anthony Bento, California New Car Dealers Association  
Curt Augustine, Alliance for Automotive Innovation  
Bridget McGovern, Squire Patton Boggs, LLP  
Kate Tuma, Squire Patton Boggs, LLP

First, the panelists discussed California's Zero-Emission Vehicle (ZEV) policy established by Executive Order N-79-20, the path forward to meet the goal of 100% zero-emission vehicle sales by 2035, the infrastructure necessary to meet these goals, and Electric Vehicle tax credits. Next, the panelists discussed the impact of trade and tariffs on new vehicles and parts.

As part of the Board's Strategic Plan, Mr. Corcoran introduced an initiative for best practices in ZEV sales by establishing a mechanism for the Board to acknowledge any California new car dealer that takes the "EV Expert Pledge." Dealer salespersons that take a course covering essential elements in EV sales will qualify their dealership for EV Expert recognition by the Board. EV training promotes consumer education and product expertise in dealers' communities.

7. **10:50 a.m. -- VEHICLE TITLE TRANSFER CHALLENGES AND HOW TO AVOID DELAYS**

Rob Cohen, Vitu  
Franjo Dolenac, ArentFox Schiff

The speakers discussed used vehicle title and registration requirements, causes for delay, consequences, and ways to prevent delays. This discussion carried over into the afternoon workshop "Meet the Regulators."

8. **11:10 a.m. -- BUILDING STRATEGIC PARTNERSHIPS - WHY GOVERNMENT, PRIVATE, PHILANTHROPIC, AND NON-PROFIT COLLABORATION IS KEY IN TRANSFORMATIONAL CHANGE, MODERATED BY KIM VAYE, ASSISTANT DIRECTOR AND EQUITY OFFICER, NEW MOTOR VEHICLE BOARD**

Adrienne Moretz, California Strategic Growth Council  
Lonny Haschel, National Safety Council  
Dan Welch, Center for Sustainable Energy

The panelists discussed their experience with government, private, philanthropic, and non-profit collaborations, including: (1) real-world examples where multi-sector collaboration led to significant transformational change in society; (2) accountability and transparency when multiple stakeholders involved in a partnership may have different agendas; (3) the role of the philanthropic sector in filling gaps where government or

private sector investments may fall short; (4) how to ensure marginalized or vulnerable communities benefit equally from partnerships; and (5) evolution of multi-sector partnerships with the rise of digital technologies and data sharing [and the effect on communities].

The Board meeting concluded at 12:00 p.m. After lunch, the informational workshops began.

**12:00 p.m. to 1:30 p.m. Lunch Break**

A lunch break was taken between 12:00 p.m. and 1:30 p.m.

9. **1:30 p.m. -- NETWORKING CONCURRENT SESSIONS**

**MEET THE REGULATORS WORKSHOP** (Room 2-302-B)

Engage in discussions with the New Motor Vehicle Board and the Department of Motor Vehicles leaders from the Investigations Division, Business Enterprises/Policy Division, Industry Services Branch, and Commercial Licensing on subjects such as DXP (Digital eXperience Platform), industry licensing issues, industry compliance concerns, statutory or regulatory reform, and modernization of statutes, rules, and regulations.

**BUILDING STRATEGIC PARTNERSHIPS WORKSHOP** (Room 2-302-A)

Continue in conversation about the necessity of partnerships and explore opportunities for collaboration on shared goals and outcomes that impact ALL Californians.

10. **ADJOURNMENT**

With no further business to discuss, the meeting was adjourned at approximately 12:00 p.m.

Submitted by

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TIMOTHY M. CORCORAN  
Executive Director

APPROVED: \_\_\_\_\_

Jacob Stevens  
President  
New Motor Vehicle Board



# Memorandum

**Date** : JULY 7, 2025

**To** : **BOARD DEVELOPMENT COMMITTEE**  
**BRADY SCHMIDT, CHAIR**  
**KATHRYN E. DOI, MEMBER**

**From** : **TIMOTHY M. CORCORAN**

**Subject** : **UPDATE ON BOARD ACTIVITIES**

In an effort to have on-going discussions regarding Board Member education and activities of interest, the Board Development Committee suggested agendizing this topic at each Board Meeting to get input from the members. Additionally, education on topics of interest are scheduled for most General Meetings.

The Board held its 2025 Industry Roundtable on March 27, 2025, including a half day of panel presentations and two concurrent afternoon workshops. At the August 1, 2025, General Meeting, staff will report out on attendee feedback as well as various outcomes of the event.

Educational presentations will be agendized for each Board Meeting. Board Members can advise staff of any topics they wish to receive more information or training, which will be added to the following list:

- Presentation from dealer and manufacturer attorneys on common disputes between, and differing perspectives of, franchisees and their franchisors.
- Presentation on industry strategies to assure ZEV profitability, by dealer and manufacturer representatives.
- Presentation on implementation of alternative fuel vehicles in mass transit.
- Presentations highlighting local efforts to make communities ZEV-ready.
- Topics on Board procedure, including:
  - Writs of Administrative Mandate.
  - Stipulated Decisions and Orders.
  - Dealer Member Participation.
  - Foundational Board published cases and their common application.
  - Petitions.

## Update on Board Development Activities

Page 2

July 7, 2025

- Case management procedures:
  - Paths a protest can take (law and motion, settlement, merits hearing).
  - Types of protests and the various burdens of proof.
  - Role of the statutorily required notices and time to file a protest.
  - Protests that do not require a notice.

The information in this memorandum is provided for informational purposes only at the August 1, 2025, General Meeting. No Board action is required.

If you have any questions or require additional information, please do not hesitate to contact me at (916) 244-6774.

cc: Jacob Stevens, President



## Memorandum

**Date** : JULY 7, 2025

**To** : EXECUTIVE COMMITTEE  
JACOB STEVENS, CHAIR  
ANNE SMITH BOLAND, MEMBER

**From** : TIMOTHY M. CORCORAN  
ROBIN P. PARKER

**Subject** : REPORT ON NON-SUBSTANTIVE CHANGES SUGGESTED BY THE OFFICE OF ADMINISTRATIVE LAW TO THE FOLLOWING REGULATIONS

- a. Request for Informal Mediation (13 CCR § 551.14)
- b. Contents (13 CCR § 555)

At the April 26, 2002, General Meeting, the members adopted the following policy concerning promulgating regulations:

The Board will delegate to the Executive Director the ministerial duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. All substantive changes to the proposed text suggested by Board staff, the public, or the Office of Administrative Law will be brought before the members at the next meeting. Non-substantive changes suggested by the Office of Administrative Law or staff will be submitted to the Executive Committee for consideration and ultimately reported to the Board at the next meeting.

At the April 28, 2023, General Meeting, the members approved a number of regulatory amendments to eliminate references to "residence addresses" and "facsimile." These changes were initially submitted to the Office of Administrative Law ("OAL") as changes without regulatory effect, i.e., non-substantive but rejected as OAL deemed these substantive changes. Therefore, the formal rulemaking process began when the Notice was published on December 6, 2024. The final rulemaking packet was submitted to the OAL for review on January 23, 2025. During its review, OAL suggested the following changes, which are highlighted yellow:

### **§ 551.14. Request for Informal Mediation.**

...

(c) The request for informal mediation shall set forth the nature of the matter which the board is requested to mediate. The request for informal mediation shall comply substantially with the following requirements:

...



(2) Insofar as is known to the person requesting informal mediation, include the names, ~~residence addresses~~ and ~~business~~ addresses of persons and the dates, places and specific actions or practices involved in the matter.

. . .

**§ 555. Contents.**

The petition shall set forth in clear and concise language the nature of the matter which the petitioner wishes the board to consider. The petition shall comply substantially with the following requirements:

. . .

(b) Insofar as is known to petitioner, include the names, ~~residence addresses~~ and ~~business~~ addresses of persons and the dates, places and specific actions or practices involved in the matter.

The Executive Committee approved these changes so the staff could proceed with the proposed regulatory amendments. The proposed amendments were approved by OAL and filed with the Secretary of State on March 6, 2025. The amendments were effective July 1, 2025.

This matter is being agendized for information only at the August 1, 2025, General Meeting. If you have any question or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.



## Memorandum

**Date : OCTOBER 4, 2024**

**To : POLICY AND PROCEDURE COMMITTEE  
JACOB STEVENS, CHAIR  
KATHRYN ELLEN DOI, MEMBER**

**From : TIMOTHY M. CORCORAN  
ROBIN P. PARKER**

**Subject : DISCUSSION AND CONSIDERATION OF PROPOSED REGULATORY  
AMENDMENTS TO THE BOARD'S CONFLICT OF INTEREST CODE IN SECTION  
599 OF TITLE 13 OF THE CALIFORNIA CODE OF REGULATIONS**

Pursuant to Government Code section 87300, "[e]very agency shall adopt and promulgate a Conflict of Interest Code..." Additionally, each state entity is required to review its Conflict of Interest Code every odd-numbered year to ensure it remains current and accurate.

Board staff have reviewed the Board's Conflict of Interest Code as set forth in Section 599 of Title 13 of the California Code of Regulations. "Appendix A – Designated Positions" needs to be updated to reflect Kim Vaye's position as Assistant Division Chief/Program Manager. The changes are highlighted yellow on unnumbered page two of the attachment. Preliminary review as required by the Fair Political Practices Commission is forthcoming.

If the Board adopts the proposed regulatory changes, the staff will proceed with the rulemaking process as delineated in Fair Political Practices Act and the Administrative Procedure Act. Updates concerning the status of the rulemaking process will be provided at future Board meetings during the Administrative Matters portion of the Executive Director's Report.

This matter is being agendaized for discussion and consideration at the November 1, 2024, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.

Attachment: as stated

cc: Ardashes Kassakhian, President

## **CONFLICT OF INTEREST CODE**

### **NEW MOTOR VEHICLE BOARD**

The Political Reform Act (Gov. Code, § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation that contains the terms of a standard conflict of interest code that can be incorporated by reference in an agency's code. (Cal. Code Regs., tit. 2, § 18700) After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and disclosure categories, constitute the conflict of interest code of the New Motor Vehicle Board (Board).

Board Members and the Executive Director electronically file their statements of economic interests with the Fair Political Practices Commission; the Board does not retain a copy. Individuals holding any other designated position shall file statements of economic interests directly with the Board.

Authority cited: Section 3050(a), Vehicle Code; Sections 87300, 87304 and 87306, Government Code. Reference: Section 81000, et seq., Government Code.

CONFLICT OF INTEREST CODE  
NEW MOTOR VEHICLE BOARD

APPENDIX A – DESIGNATED POSITIONS

Designated Positions	Assigned Disclosure Category
EXECUTIVE DIVISION	
Board Member	1
Executive Director	1
<u>Assistant Division Chief/Program Manager</u>	<u>1</u>
Staff Services Manager (all levels)	1
ADMINISTRATIVE SERVICES DIVISION	
Staff Services Analyst	1
Associate Governmental Program Analyst	1
LEGAL DIVISION	
Administrative Law Judge (all levels)	1
Attorney (all levels)	1
Consultant/New Position	*

- \* Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements described in this section. Such determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the Executive Director is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code, § 81008) Nothing herein excuses any such consultant from any other provision of the conflict of interest code.

## APPENDIX B-DISCLOSURE CATEGORY

### Category 1

Designated positions assigned to this category must report:

- (a) Income, including receipt of gifts, loans, and travel payments, received during the reporting period from an individual or entity which the designated position knows or has reason to know is:
  - (1) Any licensee subject to the jurisdiction of the New Motor Vehicle Board pursuant to Vehicle Code section 3050, et seq.;
  - (2) An applicant to the Board who has or has had during the filing period any proceeding pending before the Board;
  - (3) A party contracting with the Board or engaged in the performance of work or services of the type utilized by the Board including, the provision of goods, services, office space or realty.
- (b) Investments held during the reporting period in any business entity, which the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).
- (c) The fact that the designated position, during the reporting period was a director, officer, partner, trustee, employee or held any position of management in a business entity the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).

## CONFLICT OF INTEREST CODE

### NEW MOTOR VEHICLE BOARD

The Political Reform Act (Government Code, §Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation that contains the terms of a standard conflict of interest code that can be incorporated by reference in an agency's code. (2 California Code of Regulations- Section 18730, tit. 2, § 18700) After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the New Motor Vehicle Board (Board).

Board Members and the Executive Director must electronically file their statements of economic interests electronically with the Fair Political Practices Commission; ~~the Board does not retain a copy.~~ All other individuals holding any other designated positions must shall file their statements of economic interests directly with the Board. All statement must be made available for public inspection and reproduction under Government Code Section 81008.

Authority cited: Section 3050(a), Vehicle Code; Sections 81008, 87300, 87304 and 87306, Government Code. Reference: Section 81000, et seq. 87302, Government Code.

CONFLICT OF INTEREST CODE  
NEW MOTOR VEHICLE BOARD

APPENDIX A – DESIGNATED POSITIONS

Designated Positions	Assigned Disclosure Category
<b>EXECUTIVE DIVISION</b>	
Board Member	1
Executive Director	1
<u>Assistant Division Chief/Program Manager</u>	<u>1</u>
Staff Services Manager (all levels)	1
<b>ADMINISTRATIVE SERVICES DIVISION</b>	
Staff Services Analyst	1
Associate Governmental Program Analyst	1
<b>LEGAL DIVISION</b>	
Administrative Law Judge (all levels)	1
Attorney (all levels)	1
Consultants/New Positions	*

- \* Consultants and new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The determination of the Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code, § 81008) Nothing herein excuses any such consultant from any other provision of the conflict of interest code.

## APPENDIX B-DISCLOSURE CATEGORY

### Category 1

Designated positions assigned to this category must report:

- (a) Income, including receipt of gifts, loans, and travel payments, received during the reporting period from an individual or entity which the designated position knows or has reason to know is:
  - (1) Any licensee subject to the jurisdiction of the New Motor Vehicle Board pursuant to Vehicle Code section 3050, et seq.;
  - (2) An applicant to the Board who has or has had during the filing period any proceeding pending before the Board;
  - (3) A party contracting with the Board or engaged in the performance of work or services of the type utilized by the Board including, the provision of goods, services, office space or realty.
- (b) Investments held during the reporting period in any business entity, which the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).
- (c) The fact that the designated position, during the reporting period was a director, officer, partner, trustee, employee or held any position of management in a business entity the designated position knows or has reason to know is described in parts (1), (2) or (3) of subsection (a).





## Memorandum

**Date** : July 11, 2025

**To** : FISCAL COMMITTEE  
ARDY KASSAKHIAN, CHAIR  
ANNE SMITH BOLAND, MEMBER

**From** : SUZANNE LUKE  
KIMBERLEE VAYE  
TIMOTHY CORCORAN

**Subject** : REPORT ON THE BOARD'S FINANCIAL CONDITION

The following is a financial summary of the Board's expenditures and revenue reflecting July through May of Fiscal Year (FY) 2024-2025.

### Revenue Fiscal Year 2024-25

Beginning Reserve Balance	Quarter 1 Revenue	Quarter 2 Revenue	Quarter 3 Revenue	Quarter 4 Revenue (through May)
\$1,639,000	\$1,020,641	\$342,008	\$218,343	\$122,290

### Expenditures Fiscal Year 2024-25

Annual Appropriation	Quarter 1 Expenditures	Quarter 2 Expenditures	Quarter 3 Expenditures	Quarter 4 Expenditures (through May)	Total Expenditures	Appropriation Remaining %
\$2,151,000	\$261,732	\$649,794	\$405,242	\$230,038	\$1,546,806	28%

Pursuant to Section 3.60 of the 2024 Budget Act, departmental appropriations were adjusted to accurately reflect the state's share of retirement costs through the Budget Executive Order process. This resulted in an overall decrease of \$12,000 for NMVB.

### Administrative Expenditures Fiscal Year 2024-25

Pro Rata	Supplemental Pension Payments	DMV Administrative Charge
\$135,000 (estimate) YTD: \$134,547.00	\$24,000	\$100,084

Pro Rata assessments: 8/15/2024 \$25,870.00. 11/8/2024 \$54,339.00. 3/15/2025 \$54,338.00.  
(Attachment)

**Current Reserve Balance** – \$1,536,845 balance after May Expenditures. Includes Pro Rata and Supplemental Pension Payments recorded at the fund level, not at agency level. Plus, the deduction of the DMV Administrative Charge.

- New Motor Vehicle Board (NMVB) Annual Fee – We are gathering information for the Annual Board Fee collection set to begin sometime after August.
- Board's Proposed Budget for the Next Fiscal Year
  - ✓ New Motor Vehicle Board Fund Condition published by the Department of Finance was unavailable at time of this memo.
  - ✓ DMV Baseline **allotments** for FY 25/26: Personal Services \$1,924,000 and Operating Expenses and Equipment \$231,000, totaling **\$2,155,000**. Anticipated General Salary Increases (GSI), effective July 1, 2025, are not included in this allotment. Once GSI funding is released (typically in the fall), DMV Budgets will review and allocate adjustments accordingly.
  - ✓ Pro Rata increased by appx. \$50,000 for FY 25/26, totaling \$184,643 (see attachment for details).
  - ✓ Our adjusted budget from DMV should be available sometime in late August.
  - ✓ Out of State travel Budget Letter 25-05 states that only mission critical official state business trips will be considered. Discretionary trips will not be considered this year. NMVB does not foresee any out of state mission-critical trips this fiscal year.

This memorandum is being provided for informational purposes only, and no Board action is required. If you have any questions prior to the Board Meeting, please contact me at (916) 818-2993.

Attachments as stated

cc: Jacob Stevens, President

## **Revenue and Expenditure Summary**

Fiscal Year 2024-2025

Covers July 1, 2024 to May 31, 2025

### **REVENUES**

New Dealer Licensing Fee:	\$828,738
Manufacturer and Distributor Fee	\$866,372
NMVB Filing Fee	\$5,600
Miscellaneous Services	\$483
Arbitration Program	\$2,089
Year-to-date total:	\$1,703,282

### **EXPENDITURES**

#### **Payroll**

Full-Time staff salaries:  
Budgeted Amount: \$1,155,000  
Expended: \$874,942

Part-Time staff salaries:  
Budgeted Amount: \$79,000  
Expended: \$172,900

Benefits:  
Budgeted Amount: \$634,000  
Expended: \$408,577

#### **Operating Expense and Equipment**

*General Expense* (includes equipment, office supplies, dues, legal library, etc.):  
Budgeted Amount: \$34,410  
Expended: \$14,106

*Travel In-State:*  
Budgeted Amount: \$10,000  
Expended: \$8,532

*Professional Services (Attorney General):*  
Budgeted Amount: \$18,500  
Expended: \*\$1,140 (*June reporting*)

*Office of Administrative Hearings:*  
Budgeted Amount: \$157,590  
Expended: \$55,927 (2 invoices from FY 23-24/Paid out of FY 24-25)

*Professional Services (Court Reporter):*  
Budgeted Amount: \$17,500  
Expended: \$5,389

*Encumbrance Balance*

\$4,416

**TOTAL OPERATING EXPENSE AND EQUIPMENT**

Budgeted Amount: \$245,000

Expenditure Year to Date: \$85,971

**GRAND TOTAL – Fiscal Year 2024-2025**

Beginning Reserve Balance: \$1,639,000

Revenue Year to Date: \$1,703,282

Expenditure Year to Date: \$1,546,806

## Pro Rata Quick Guide

### Full Cost Recovery Policy

The state policy is for departments to recover full costs whenever goods or services are provided for others. The full cost includes all costs attributable directly to the activity plus a fair share of indirect costs.

### Central Service Agency Costs (CSA)

Central service costs are those amounts expended by central service departments and the Legislature for overall administration of state government and for providing centralized services to state departments. These functions are necessary for state operations and are centralized to provide efficient and consistent statewide policy and services:

- *State Controller's Office*
- *Governor's Office*
- *State Personnel Board*
- *Legislature*
- *State Treasurer's Office*
- *California State Auditor's Office*
- *Legislative Counsel Bureau*
- *California State Library*
- *California Department of Technology*
- *Office of Administrative Law*
- *Department of Finance*
- *Department of Human Resources*
- *Department of Justice*
- *Financial Information System for CA*
- *Office of Planning and Research*
- *Secretary of the CA Health and Human Services Agency*
- *Department of General Services – Contracted Fiscal Services*

Finance obtains workload and expenditure data for each function from the CSAs. They receive the past year actual workload data (what was done and for whom); the past year actual expenditures (how much it cost to perform those services); and, the budget year estimated/anticipated expenditures.

### How does the state recover the Pro Rata costs from the funds?

In June of each year, Finance certifies to the State Controller's Office (SCO) the Pro Rata costs to be transferred from each fund. SCO sets up automatic fund level transfers three (3) times per year. This is subject to change in the future.

### Reasons why assessments increase/decrease

- Increased premium costs for health insurance plans
- Increased number of employees
- Large roll-forward amount for our department, because a previous estimate was lower than our actual costs for the past year

\* Department of Finance does not create a separate NMVB report for outlining details by function or fund. NMVB data is included within DMVs reports.



## Memorandum

**Date : JULY 7, 2025**

**To : POLICY AND PROCEDURE COMMITTEE  
KATHRYN ELLEN DOI, CHAIR  
JACOB STEVENS, MEMBER**

**From : TIMOTHY M. CORCORAN  
ROBIN P. PARKER**

**Subject : DISCUSSION AND CONSIDERATION OF PROPOSED REVISIONS TO THE BOARD ADOPTED DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR TO PROCEED WITH THE RULEMAKING PROCESS TO INCLUDE NON-SUBSTANTIVE CHANGES SUGGESTED BY THE FAIR POLITICAL PRACTICES COMMISSION**

At the April 26, 2002, General Meeting the Board delegated to the Executive Director the ministerial duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. All substantive changes to the proposed text suggested by Board staff, the public, or the Office of Administrative Law ("OAL") would be brought before the members at the next meeting. Non-substantive changes suggested by OAL or staff would be submitted to the Executive Committee for consideration and ultimately reported to the Board at the next meeting. This enables staff to timely incorporate non-substantive changes and proceed with the rulemaking process.

Proposed amendments to the Board's Conflict of Interest Code were recently submitted to the Fair Political Practices Commission ("FPPC") for review. During this review, FPPC suggested non-substantive changes. As there was no Board policy that addressed this scenario, the delegation noted above was followed.

The staff proposes amending the delegation to the Executive Director to include non-substantive changes suggested by the FPPC. The proposed additions are underlined and highlighted yellow as follows:

The Board delegated to the Executive Director the ministerial duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. All substantive changes to the proposed text suggested by Board staff, the public, the Fair Political Practices Commission ("FPPC"), or the Office of Administrative Law ("OAL") would be brought before the members at the next meeting. Non-substantive changes suggested by OAL, FPPC, or staff would be submitted to the Executive Committee for

Proposed Regulatory Amendments

Page 2

July 8, 2024

consideration and ultimately reported to the Board at the next meeting.

All new and revised Board policies are first reviewed by the Committee on Equity, Justice and Inclusion prior to Board consideration. The Committee on Equity, Justice and Inclusion will review this policy at its meeting on July 31, 2025. If the Committee approves this revised delegation, the full Board will discuss and consider it at the August 1, 2025, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.



## Memorandum

**Date : JULY 7, 2025**

**To : EXECUTIVE COMMITTEE  
JACOB STEVENS, CHAIR  
ANNE SMITH BOLAND, MEMBER**

**From : TIMOTHY M. CORCORAN  
ROBIN P. PARKER**

**Subject : REVIEW AND CONSIDERATION OF BOARD DELEGATIONS IN  
COMPLIANCE WITH THE 1996 PERFORMANCE AUDIT CONDUCTED BY  
BUSINESS, TRANSPORTATION & HOUSING AGENCY**

The 1996 Performance Audit conducted by Business, Transportation & Housing Agency<sup>1</sup> recommended that "Delegation authorities should be formally adopted by the Board. Delegations which include signature authority should specify transaction type or dollar limits where applicable and should distinguish between the granting of powers reserved to the Board and duties arising from existing statutory provisions already reserved to individuals." In November 1996, the Budget and Finance Committee (Joe Drew and Lucille Mazeika) prepared an analysis of the duties of the Board members and staff that was adopted by the Board at its March 18, 1997, General Meeting. The Committee considered all of the duties of the Board and staff, and recognized those which, by statute or regulation, are retained by the Board or are already delegated to designated individuals.

At the May 26, 2011, General Meeting, the members made this an exception report. The legal staff continues to review these delegations each year. The Delegations were recently revised at the August 9, 2024, General Meeting.

The members will consider updated Delegations in the introductory summary and "Delegation of Administrative Duties" at the August 1, 2025, General Meeting. At the November 1, 2024, General Meeting, then President Kassakhian converted the Ad Hoc Committee on Equity, Justice and Inclusion to a standing committee. Footnote 2 was added explaining this on page 2. On page 51 in "Board Policy Review," "Ad Hoc" was deleted. On pages 53-54 in "Promulgating Regulations," the Board adopted proposed regulations increasing the dealer licensing fee to \$425 and the per vehicle fee to \$.65 for manufacturers and distributors with a minimum of \$425. If necessary, during the rulemaking process, the Board granted staff discretion in consultation with the Executive Committee to reduce the fee to any number between \$400 and \$425 and \$.60 and \$.65. If this occurs, staff will bring this matter to the full Board at its next meeting. This delegation is expected to last for 12-18 months so it is reflected in the Delegations. Once the rulemaking is concluded, this delegation will be deleted.

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<sup>1</sup> Effective July 1, 2013, California State Transportation Agency superseded Business, Transportation & Housing Agency.



## Board Delegations

Page 2

July 7, 2025

In "Assignment of Merits Hearings to Office of Administrative Hearings," on page 50, the temporary discretion granted to the Executive Director to assign merits hearings to the OAH outside the current assignment log is obsolete in light of action taken by the Board at its February 28, 2025, General Meeting. Effective February 28, 2025, all merits hearings in new protests and existing protests will be assigned to OAH. The Board's retired annuitant ALJs will be retained on the Alternative MSC Assignment Log and the Alternative Law and Motion Assignment Log.

Although the Executive Director was granted broad discretion at the February 28, 2025, General Meeting to send up to four staff and up to four members to the National Association of Motor Vehicle Boards and Commissions (NAMVBC) Fall Conference, this is not reflected in the Delegations because this was a short-term delegation for a specific event. The NAMVBC Fall Conference is in California so this is no longer necessary.

At the August 1, 2025, General Meeting, the members are considering proposed revisions to the Board adopted delegation of authority to the Executive Director to proceed with the rulemaking process to include non-substantive changes suggested by the Fair Political Practices Commission. If the Board adopts this delegation, then the Board Delegations would be updated accordingly so as to avoid the need to consider this matter at a future meeting.

The proposed changes are in underline or strikeout font highlighted yellow. These revised delegations are being considered at the August 1, 2025, General Meeting.

If you have any questions or require additional information, please do not hesitate to contact me at (916) 244-6774 or Robin at (916) 244-6776.

Attachment

## **NEW MOTOR VEHICLE BOARD**

### **RECOGNITION OF STATUTORY DUTIES AND DELEGATION OF ADMINISTRATIVE DUTIES**

The following analysis was prepared as a result of a review of Board duties performed by the Budget and Finance Committee at its meeting held on November 22, 1996. The Committee considered all of the duties of the Board and staff, and recognized those which, by statute or regulation, are retained by the Board or are already delegated to designated individuals. In addition, this analysis recommends which administrative duties should be delegated to staff and the level of Board oversight over these activities. The recommendation also contains an indication as to transaction type and dollar limit for procurement, where applicable.

In 2008, the Board legal staff revised the delegations with updated statutory language but did not modify the existing delegations. It also added formal Board delegations of duties that occurred at noticed meetings. These revised delegations were adopted at the November 20, 2008, General Meeting. From 2008 through 2011, the Board delegations were reviewed by the Board at a noticed meeting. At the May 26, 2011, General Meeting, the members made this an exception report. The legal staff continues to review these delegations each year.

Senate Bill 155 (chaptered October 3, 2013 and effective January 1, 2014) made a number of non-substantive and substantive changes that were adopted by the Board at the July 15, 2014, General meeting and are incorporated throughout. Assembly Bill 759 (chaptered October 1, 2015 and effective January 1, 2016) cleaned up a number of inconsistencies in the Vehicle Code<sup>1</sup> and separated Article 5 RV protests from Article 4 vehicle protests. Article 6 (export or sale-for-resale prohibition policy protests filed by an association) was added to the Vehicle Code by Assembly Bill 1178 (chaptered October 6, 2015 and effective January 1, 2016). These changes were adopted by the Board at the February 10, 2016, General Meeting. Assembly Bill 287 (chaptered September 27, 2016 and effective January 1, 2017) amended Section 3065; these changes were adopted at the January 18, 2017, General Meeting.

At the June 7, 2019, General meeting, the members revised the delegations to reflect the repeal of Article 6 Export or Sale-for-Resale Prohibition Policy protests and the recently revised Legislative Policy, which included three delegations to the Executive Director.

Assembly Bill 179 (Stats 2019, Ch. 796; effective January 1, 2020) re-lettered Section 3050, repealed Article 3 Appeals, added the methodology for calculating a franchisee's "retail labor rate" or "retail parts rate" in Section 3065.2, added two new protests in Sections 3065.3 and 3065.4, restored the Board's authority to hear Export or Sale-for-Resale Prohibition Policy protests in Article 6, and made many conforming changes updating recent staff promotions. The revised delegations were adopted at the

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<sup>1</sup> All statutory references are to the California Vehicle Code unless noted otherwise.

February 16, 2021, General Meeting.

Effective January 1, 2023, Assembly Bill 2956 deleted obsolete references to appeals in Section 3008. (Stats. 2022, Ch. 295) At the April 28, 2023, General Meeting, the members delegated to the Executive Director temporary discretion (not to exceed 3 years) to assign additional merits hearings to the Office of Administrative Hearings (“OAH”) outside the current assignment log. Prior to submitting a hearing to OAH that is outside the normal rotation, the Executive Director will seek Executive Committee permission. The use of OAH in general and any additional assignments will be reported to the Board in the Executive Director’s Report. The revised delegations were adopted at the April 28, 2023, General Meeting.

At the April 28, 2023, General Meeting, the Executive Director was given discretion to remove an Administrative Law Judge from an assignment log based on performance. At the September 21, 2023, General Meeting the Board indicated that recruitment and hiring practices should be designed and implemented with the goal of filling at least 44% of Board public contact positions with bilingual employees who have passed the Department of Motor Vehicles’ Bilingual Verbal Proficiency Examination. Also, the Ad Hoc Committee on Equity, Justice, and Inclusion will review all new and revised policies prior to Board action in order to further institutionalize equity within Board programs.<sup>2</sup> Effective January 1, 2024, Assembly Bill 473 added three new protests to Section 3065.3. (Stats. 2023, Ch. 332) The Board adopted its first Strategic Plan (June 2024 through July 2030) at the April 25, 2024, General Meeting. The Executive Director was granted the discretion to take action responsive to the objectives. Personnel duties in the Delegation of Administrative Duties was updated to reflect the newly created Assistant Director and Equity Officer position. The revised delegations were adopted at the August 9, 2024, General Meeting.

The members will consider updated Delegations at the August 1, 2025, General Meeting. At the November 1, 2024, General Meeting, then President Kassakhian converted the Ad Hoc Committee on Equity, Justice and Inclusion to a standing committee. The Board granted staff discretion in consultation with the Executive Committee to reduce the Annual Board Fee to any number between \$400 and \$425 and \$.60 and \$.65 during the rulemaking process. The temporary discretion granted to the Executive Director to assign merits hearings to the OAH outside the current assignment log is obsolete. Effective February 28, 2025, all merits hearings in new protests and existing protests will be assigned to OAH.

- A. Statutory Duties. The following is a list of the statutory duties of the Board and staff, with an indication as to individual or entity to whom these duties have been delegated. Only those code sections which contain a specific duty are listed below.

#### Section 3004. Oath of Office

Members of the board shall take an oath of office as provided in the

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<sup>2</sup> At the November 1, 2024, General Meeting, then President Kassakhian converted the Ad Hoc Committee on Equity, Justice and Inclusion to a standing committee.

## Constitution and the Government Code.

### Duties Relating to Section 3004

1. Pursuant to Section 3004, each Board member has a duty to personally take an oath as described in this section. This is a duty of the members of the Board.

### Section 3006. Board to Elect President

The board shall organize and elect a president from among its members for a term of one year at the first meeting of each year. The newly elected president shall assume his or her duties at the conclusion of the meeting at which he or she was elected. Reelection to office during membership is unrestricted.

### Duties Relating to Section 3006

1. Pursuant to Section 3006, the Board members have a duty to elect a president during the first meeting of the year. This is a duty of the members of the Board.
2. Pursuant to Section 3006, the newly elected Board president has a duty to assume the duties of the position at the conclusion of the meeting through the next election the following year. This is a duty of the President of the Board.

### Section 3007. Frequency of Meetings

The board shall meet at least twice during each calendar year.

Special meetings may be called at any time by the president or by any five members of the board upon notice for such time and in such manner as the board may provide.

### Duties Relating to Section 3007

1. Pursuant to Section 3007, the Board members have a duty to make themselves available at least twice a year to conduct the business of the New Motor Vehicle Board. This is a duty of the members of the Board.
2. Pursuant to Section 3007, the President or any five Board members have the right to call special meetings.

### Section 3008. Meetings: Open and Executive

All meetings of the board shall be open and public, and all persons shall be permitted to attend any meeting of the board, except that the board may hold

executive sessions to deliberate on the decision to be reached upon the evidence introduced in a proceeding conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

#### Duties Relating to Section 3008

1. Pursuant to Section 3008(a), the Board has a duty to hold open and public meetings, with the exception of the Board's executive sessions held in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. This is a duty of the members of the Board.

#### Section 3013. Board's Seal

The board shall adopt a seal and such other device as the members may desire thereon, by which they shall authenticate all papers and documents under their control.

Copies of all records and papers in the board's office shall be received in evidence in all cases when certified under the hand and seal of the board, equally and with like effect as the originals.

#### Duties Relating to Section 3013

1. Pursuant to Section 3013, the Board has the duty to adopt a seal and "such other devices" that the members deem necessary to authenticate all papers and documents. This is a duty of the members of the Board.

#### Section 3014. Department Support

The board may appoint an executive director, who shall be exempt from civil service requirements, and who shall devote as much time as may be necessary to discharge the functions of the board as herein provided. The department shall provide the board with the necessary personnel, office space, equipment, supplies, and services that, in the opinion of the board, may be necessary to administer this chapter. However, the board may contract with the department or another state agency for office space, equipment, supplies, and services, as determined by the board to be appropriate, for the administration of this chapter.

#### Duties Relating to Section 3014

1. Pursuant to Section 3014, the Board may appoint an Executive Director who shall be exempt from civil service requirements. This is a duty of the members of the Board.
2. Pursuant to Section 3014, the Executive Director of the Board has a duty to devote as much time as may be necessary to discharge the functions of the

Board. This is a duty of the Executive Director of the Board.

3. Pursuant to Section 3014, the Board has the duty to submit to the Department its opinion of what personnel, office space, equipment, supplies, and services may be necessary to administer this chapter. This is a duty which has been delegated to the staff of the Board, with oversight over these activities retained by the Board. The extent of the delegation and the degree of Board oversight are discussed under the headings of Procurement and Personnel, *infra*.
4. Pursuant to Section 3014, the Board has an optional duty to contract with the Department or another state agency for office space, equipment, supplies, and services, as determined by the Board to be appropriate, for the administration of this chapter. This is a duty of the members of the Board.

#### Section 3015. Headquarters Office – Meeting Rooms

In addition to the office of the executive director in Sacramento, the department shall, as the need therefor occurs, secure adequate rooms for the meetings of the board in Los Angeles, San Francisco, Sacramento, or other locations in the state as may be required in the discretion of the board, to administer this chapter.

#### Duties Relating to Section 3015

1. Pursuant to Section 3015, the Board has a duty to provide adequate information to the Department about what requirements the Board has relating to Board meetings so that the Department can perform its above-mentioned duty. This is a duty which has been delegated to the staff of the Board.

#### Section 3016. Fees

(a) New motor vehicle dealers and other licensees under the jurisdiction of the board shall be charged fees sufficient to fully fund the activities of the board other than those conducted pursuant to Section 472.5 of the Business and Professions Code. The board may recover the direct cost of the activities required by Section 472.5 of the Business and Professions Code by charging the Department of Consumer Affairs a fee which shall be paid by the Department of Consumer Affairs with funds appropriated from the Certification Account in the Consumer Affairs Fund. All fees shall be deposited, and held separate from other moneys, in the Motor Vehicle Account in the State Transportation Fund, and shall not be transferred to the State Highway Account pursuant to Section 42273.

(b) The fees shall be available, when appropriated, exclusively to fund the activities of the board. If, at the conclusion of any fiscal year, the amount of fees collected exceeds the amount of expenditures for this purpose during the fiscal year,

the surplus shall be carried over into the succeeding fiscal year.

#### Duties Relating to Section 3016

1. Pursuant to Section 3016, the Board has a duty to charge new motor vehicle dealers and other licensees, under the jurisdiction of the Board, fees sufficient to fully fund the Board's activities other than those conducted pursuant to Section 472.5 of the Business and Professions Code. Establishment of the fee by regulation is a duty of the members of the Board. Ensuring that the fees have been collected in a timely manner is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3016, the Board has the right to recover the direct cost of the activities required by Section 472.5 of the Business and Professions Code by charging the Department of Consumer Affairs a fee. This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3016, the Board has a duty to deposit all fees collected in a separate Motor Vehicle Account in the State Transportation Fund. This is a duty which has been delegated to the staff of the Board.

#### Section 3050. Powers and Duties, Generally

The board shall do all of the following:

(a) Adopt rules and regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code governing those matters that are specifically committed to its jurisdiction.

(b) Consider any matter concerning the activities or practices of any person applying for or holding a license as a new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative pursuant to Chapter 4 (commencing with Section 11700) of Division 5 submitted by any person. A member of the board who is a new motor vehicle dealer may not participate in, hear, comment, advise other members upon, or decide any matter considered by the board pursuant to this subdivision that involves a dispute between a franchisee and franchisor. After that consideration, the board may do any one or any combination of the following:

(1) Direct the department to conduct investigation of matters that the board deems reasonable, and make a written report on the results of the investigation to the board within the time specified by the board.

(2)(A) Undertake to mediate, arbitrate, or otherwise resolve any honest difference of opinion or viewpoint existing between any member of the public and any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative.

(B) The board does not have jurisdiction over a dispute pursuant to this paragraph involving any member of the public, including a consumer or other person who is not applying for or holding a license as a new motor vehicle dealer,

manufacturer, manufacturer branch, distributor, distributor branch, or representative pursuant to Chapter 4 (commencing with Section 11700) of Division 5, unless that person has filed the dispute with the board or consents to jurisdiction by the board.

(3) Order the department to exercise any and all authority or power that the department may have with respect to the issuance, renewal, refusal to renew, suspension, or revocation of the license of any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative as that license is required under Chapter 4 (commencing with Section 11700) of Division 5.

(c) Hear and decide, within the limitations and in accordance with the procedure provided, a protest presented by a franchisee pursuant to Section 3060, 3062, 3064, 3065, 3065.1, 3065.3, 3065.4, 3070, 3072, 3074, 3075, or 3076. A member of the board who is a new motor vehicle dealer may not participate in, hear, comment, advise other members upon, or decide, any matter involving a protest filed pursuant to Article 4 (commencing with Section 3060), unless all parties to the protest stipulate otherwise.

(d) Hear and decide, within the limitations and in accordance with the procedure provided, a protest presented by an association challenging a policy of a manufacturer, manufacturer branch, distributor, or distributor branch pursuant to Section 3085. A member of the board who is a new motor vehicle dealer may not participate in, hear, comment, advise other members upon, or decide, any matter involving a protest filed pursuant to Article 6 (commencing with Section 3085), unless all participants to the protest stipulate otherwise.

(e) Notwithstanding subdivisions (b), (c), and (d), the courts have jurisdiction over all common law and statutory claims originally cognizable in the courts. For those claims, a party may initiate an action directly in any court of competent jurisdiction.

(f) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

#### Duties Relating to Section 3050

1. Pursuant to Section 3050(a), the Board has a duty to adopt rules and regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code governing such matters as are specifically committed to its jurisdiction. This is a duty of the members of the Board.
2. Pursuant to Section 3050(b), the Board has a duty to consider any matter concerning the activities or practices of any person applying for or holding a license pursuant to Chapter 4 (commencing with Section 11700) of Division 5 submitted by any person. This provision contains duties which are retained by the Board as well as duties which have been delegated to staff. The staff is responsible for the administration of petitions filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the



duty of first considering these matters, pursuant to Section 557 of the Board's regulations, as well as rendering the final decision on the merits of the dispute.

3. Pursuant to Section 3050(b), the dealer members of the Board have a duty not to participate in, hear, comment, advise other members upon, or decide any matter considered pursuant to Section 3050(c) that involves a dispute between a franchisee and franchisor. This is a duty of the members of the Board.
4. Pursuant to Section 3050(b)(1), the Board has a right to direct the Department to conduct an investigation of matters that the Board deems reasonable, and make a written report on the results to the Board. This is a duty of the members of the Board.
5. Pursuant to Section 3050(b)(2)(A), the Board has a right to undertake to mediate, arbitrate, or otherwise resolve any honest difference of opinion or viewpoint existing between any member of the public and any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or representative. This is a duty of the members of the Board. This provision contains duties which are retained by the Board as well as duties which have been delegated to staff. The duty to mediate these matters has been delegated to the staff of the Board. The staff also has the responsibility for the administration of petitions filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty of rendering the final decision on the merits of the disputes.
6. Pursuant to Section 3050(b)(2)(B), the Board does not have jurisdiction over a petition involving any member of the public, including a consumer or other person who is not an applicant for or a licensed new motor vehicle dealer, manufacturer, or distributor, unless that person has filed the dispute with the board or consents to jurisdiction by the board. This provision contains duties which are retained by the Board as well as duties which have been delegated to staff. The staff has the responsibility for the administration of petitions filed under this section, including ensuring all non-licensee parties have consented to the Board's jurisdiction, the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty of rendering the final decision on the merits of the dispute.
7. Pursuant to Section 3050(b)(3), the Board has a right to order the Department to exercise any and all authority or power that the Department may have with respect to the issuance, renewal, refusal to renew, suspension, or revocation of the license of any new motor vehicle dealer, manufacturer, manufacturer branch, distributor, distributor branch, or

- representative as that license is required under Chapter 4 (commencing with Section 11700) of Division 5. This is a duty of the members of the Board.
8. Pursuant to Section 3050(c), the Board has a right to hear and decide a protest presented by a franchisee pursuant to Sections 3060, 3062, 3064, 3065, 3065.1, 3065.3, 3065.4, 3070, 3072, 3074, 3075, or 3076. This provision contains duties which are retained by the Board as well as duties which have been delegated to staff. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.
  9. Pursuant to Section 3050(c), the dealer members of the Board have a duty not to participate in, hear, comment, advise other members upon, or decide, any matter involving a protest filed pursuant to Article 4 (commencing with Section 3060), unless all parties to the protest stipulate otherwise. This is a duty of the members of the Board.
  10. Pursuant to Section 3050(d), the Board has a right to hear and decide a protest presented by an association challenging a policy of a manufacturer or distributor pursuant to Section 3085. This provision contains duties which are retained by the Board as well as duties which have been delegated to staff. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.
  11. Pursuant to Section 3050(d), the dealer members of the Board have a duty not to participate in, hear, comment, advise other members upon, or decide, any matter involving a protest filed pursuant to Article 6 (commencing with Section 3085), unless all parties to the protest stipulate otherwise. This is a duty of the members of the Board.
  12. Pursuant to Section 3050(e) notwithstanding Section 3050 subdivisions (b), (c), and (d) above, the courts have jurisdiction over all common law and statutory claims originally cognizable in the courts. The members of the Board have a duty not to require the exhaustion of administrative remedies over all common law and statutory claims originally cognizable in the courts. For those claims, a party may initiate an action directly in any court of competent jurisdiction.

Section 3050.1. Oaths, Depositions, Certification to Official Acts, and Issuance of Subpoenas

- (a) In any proceeding, hearing, or in the discharge of duties imposed under this chapter, the board, its executive director, or an administrative law judge

designated by the board may administer oaths, take depositions, certify to official acts, and issue subpoenas to compel attendance of witnesses and the production of books, records, papers, and other documents in any part of the state.

(b) For purposes of discovery, the board or its executive director may, if deemed appropriate and proper under the circumstances, authorize the parties to engage in the civil action discovery procedures in Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure, excepting the provisions of Chapter 13 (commencing with Section 2030.010) of that title. Discovery shall be completed no later than 15 days prior to the commencement of the proceeding or hearing before the board. This subdivision shall apply only to those proceedings or hearings involving a petition filed pursuant to subdivision (b) of Section 3050 or protest filed pursuant to subdivision (c) or (d) of Section 3050. The board, its executive director, or an administrative law judge designated by the board may issue subpoenas to compel attendance at depositions of persons having knowledge of the acts, omissions, or events that are the basis for the proceedings, as well as the production of books, records, papers, and other documents.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

#### Duties Relating to Section 3050.1

1. Pursuant to Section 3050.1(a), the Board, the Executive Director, or the Board's administrative law judges have the right, in any proceeding, hearing, or in the discharge of any duties imposed under this chapter to (a) administer oaths, (b) take depositions, (c) certify to official acts, (d) issue subpoenas to compel attendance of witnesses, and (e) issue subpoenas duces tecum. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3050.1(b), the Board or the Executive Director have the right to authorize the parties to engage in such discovery procedures as are provided for in civil actions in Title 4 (commencing with Section 2016.010) of the Code of Civil Procedure, excepting the provisions of Chapter 13 (commencing with Section 2030.010) of that title. This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3050.1(b), the Board has the duty to end discovery no later than 15 days prior to the commencement of the proceeding or hearing before the Board. This is a duty which has been delegated to the staff of the Board.
4. Pursuant to Section 3050.1(b), the Board, the Executive Director, or the Board's administrative law judges have the right to (a) issue subpoenas to compel attendance at depositions, and (b) issue subpoenas duces tecum for production at depositions. This is a duty which has been delegated to the staff of the Board.

## Section 3050.2. Enforcement of Subpoenas and Discovery

(a) Obedience to subpoenas issued to compel attendance of witnesses, or the production of books, records, papers, and other documents at the proceeding or hearing, may be enforced by application to the superior court as set forth in Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code.

(b) Compliance with discovery procedures authorized pursuant to subdivision (b) of Section 3050.1 may be enforced by application to the executive director of the board. The executive director may, at the direction of the board, upon a showing of failure to comply with authorized discovery without substantial justification for that failure, dismiss the protest or petition or suspend the proceedings pending compliance. The executive director may, at the direction of the board, upon a failure to comply with authorized discovery without substantial justification for that failure, require payment of costs incurred by the board, as well as attorney's fees and costs of the party who successfully makes or opposes a motion to compel enforcement of discovery. Nothing in this section precludes the executive director from making application to the superior court to enforce obedience to subpoenas or compliance with other discovery procedures authorized pursuant to subdivision (b) of Section 3050.1.

### Duties Relating to Section 3050.2

1. Pursuant to Section 3050.2(b), the Board has a right to decide whether or not to dismiss a protest or petition or suspend proceedings upon a showing of failure to comply with authorized discovery without substantial justification. This is a duty of the members of the Board.
2. Pursuant to Section 3050.2(b), the Board has a duty to direct the Executive Director of the Board to dismiss a protest or petition or suspend the proceedings upon a showing of failure to comply with authorized discovery without substantial justification. This is a duty of the members of the Board.
3. Pursuant to Section 3050.2(b), the Executive Director of the Board has a duty to dismiss a protest or petition or suspend the proceedings upon the direction of the Board. The duty to direct the Executive Director to dismiss or suspend the proceedings has been retained by the Board. The duty to follow the Board's direction in this regard has been delegated to the Executive Director.
4. Pursuant to Section 3050.2(b), the Board has a right to decide whether or not to require payment of costs incurred by the Board, as well as attorney's fees and costs of the party who successfully makes or opposes a motion to compel enforcement of discovery, without substantial justification for that failure. This is a duty of the members of the Board.

5. Pursuant to Section 3050.2(b), the Board has a duty to direct the Executive Director of the Board to require payment of costs incurred by the Board, as well as attorney's fees and costs of the party who successfully makes or opposes a motion to compel enforcement of discovery, without substantial justification for that failure. The duty to direct the Executive Director to require payment of costs incurred by the Board has been retained by the Board. The duty to follow the Board's direction in this regard has been delegated to the Executive Director.
6. Pursuant to Section 3050.2(b), the Executive Director of the Board has the right to make application to the superior court to enforce obedience to subpoenas or compliance with other discovery procedures authorized pursuant to subdivision (b) of Section 3050.1. This is a duty which has been statutorily delegated to the staff of the Board.

#### Section 3050.3. Witness Fees and the Mileage Allowance

A witness, other than an officer or employee of the state or of a political subdivision of the state, who appears by order of the board or its executive director, shall receive for his or her attendance the same fees and the same mileage allowed by law to witnesses in civil cases. The amount shall be paid by the party at whose request the witness is subpoenaed. The mileage and fees, if any, of a witness subpoenaed by the board or its executive director, but not at the request of a party, shall be paid from the funds provided for the use of the board in the same manner that other expenses of the board are paid.

#### Duties Relating to Section 3050.3

1. Pursuant to Section 3050.3, the Board has a duty to pay the mileage and fees of a witness subpoenaed by the Board or the Executive Director of the Board, but not at the request of a party. This is a duty which has been delegated to the staff of the Board.

#### Section 3050.4. Mandatory Settlement Conference

In any protest or petition before the board, the board, its executive director, or an administrative law judge designated by the board or its executive director, may order a mandatory settlement conference. The failure of a party to appear, to be prepared, or to have authority to settle the matter may result in one or more of the following:

(a) The board, its executive director, or an administrative law judge designated by the board or its executive director, may suspend all proceedings before the board in the matter until compliance.

(b) The board, its executive director, or an administrative law judge designated by the board or its executive director, may dismiss the proceedings or any part thereof before the board with or without prejudice.

(c) The board, its executive director, or an administrative law judge designated by the board or its executive director, may require all the board's costs to be paid by the party at fault.

(d) The board, its executive director, or an administrative law judge designated by the board or its executive director, may deem that the party at fault has abandoned the matter.

#### Duties Relating to Section 3050.4

1. Pursuant to Section 3050.4, the Board, the Executive Director, or a Board Administrative Law Judge may order a mandatory settlement conference. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3050.4, the Board, the Executive Director, or a Board Administrative Law Judge has the right to (a) suspend all proceedings before the Board in the matter until compliance, (b) dismiss the proceedings or any part thereof before the Board with or without prejudice, (c) require all the Board's costs to be paid by the party at fault, or (d) deem that the party at fault has abandoned the matter, if any party fails to appear, to be prepared, or to have authority to settle the pending action. This is a duty which has been delegated to the staff of the Board.

#### Section 3050.5. Fees for Appeal, Protest or Petition

Pursuant to Section 3016, the board shall establish a fee for the initial filing by any party in regard to any protest or petition filed pursuant to this chapter.

#### Duties Relating to Section 3050.5

1. Pursuant to Section 3050.5, the Board has a duty to establish a fee for the initial filing by any party in regard to any protest or petition filed pursuant to this chapter. Establishment of the fee by regulation is a duty of the members of the Board. Ensuring that the fees have been collected in a timely manner is a duty which has been delegated to the staff of the Board.

#### Section 3050.6. Cost Assessment

The board or its executive director may, in the event of a granting of a continuance of a scheduled matter, assess costs of the board upon the party receiving the continuance.

#### Duties Relating to Section 3050.6

1. Pursuant to Section 3050.6, the Board or the Executive Director have the right to assess costs of the Board upon a party receiving a continuance of a scheduled matter if the matter is actually continued. This is a duty which has

been delegated to the staff of the Board.

#### Section 3050.7. Stipulated Decisions and Orders

(a) The board may adopt stipulated decisions and orders, without a hearing pursuant to Section 3066, 3080, or 3085.2, to resolve one or more issues raised by a protest or petition filed with the board. Whenever the parties to a protest or petition submit a proposed stipulated decision and order of the board, a copy of the proposed stipulated decision and order shall be transmitted by the executive director of the board to each member of the board. The proposed stipulated decision and order shall be deemed to be adopted by the board unless a member of the board notifies the executive director of the board of an objection thereto within 10 days after that board member has received a copy of the proposed stipulated decision and order.

(b) If the board adopts a stipulated decision and order to resolve a protest filed pursuant to Section 3060 or 3070 in which the parties stipulate that good cause exists for the termination of the franchise of the protestant, and the order provides for a conditional or unconditional termination of the franchise of the protestant, paragraph (2) of subdivision (a) of Section 3060 and paragraph (2) of subdivision (a) of Section 3070, which require a hearing to determine whether good cause exists for termination of the franchise, is inapplicable to the proceedings. If the stipulated decision and order provides for an unconditional termination of the franchise, the franchise may be terminated without further proceedings by the board. If the stipulated decision and order provides for the termination of the franchise, conditioned upon the failure of a party to comply with specified conditions, the franchise may be terminated upon a determination, according to the terms of the stipulated decision and order, that the conditions have not been met. If the stipulated decision and order provides for the termination of the franchise conditioned upon the occurrence of specified conditions, the franchise may be terminated upon a determination, according to the terms of the stipulated decision and order, that the stipulated conditions have occurred.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

#### Duties Relating to Section 3050.7

1. Pursuant to Section 3050.7(a), when the parties to a protest or petition submit a proposed stipulated decision and order of the Board, the Executive Director has a duty to transmit a copy of the proposed stipulated decision and order to each Board member.
2. Pursuant to Section 3050.7(b), upon request by a party to a stipulation, if the stipulated decision and order provides for the termination of the franchise, conditioned upon the failure of a party to comply with specified conditions, or the occurrence of specified conditions, the Board has a duty to determine whether or not the terms and conditions have been met. This duty has been

delegated to the staff of the Board to the extent that the provisions of the stipulated decision and order delegate the duty to make such determination to specified individuals.

#### Section 3060. Termination of Franchise

(a) Notwithstanding Section 20999.1 of the Business and Professions Code or the terms of any franchise, no franchisor shall terminate or refuse to continue any existing franchise unless all of the following conditions are met:

(1) The franchisee and the board have received written notice from the franchisor as follows:

(A) Sixty days before the effective date thereof setting forth the specific grounds for termination or refusal to continue.

(B) Fifteen days before the effective date thereof setting forth the specific grounds with respect to any of the following:

(i) Transfer of any ownership or interest in the franchise without the consent of the franchisor, which consent shall not be unreasonably withheld.

(ii) Misrepresentation by the franchisee in applying for the franchise.

(iii) Insolvency of the franchisee, or filing of any petition by or against the franchisee under any bankruptcy or receivership law.

(iv) Any unfair business practice after written warning thereof.

(v) Failure of the motor vehicle dealer to conduct its customary sales and service operations during its customary hours of business for seven consecutive business days, giving rise to a good faith belief on the part of the franchisor that the motor vehicle dealer is in fact going out of business, except for circumstances beyond the direct control of the motor vehicle dealer or by order of the department.

(C) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, one of the following statements, whichever is applicable:

(To be inserted when a 60-day notice of termination is given.)

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the termination of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 30 calendar days after receiving this notice or within 30 days after the end of any appeal procedure provided by the franchisor or your protest right will be waived."

(To be inserted when a 15-day notice of termination is given.)

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the termination of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 10 calendar days after receiving this notice or within 10 days after the end of any appeal procedure provided by the franchisor or your protest right will be waived."

(2) Except as provided in Section 3050.7, the board finds that there is good cause for termination or refusal to continue, following a hearing called pursuant to Section 3066. The franchisee may file a protest with the board within 30 days after



receiving a 60-day notice, satisfying the requirements of this section, or within 30 days after the end of any appeal procedure provided by the franchisor, or within 10 days after receiving a 15-day notice, satisfying the requirements of this section, or within 10 days after the end of any appeal procedure provided by the franchisor. When a protest is filed, the board shall advise the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not terminate or refuse to continue until the board makes its findings.

(3) The franchisor has received the written consent of the franchisee, or the appropriate period for filing a protest has elapsed.

(b)(1) Notwithstanding Section 20999.1 of the Business and Professions code or the terms of any franchise, no franchisor shall modify or replace a franchise with a succeeding franchise if the modification or replacement would substantially affect the franchisee's sales or service obligations or investment, unless the franchisor has first given the board and each affected franchisee written notice thereof at least 60 days in advance of the modification or replacement. Within 30 days of receipt of the notice, satisfying the requirements of this section, or within 30 days after the end of any appeal procedure provided by the franchisor, a franchisee may file a protest with the board and the modification or replacement does not become effective until there is a finding by the board that there is good cause for the modification or replacement. If, however, a replacement franchise is the successor franchise to an expiring or expired term franchise, the prior franchise shall continue in effect until resolution of the protest by the board. In the event of multiple protests, hearings shall be consolidated to expedite the disposition of the issue.

(2) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, the following statement:

"NOTICE TO DEALER: Your franchise agreement is being modified or replaced. If the modification or replacement will substantially affect your sales or service obligations or investment, you have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the proposed modification or replacement of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 30 calendar days of your receipt of this notice or within 30 days after the end of any appeal procedure provided by the franchisor or your protest rights will be waived."

#### Duties Relating to Section 3060

1. Pursuant to Section 3060(a)(1) and (b)(1), the Board has a duty to receive written notice from the franchisor in accordance with Section 3060. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3060(a)(2), the Board has a duty to advise the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not terminate or refuse to continue until the Board makes its findings. This is a duty which has been delegated to the staff of the Board.

### Section 3061. Good Cause

In determining whether good cause has been established for modifying, replacing, terminating, or refusing to continue a franchise, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

- (a) Amount of business transacted by the franchisee, as compared to the business available to the franchisee.
- (b) Investment necessarily made and obligations incurred by the franchisee to perform its part of the franchise.
- (c) Permanency of the investment.
- (d) Whether it is injurious or beneficial to the public welfare for the franchise to be modified or replaced or the business of the franchisee disrupted.
- (e) Whether the franchisee has adequate motor vehicle sales and service facilities, equipment, vehicle parts, and qualified service personnel to reasonably provide for the needs of the consumers for the motor vehicles handled by the franchisee and has been and is rendering adequate services to the public.
- (f) Whether the franchisee fails to fulfill the warranty obligations of the franchisor to be performed by the franchisee.
- (g) Extent of franchisee's failure to comply with the terms of the franchise.

### Duties Relating to Section 3061

1. Pursuant to Section 3061, the Board has a duty, in determining whether good cause has been established for modifying, replacing, terminating, or refusing to continue a franchise, to take into consideration the existing circumstances, including, but not limited to, all of the following subsections delineated in Section 3061 (a) through (g). The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

### Section 3062. Establishing or Relocating Dealerships

(a)(1) Except as otherwise provided in subdivision (b), if a franchisor seeks to enter into a franchise establishing an additional motor vehicle dealership, or seeks to relocate an existing motor vehicle dealership, that has a relevant market area within which the same line-make is then represented, the franchisor shall, in writing, first notify the board and each franchisee in that line-make in the relevant market area of the franchisor's intention to establish an additional dealership or to relocate an existing dealership. Within 20 days of receiving the notice, satisfying the requirements of this section, or within 20 days after the end of an appeal procedure provided by the franchisor, a franchisee required to be given the notice may file with the board a protest to the proposed dealership establishment or relocation described in the franchisor's notice. If, within this time, a franchisee files with the board a

request for additional time to file a protest, the board or its executive director, upon a showing of good cause, may grant an additional 10 days to file the protest. When a protest is filed, the board shall inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not establish the proposed dealership or relocate the existing dealership until the board has held a hearing as provided in Section 3066, nor thereafter, if the board has determined that there is good cause for not permitting the establishment of the proposed dealership or relocation of the existing dealership. In the event of multiple protests, hearings may be consolidated to expedite the disposition of the issue.

(2) If a franchisor seeks to enter into a franchise that authorizes a satellite warranty facility to be established at, or relocated to, a proposed location that is within two miles of a dealership of the same line-make, the franchisor shall first give notice in writing of the franchisor's intention to establish or relocate a satellite warranty facility at the proposed location to the board and each franchisee operating a dealership of the same line-make within two miles of the proposed location. Within 20 days of receiving the notice satisfying the requirements of this section, or within 20 days after the end of an appeal procedure provided by the franchisor, a franchisee required to be given the notice may file with the board a protest to the establishing or relocating of the satellite warranty facility. If, within this time, a franchisee files with the board a request for additional time to file a protest, the board or its executive director, upon a showing of good cause, may grant an additional 10 days to file the protest. When a protest is filed, the board shall inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not establish or relocate the proposed satellite warranty facility until the board has held a hearing as provided in Section 3066, nor thereafter, if the board has determined that there is good cause for not permitting the satellite warranty facility. In the event of multiple protests, hearings may be consolidated to expedite the disposition of the issue.

(3) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, the following statement:

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing on your protest under the terms of the California Vehicle Code if you oppose this action. You must file your protest with the board within 20 days of your receipt of this notice, or within 20 days after the end of any appeal procedure that is provided by us to you. If within this time you file with the board a request for additional time to file a protest, the board or its executive director, upon a showing of good cause, may grant you an additional 10 days to file the protest."

(b) Subdivision (a) does not apply to either of the following:

(1) The relocation of an existing dealership to any location that is both within the same city as, and within one mile from, the existing dealership location.

(2) The establishment at a location that is both within the same city as, and within one-quarter mile from, the location of a dealership of the same line-make that has been out of operation for less than 90 days.

(c) Subdivision (a) does not apply to a display of vehicles at a fair, exposition, or similar exhibit if actual sales are not made at the event and the display does not exceed 30 days. This subdivision may not be construed to prohibit a new vehicle dealer from establishing a branch office for the purpose of selling vehicles at the fair, exposition, or similar exhibit, even though the event is sponsored by a financial institution, as defined in Section 31041 of the Financial Code or by a financial institution and a licensed dealer. The establishment of these branch offices, however, shall be in accordance with subdivision (a) where applicable.

(d) For the purposes of this section, the reopening of a dealership that has not been in operation for one year or more shall be deemed the establishment of an additional motor vehicle dealership.

(e) As used in this section, the following definitions apply:

(1) "Motor vehicle dealership" or "dealership" means an authorized facility at which a franchisee offers for sale or lease, displays for sale or lease, or sells or leases new motor vehicles.

(2) "Satellite warranty facility" means a facility operated by a franchisee where authorized warranty repairs and service are performed and the offer for sale or lease, the display for sale or lease, or the sale or lease of new motor vehicles is not authorized to take place.

#### Duties Relating to Section 3062

1. Pursuant to Section 3062(a)(1), the Board has a duty to receive written notice from the franchisor in accordance with Section 3062(a)(1). This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3062(a)(1), the Board or the Executive Director has the right to grant an additional 10 days to file a protest, upon receipt of a request for additional time, and upon a showing of good cause. This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3062(a)(1), the Board has the duty to inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not establish or relocate the proposed dealership until the Board has held a hearing as provided in Section 3066, nor thereafter, if the Board has determined that there is good cause for not permitting the dealership. This is a duty which has been delegated to the staff of the Board.
4. Pursuant to Section 3062(a)(2), the Board has a duty to receive written notice from the franchisor in accordance with Section 3062(a)(2). This is a duty which has been delegated to the staff of the Board.
5. Pursuant to Section 3062(a)(2), the Board or the Executive Director has the right to grant an additional 10 days to file a protest, upon receipt of a request for additional time, and upon a showing of good cause. This is a duty which

has been delegated to the staff of the Board.

6. Pursuant to Section 3062(a)(2), the Board has the duty to inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3066, and that the franchisor may not establish or relocate the proposed satellite warranty facility until the Board has held a hearing as provided in Section 3066, nor thereafter, if the Board has determined that there is good cause for not permitting the satellite warranty facility. This is a duty which has been delegated to the staff of the Board.

#### Section 3063. Good Cause

In determining whether good cause has been established for not entering into a franchise or relocating an existing dealership of the same line-make, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

- (a) Permanency of the investment.
- (b) Effect on the retail motor vehicle business and the consuming public in the relevant market area.
- (c) Whether it is injurious to the public welfare for an additional franchise to be established or an existing dealership to be relocated.
- (d) Whether the franchisees of the same line-make in the relevant market area are providing adequate competition and convenient consumer care for the motor vehicles of the line-make in the market area which shall include the adequacy of motor vehicle sales and service facilities, equipment, supply of vehicle parts, and qualified service personnel.
- (e) Whether the establishment of an additional franchise would increase competition and therefore be in the public interest.
- (f) For purposes of this section, the terms “motor vehicle dealership” and “dealership” shall have the same meaning as defined in Section 3062.

#### Duties Relating to Section 3063

1. Pursuant to Section 3063, the Board has the duty, in determining whether good cause has been established for not entering into a franchise or relocating an existing dealership of the same line-make, to take into consideration the existing circumstances, including, but not limited to, all of the following subsections delineated in Section 3063 (a) through (e). The staff is responsible for the administration of the protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3064. Delivery and Preparation Obligations

- (a) Every franchisor shall specify to its franchisees the delivery and

preparation obligations of the franchisees prior to delivery of new motor vehicles to retail buyers. A copy of the delivery and preparation obligations, which shall constitute the franchisee's only responsibility for product liability between the franchisee and the franchisor but shall not in any way affect the franchisee's responsibility for product liability between the purchaser and either the franchisee or the franchisor, and a schedule of compensation to be paid franchisees for the work and services they shall be required to perform in connection with those delivery and preparation obligations shall be filed with the board by franchisors, and shall constitute the compensation as set forth on the schedule. The schedule of compensation shall be reasonable, with the reasonableness thereof being subject to the approval of the board, if a franchisee files a notice of protest with the board. In determining the reasonableness of the schedules, the board shall consider all relevant circumstances, including, but not limited to, the time required to perform each function that the dealer is obligated to perform and the appropriate labor rate.

(b) Upon delivery of the vehicle, the franchisee shall give a copy of the delivery and preparation obligations to the purchaser and a written certification that the franchisee has fulfilled these obligations.

#### Duties Relating to Section 3064

1. Pursuant to Section 3064(a), the Board has a duty to receive a copy of the delivery and preparation obligations, and a schedule of compensation to be paid franchisees for the work and services they shall be required to perform in connection with such delivery and preparation obligations. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3064(a), if a franchisee files a notice of protest with the Board, the Board has a duty to determine the reasonableness of the schedule of compensation. This is a duty of the members of the Board.
3. Pursuant to Section 3064(a), in determining the reasonableness of the schedules, the Board has a duty to consider all relevant circumstances, including, but not limited to, the time required to perform each function that the dealer is obligated to perform and the appropriate labor rate. This is a duty of the members of the Board.
4. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3065. Warranty Reimbursement

(a) Every franchisor shall properly fulfill every warranty agreement made by it and adequately and fairly compensate each of its franchisees for labor and parts used to satisfy the warranty obligations of the franchisor, including, but not limited to,

diagnostics, repair, and servicing and shall file a copy of its warranty reimbursement schedule with the board. The warranty reimbursement schedule shall be reasonable with respect to the time and compensation allowed to the franchisee for the warranty diagnostics, repair, servicing, and all other conditions of the obligation, including costs directly associated with the disposal of hazardous materials that are associated with a warranty repair.

(1) The franchisor shall use time allowances for the diagnosis and performance of work and service that are reasonable and adequate for a qualified technician to perform the work or services. A franchisor shall not unreasonably deny a written request submitted by a franchisee for modification of a franchisor's uniform time allowance for a specific warranty repair, or a request submitted by a franchisee for an additional time allowance for either diagnostic or repair work on a specific vehicle covered under warranty, provided the request includes any information and documentation reasonably required by the franchisor to assess the merits of the franchisee's request.

(2) A franchisor shall not replace, modify, or supplement the warranty reimbursement schedule to impose a fixed percentage or other reduction in the time or compensation allowed to the franchisee for warranty repairs not attributable to a specific repair. A franchisor may reduce the allowed time or compensation applicable to a specific warranty repair only upon 15 days' prior written notice to the franchisee.

(3) Any protest challenging a reduction in time or compensation applicable to specific parts or labor operations shall be filed within six months following the franchisee's receipt of notice of the reduction, and the franchisor shall have the burden of establishing the reasonableness of the reduction and adequacy and fairness of the resulting reduction in time or compensation.

(b) In determining what constitutes a reasonable warranty reimbursement schedule under this section, a franchisor shall compensate each of its franchisees for parts and labor at rates equal to the franchisee's retail labor rate and retail parts rate, as established pursuant to Section 3065.2. Nothing in this subdivision prohibits a franchisee and a franchisor from entering into a voluntary written agreement signed by both parties that compensates for labor and parts used to satisfy the warranty obligations of the franchisor at rates other than the franchisee's retail rates, provided that the warranty reimbursement schedule adequately and fairly compensates the franchisee.

(c) If any franchisor disallows a franchisee's claim for a defective part, alleging that the part, in fact, is not defective, the franchisor shall return the part alleged not to be defective to the franchisee at the expense of the franchisor, or the franchisee shall be reimbursed for the franchisee's cost of the part, at the franchisor's option.

(d)(1) All claims made by franchisees pursuant to this section shall be either approved or disapproved within 30 days after their receipt by the franchisor. Any claim not specifically disapproved in writing within 30 days from receipt by the franchisor shall be deemed approved on the 30th day. All claims made by franchisees under this section and Section 3064 for labor and parts shall be paid within 30 days after approval.

(2) A franchisor shall not disapprove a claim unless the claim is false or fraudulent, repairs were not properly made, repairs were inappropriate to correct a nonconformity with the written warranty due to an improper act or omission of the franchisee, or for material noncompliance with reasonable and nondiscriminatory documentation and administrative claims submission requirements.

(3) When any claim is disapproved, the franchisee who submits it shall be notified in writing of its disapproval within the required period, and each notice shall state the specific grounds upon which the disapproval is based. The franchisor shall provide for a reasonable appeal process allowing the franchisee at least 30 days after receipt of the written disapproval notice to provide additional supporting documentation or information rebutting the disapproval. If disapproval is based upon noncompliance with documentation or administrative claims submission requirements, the franchisor shall allow the franchisee at least 30 days from the date of receipt of the notice to cure any material noncompliance. If the disapproval is rebutted, and material noncompliance is cured before the applicable deadline, the franchisor shall approve the claim.

(4) If the franchisee provides additional supporting documentation or information purporting to rebut the disapproval, attempts to cure noncompliance relating to the claim, or otherwise appeals denial of the claim and the franchisor continues to deny the claim, the franchisor shall provide the franchisee with a written notification of the final denial within 30 days of completion of the appeal process, which shall conspicuously state "Final Denial" on the first page.

(5) Failure to approve or pay within the above specified time limits, in individual instances for reasons beyond the reasonable control of the franchisor, shall not constitute a violation of this article.

(6) Within six months after either receipt of the written notice described in paragraph (3) or (4), whichever is later, a franchisee may file a protest with the board for determination of whether the franchisor complied with the requirements of this subdivision. In any protest pursuant to this subdivision, the franchisor shall have the burden of proof.

(e)(1) Audits of franchisee warranty records may be conducted by the franchisor on a reasonable basis for a period of nine months after a claim is paid or credit issued. A franchisor shall not select a franchisee for an audit, or perform an audit, in a punitive, retaliatory, or unfairly discriminatory manner. A franchisor may conduct no more than one random audit of a franchisee in a nine-month period. The franchisor's notification to the franchisee of any additional audit within a nine-month period shall be accompanied by written disclosure of the basis for that additional audit.

(2) Previously approved claims shall not be disapproved or charged back to the franchisee unless the claim is false or fraudulent, repairs were not properly made, repairs were inappropriate to correct a nonconformity with the written warranty due to an improper act or omission of the franchisee, or for material noncompliance with reasonable and nondiscriminatory documentation and administrative claims submission requirements. A franchisor shall not disapprove or chargeback a claim based upon an extrapolation from a sample of claims, unless



the sample of claims is selected randomly and the extrapolation is performed in a reasonable and statistically valid manner.

(3) If the franchisor disapproves of a previously approved claim following an audit, the franchisor shall provide to the franchisee, within 30 days after the audit, a written disapproval notice stating the specific grounds upon which the claim is disapproved. The franchisor shall provide a reasonable appeal process allowing the franchisee a reasonable period of not less than 30 days after receipt of the written disapproval notice to respond to any disapproval with additional supporting documentation or information rebutting the disapproval and to cure noncompliance, with the period to be commensurate with the volume of claims under consideration. If the franchisee rebuts any disapproval and cures any material noncompliance relating to a claim before the applicable deadline, the franchisor shall not chargeback the franchisee for that claim.

(4) If the franchisee provides additional supporting documentation or information purporting to rebut the disapproval, attempts to cure noncompliance relating to the claim, or otherwise appeals denial of the claim and the franchisor continues to deny the claim, the franchisor shall provide the franchisee with a written notification of the final denial within 30 days of completion of the appeal process, which shall conspicuously state "Final Denial" on the first page.

(5) The franchisor shall not chargeback the franchisee until 45 days after receipt of the written notice described in paragraph (3) or paragraph (4), whichever is later. Any chargeback to a franchisee for warranty parts or service compensation shall be made within 90 days of receipt of that written notice. If the franchisee files a protest pursuant to this subdivision prior to the franchisor's chargeback for denied claims, the franchisor shall not offset or otherwise undertake to collect the chargeback until the board issues a final order on the protest. If the board sustains the chargeback or the protest is dismissed, the franchisor shall have 90 days following issuance of the final order or the dismissal to make the chargeback, unless otherwise provided in a settlement agreement.

(6) Within six months after either receipt of the written disapproval notice or completion of the franchisor's appeal process, whichever is later, a franchisee may file a protest with the board for determination of whether the franchisor complied with this subdivision. In any protest pursuant to this subdivision, the franchisor shall have the burden of proof.

(f) If a false claim was submitted by a franchisee with the intent to defraud the franchisor, a longer period for audit and any resulting chargeback may be permitted if the franchisor obtains an order from the board.

#### Duties Relating to Section 3065

1. Pursuant to Section 3065(a), the Board has a duty to receive a copy of a franchisor's warranty reimbursement schedule. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3065(a)(3), if a protest challenging a reduction in time or compensation applicable to specific parts or labor operations is filed with the

Board, the Board has a duty to determine the reasonableness of the reduction and adequacy and fairness of the resulting reduction in time or compensation. This is a duty for the members of the Board.

3. Pursuant to Section 3065(d)(3), if a protest challenging the initial disapproval of a warranty claim is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065(d). This is a duty for the members of the Board.
4. Pursuant to Section 3065(d)(4), if a protest challenging the final denial of a warranty claim following the franchisor's appeal process is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065(d). This is a duty for the members of the Board.
5. Pursuant to Section 3065(e)(3), if a protest challenging the warranty claim disapproval of a previously approved claim following an audit is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065(e). This is a duty for the members of the Board.
6. Pursuant to Section 3065(e)(4), if a protest challenging the final denial of a warranty claim following an audit following the franchisor's appeal process is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065(e). This is a duty for the members of the Board.
7. Pursuant to Section 3065(f), the Board has a duty to receive filings relating to a request for an order in accordance with Section 3065(f). This is a duty which has been delegated to the staff of the Board.
8. Pursuant to Section 3065(f), the Board has the duty to review any request for an extension of time to conduct the warranty audit. This duty is for the members of the Board.
9. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3065.1. Franchisor Incentive Program

(a) All claims made by a franchisee for payment under the terms of a franchisor incentive program shall be either approved or disapproved within 30 days after receipt by the franchisor. When any claim is disapproved, the franchisee who submits it shall be notified in writing of its disapproval within the required period, and

each notice shall state the specific grounds upon which the disapproval is based. Any claim not specifically disapproved in writing within 30 days from receipt shall be deemed approved on the 30th day. Franchisee claims for incentive program compensation shall not be disapproved unless the claim is false or fraudulent, the claim is ineligible under the terms of the incentive program as previously communicated to the franchisee, or for material noncompliance with reasonable and nondiscriminatory documentation and administrative claims submission requirements.

(b) Franchisee claims for incentive program compensation shall not be disapproved unless the claim is false or fraudulent, the claim is ineligible under the terms of the incentive program as previously communicated to the franchisee, or for material noncompliance with reasonable and nondiscriminatory documentation and administrative claims submission requirements.

(c) The franchisor shall provide for a reasonable appeal process allowing the franchisee at least 30 days after receipt of the written disapproval notice to respond to any disapproval with additional supporting documentation or information rebutting the disapproval. If disapproval is based upon noncompliance with documentation or administrative claims submission requirements, the franchisor shall allow the franchisee at least 30 days from the date of receipt of the written disapproval notice to cure any material noncompliance. If the disapproval is rebutted, and material noncompliance is cured before the applicable deadline, the franchisor shall approve the claim.

(d) If the franchisee provides additional supporting documentation or information purporting to rebut the disapproval, attempts to cure noncompliance relating to the claim, or otherwise appeals denial of the claim, and the franchisor continues to deny the claim, the franchisor shall provide the franchisee with a written notification of the final denial within 30 days of completion of the appeal process, which shall conspicuously state "Final Denial" on the first page.

(e) Following the disapproval of a claim, a franchisee shall have six months from receipt of the written notice described in either subdivision (a) or (d), whichever is later, to file a protest with the board for determination of whether the franchisor complied with subdivisions (a), (b), (c), and (d). In any hearing pursuant to this subdivision or subdivision (a), (b), (c), or (d), the franchisor shall have the burden of proof.

(f) All claims made by franchisees under this section shall be paid within 30 days following approval. Failure to approve or pay within the above specified time limits, in individual instances for reasons beyond the reasonable control of the franchisor, do not constitute a violation of this article.

(g)(1) Audits of franchisee incentive records may be conducted by the franchisor on a reasonable basis, and for a period of nine months after a claim is paid or credit issued. A franchisor shall not select a franchisee for an audit, or perform an audit, in a punitive, retaliatory, or unfairly discriminatory manner. A franchisor may conduct no more than one random audit of a franchisee in a nine-month period. The franchisor's notification to the franchisee of any additional audit within a nine-month period shall be accompanied by written disclosure of the basis for that additional audit.

(2) Previously approved claims shall not be disapproved and charged back unless the claim is false or fraudulent, the claim is ineligible under the terms of the incentive program as previously communicated to the franchisee, or for material noncompliance with reasonable and nondiscriminatory documentation and administrative claims submission requirements. A franchisor shall not disapprove a claim or chargeback a claim based upon an extrapolation from a sample of claims, unless the sample of claims is selected randomly and the extrapolation is performed in a reasonable and statistically valid manner.

(3) If the franchisor disapproves of a previously approved claim following an audit, the franchisor shall provide to the franchisee, within 30 days after the audit, a written disapproval notice stating the specific grounds upon which the claim is disapproved. The franchisor shall provide a reasonable appeal process allowing the franchisee a reasonable period of not less than 30 days after receipt of the written disapproval notice to respond to any disapproval with additional supporting documentation or information rebutting the disapproval and to cure any material noncompliance, with the period to be commensurate with the volume of claims under consideration. If the franchisee rebuts any disapproval and cures any material noncompliance relating to a claim before the applicable deadline, the franchisor shall not chargeback the franchisee for that claim.

(4) If the franchisee provides additional supporting documentation or information purporting to rebut the disapproval, attempts to cure noncompliance relating to the claim, or otherwise appeals denial of the claim, and the franchisor continues to deny the claim, the franchisor shall provide the franchisee with a written notification of the final denial within 30 days of completion of the appeal process, which shall conspicuously state "Final Denial" on the first page.

(5) The franchisor shall not chargeback the franchisee until 45 days after the franchisee receives the written notice described in paragraph (3) or (4), whichever is later. If the franchisee cures any material noncompliance relating to a claim, the franchisor shall not chargeback the dealer for that claim. Any chargeback to a franchisee for incentive program compensation shall be made within 90 days after the franchisee receives that written notice. If the board sustains the chargeback or the protest is dismissed, the franchisor shall have 90 days following issuance of the final order or the dismissal to make the chargeback, unless otherwise provided in a settlement agreement.

(6) Within six months after either receipt of the written notice described in paragraph (3) or (4), a franchisee may file a protest with the board for determination of whether the franchisor complied with this subdivision. If the franchisee files a protest pursuant to this subdivision prior to the franchisor's chargeback for denied claims, the franchisor shall not offset or otherwise undertake to collect the chargeback until the board issues a final order on the protest. In any protest pursuant to this subdivision, the franchisor shall have the burden of proof.

(h) If a false claim was submitted by a franchisee with the intent to defraud the franchisor, a longer period for audit and any resulting chargeback may be permitted if the franchisor obtains an order from the board.

### Duties Relating to Section 3065.1

1. Pursuant to Section 3065.1(a), if a protest challenging the initial disapproval of a franchisor incentive program claim is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065.1(a)-(d). This is a duty for the members of the Board.
2. Pursuant to Section 3065.1(d), if a protest challenging the final denial of a franchisor incentive program claim following the franchisor's appeal process is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065.1(a)-(d). This is a duty for the members of the Board.
3. Pursuant to Section 3065.1(g)(3), if a protest challenging franchisor incentive program claim disapproval of a previously approved claim following an audit is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065.1(g). This is a duty for the members of the Board.
4. Pursuant to Section 3065.1(g)(4), if a protest challenging the final denial of a franchisor incentive program claim following an audit following the franchisor's appeal process is filed with the Board, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065.1(g). This is a duty for the members of the Board.
5. Pursuant to Section 3065.1(h), the Board has a duty to receive filings relating to a request for an order in accordance with Section 3065.1(h). This is a duty which has been delegated to the staff of the Board.
6. Pursuant to Section 3065.1(h), the Board has the duty to review any request for an extension of time to conduct the franchisor incentive program audit. This duty is for the members of the Board.
7. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

### Section 3065.3. Limitations on certain franchisor actions inconsistent with existing standards; Competition with dealer

(a) No franchisor shall establish or maintain a performance standard, sales objective, or program for measuring a dealer's sales, service, or customer service performance that is inconsistent with the standards set forth in subdivision (g) of Section 11713.13.

(b) No franchisor shall allocate vehicles or parts in a manner inconsistent with the standards set forth in subdivision (a) of Section 11713.3.

(c) No franchisor shall impose a facility or equipment policy inconsistent with the standards set forth in subdivision (a), (b), (c), or (k) of Section 11713.13.

(d) No franchisor shall compete with a dealer in violation of subdivision (o) of Section 11713.3.

(e) A franchisee may file a protest with the board for determination of whether a franchisor has complied with this section and in that proceeding the franchisor shall have the burden of proof.

#### Duties Relating to Section 3065.3

1. If a protest is filed pursuant to Section 3065.3, the Board has a duty to determine whether the franchisor complied with the requirements of Section 3065.3. This is a duty for the members of the Board.
2. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3065.4. Filing a protest with board for declaration of franchisee's retail labor rate or retail parts rate; Judicial review

(a) If a franchisor fails to comply with Section 3065.2, or if a franchisee disputes the franchisor's proposed adjusted retail labor rate or retail parts rate, the franchisee may file a protest with the board for a declaration of the franchisee's retail labor rate or retail parts rate. In any protest under this section, the franchisor shall have the burden of proof that it complied with Section 3065.2 and that the franchisee's determination of the retail labor rate or retail parts rate is materially inaccurate or fraudulent.

(b) Upon a decision by the board pursuant to subdivision (a), the board may determine the difference between the amount the franchisee has actually received from the franchisor for fulfilled warranty obligations and the amount that the franchisee would have received if the franchisor had compensated the franchisee at the retail labor rate and retail parts rate as determined in accordance with Section 3065.2 for a period beginning 30 days after receipt of the franchisee's initial submission under subdivision (a) of Section 3065.2. The franchisee may submit a request to the franchisor to calculate the unpaid warranty reimbursement compensation and the franchisor shall provide this calculation to the franchisee within 30 days after receipt of the request. The request for the calculation will also be deemed a request for payment of the unpaid warranty reimbursement compensation.

(c) If the franchisor fails to make full payment within 30 days after the franchisee submits a request for payment, the franchisee may file an action in superior court for injunctive and other appropriate relief to enforce the determination or order of the board. The franchisee may also recover in superior court its actual

reasonable expenses in bringing and maintaining an enforcement action in superior court.

(d) Either the franchisor or the franchisee may seek judicial review of the board's determination pursuant to Section 3068

#### Duties Relating to Section 3065.4

1. A franchisee may file a protest pursuant to Section 3065.4(a) seeking a declaration of the franchisee's retail labor rate or retail parts rate. This is a duty for the members of the Board.
2. Pursuant to Section 3065.4(b), upon a decision by the Board pursuant to subdivision (a), the Board may determine the difference between the amount the franchisee has actually received from the franchisor for fulfilled warranty obligations and the amount that the franchisee would have received if the franchisor had compensated the franchisee at the retail labor rate and retail parts rate as determined in accordance with Section 3065.2 for a period beginning 30 days after receipt of the franchisee's initial submission under subdivision (a) of Section 3065.2. This is a duty for the members of the Board.
3. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3066. Hearings on Protests

(a) Upon receiving a protest pursuant to Section 3060, 3062, 3064, 3065, 3065.1, 3065.3, or 3065.4 the board shall fix a time within 60 days of the order, and place of hearing, and shall send by certified mail a copy of the order to the franchisor, the protesting franchisee, and all individuals and groups that have requested notification by the board of protests and decisions of the board. Except in a case involving a franchisee who deals exclusively in motorcycles, the board or its executive director may, upon a showing of good cause, accelerate or postpone the date initially established for a hearing, but the hearing shall not be rescheduled more than 90 days after the board's initial order. For the purpose of accelerating or postponing a hearing date, "good cause" includes, but is not limited to, the effects upon, and any irreparable harm to, the parties or interested persons or groups if the request for a change in hearing date is not granted. The board or an administrative law judge designated by the board shall hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups, and the board shall make its decision solely on the record so made. Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code and Sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517 of the Government Code apply to these

proceedings.

(b) In a hearing on a protest filed pursuant to Section 3060 or 3062, the franchisor shall have the burden of proof to establish that there is good cause to modify, replace, terminate, or refuse to continue a franchise. The franchisee shall have the burden of proof to establish that there is good cause not to enter into a franchise establishing an additional motor vehicle dealership or relocating an existing motor vehicle dealership.

(c) Except as otherwise provided in this chapter, in a hearing on a protest alleging a violation of, or filed pursuant to, Section 3064, 3065, or 3065.1, the franchisee shall have the burden of proof, but the franchisor has the burden of proof to establish that a franchisee acted with intent to defraud the franchisor when the issue is material to a protest filed pursuant to Section 3065 or 3065.1.

(d) In a hearing on a protest filed pursuant to Section 3065.3, the franchisor shall have the burden of proof to establish that the franchisor complied with subdivision (g) of Section 11713.13.

(e) In a hearing on a protest filed pursuant to Section 3065.4, the franchisor shall have the burden of proof to establish that the franchisor complied with Section 3065.2 and that the franchisee's determination of the retail labor rate or retail parts rate is materially inaccurate or fraudulent.

(f) A member of the board who is a new motor vehicle dealer may not participate in, hear, comment, or advise other members upon, or decide, a matter involving a protest filed pursuant to this article unless all parties to the protest stipulate otherwise.

#### Duties Relating to Section 3066

1. Pursuant to Section 3066(a), the Board has a duty, upon receiving a protest pursuant to Sections 3060, 3062, 3064, 3065, 3065.1, 3065.3, or 3065.4, to fix a time within 60 days of the order, and place of hearing, and shall send by certified mail a copy of the order to the franchisor, the protesting franchisee, and all individuals and groups that have requested notification by the Board of protests and decisions of the Board. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3066(a), the Board, upon a showing of good cause, has the right to accelerate or postpone the date initially established for a hearing, but in no event shall the hearing be rescheduled more than 90 days after the Board's initial order. This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3066(a), except in any case involving a franchisee who deals exclusively in motorcycles, the Board or its Executive Director, upon a showing of good cause, has the right to accelerate or postpone the date initially established for a hearing, but the hearing shall not be rescheduled more than 90 days after the Board's initial order. This is a duty which has been delegated to the staff of the Board.



4. Pursuant to Section 3066(a), the Board or an administrative law judge of the Board has a duty to hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups in accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty which has been delegated to the staff of the Board.
5. Pursuant to Section 3066(a), the Board has the duty to make its decision solely on the record established at a hearing conducted in accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty of the members of the Board.
6. Pursuant to Section 3066(f), unless all parties to the protest stipulate otherwise, a new motor vehicle dealer member may not participate in, hear, comment, or advise other members upon, or decide, a matter involving a protest filed pursuant to Article 4. This is a duty of the dealer members of the Board. The staff of the Board is delegated with the duty of determining whether or not the parties to an Article 4 protest want to stipulate to allow dealer Board member participation.

#### Section 3067. Decision

(a) The decision of the board shall be in writing and shall contain findings of fact and a determination of the issues presented. The decision shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. Conditions imposed by the board shall be for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the purposes of this article. If the board fails to act within 30 days after the hearing, within 30 days after the board receives a proposed decision when the case is heard before an administrative law judge alone, or within a period necessitated by Section 11517 of the Government Code, or as may be mutually agreed upon by the parties, then the proposed action shall be deemed to be approved. Copies of the board's decision shall be delivered to the parties personally or sent to them by certified mail, as well as to all individuals and groups that have requested notification by the board of protests and decisions by the board. The board's decision shall be final upon its delivery or mailing and a reconsideration or rehearing is not permitted.

(b) Notwithstanding subdivision (c) of Section 11517 of the Government Code, if a protest is heard by an administrative law judge alone, 10 days after receipt by the board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the board as a public record and a copy shall be served by the board on each party and his or her attorney.

#### Duties Relating to Section 3067

1. Pursuant to Section 3067(a), the Board has a duty to provide its decisions in

writing, with findings of facts and a determination of the issues presented. This is a duty for the members of the Board.

2. Pursuant to Section 3067(a), the Board has a duty to provide a conclusion in its decision that shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. This is a duty for the members of the Board.
3. Pursuant to Section 3067(a), the Board has a duty to only provide conditions that are for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the purposes of this article. This is a duty for the members of the Board.
4. Pursuant to Section 3067(a), the Board has a duty to act within 30 days after a hearing, within 30 days after the Board receives a proposed decision where the case is heard before an administrative law judge alone, or within such period as may be necessitated by Section 11517 of the Government Code or as may be mutually agreed upon by the parties. This is a duty for the members of the Board.
5. Pursuant to Section 3067(a), the Board has a duty to deliver copies of the decision to the parties personally or send it to them by certified mail, as well as to all individuals and groups that have requested notification by the Board of protests and decisions by the Board. This is a duty which has been delegated to the staff of the Board.
6. Pursuant to Section 3067(b), notwithstanding Government Code section 11517(c), if a protest is heard by an administrative law judge alone, 10 days after receipt by the Board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the Board as a public record and a copy shall be served by the Board on each party and his or her attorney. This is a duty which has been delegated to the staff of the Board.

#### Section 3070. Termination of Franchise

(a) Notwithstanding Section 20999.1 of the Business and Professions Code or the terms of any franchise, a franchisor of a dealer of new recreational vehicles, as defined in subdivision (a) of Section 18010 of the Health and Safety Code, except a dealer who deals exclusively in truck campers, may not terminate or refuse to continue a franchise unless all of the following conditions are met:

(1) The franchisee and the board have received written notice from the franchisor as follows:

(A) Sixty days before the effective date thereof setting forth the specific grounds for termination or refusal to continue.

(B) Fifteen days before the effective date thereof setting forth the specific grounds with respect to any of the following:

(i) Transfer of any ownership or interest in the franchise without the consent of the franchisor, which consent may not be unreasonably withheld.

(ii) Misrepresentation by the franchisee in applying for the franchise.

(iii) Insolvency of the franchisee, or filing of any petition by or against the franchisee under any bankruptcy or receivership law.

(iv) Any unfair business practice after written warning thereof.

(v) Failure of the dealer to conduct its customary sales and service operations during its customary hours of business for seven consecutive business days, giving rise to a good faith belief on the part of the franchisor that the recreational vehicle dealer is in fact going out of business, except for circumstances beyond the direct control of the recreational vehicle dealer or by order of the department.

(C) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, one of the following statements, whichever is applicable:

(i) To be inserted when a 60-day notice of termination is given.

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the termination of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 30 calendar days after receiving this notice or within 30 days after the end of any appeal procedure provided by the franchisor or your protest right will be waived."

(ii) To be inserted when a 15-day notice of termination is given.

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the termination of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 10 calendar days after receiving this notice or within 10 days after the end of any appeal procedure provided by the franchisor or your protest right will be waived."

(2) Except as provided in Section 3050.7, the board finds that there is good cause for termination or refusal to continue, following a hearing called pursuant to Section 3080. The franchisee may file a protest with the board within 30 days after receiving a 60-day notice, satisfying the requirements of this section, or within 30 days after the end of any appeal procedure provided by the franchisor, or within 10 days after receiving a 15-day notice, satisfying the requirements of this section, or within 10 days after the end of any appeal procedure provided by the franchisor. When a protest is filed, the board shall advise the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3080, and that the franchisor may not terminate or refuse to continue until the board makes its findings.

(3) The franchisor has received the written consent of the franchisee, or the appropriate period for filing a protest has elapsed.

(b)(1) Notwithstanding Section 20999.1 of the Business and Professions code or the terms of any franchise, a franchisor of a dealer of recreational vehicles may not modify or replace a franchise with a succeeding franchise if the modification or replacement would substantially affect the franchisee's sales or service obligations or investment, unless the franchisor has first given the board and each

affected franchisee written notice thereof at least 60 days in advance of the modification or replacement. Within 30 days of receipt of a notice satisfying the requirements of this section, or within 30 days after the end of any appeal procedure provided by the franchisor, a franchisee may file a protest with the board and the modification or replacement does not become effective until there is a finding by the board that there is good cause for the modification or replacement. If, however, a replacement franchise is the successor franchise to an expiring or expired term franchise, the prior franchise shall continue in effect until resolution of the protest by the board. In the event of multiple protests, hearings shall be consolidated to expedite the disposition of the issue.

(2) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, the following statement:

"NOTICE TO DEALER: Your franchise agreement is being modified or replaced. If the modification or replacement will substantially affect your sales or service obligations or investment, you have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing in which you may protest the proposed modification or replacement of your franchise under provisions of the California Vehicle Code. You must file your protest with the board within 30 calendar days of your receipt of this notice or within 30 days after the end of any appeal procedure provided by the franchisor or your protest rights will be waived."

#### Duties Relating to Section 3070

1. Pursuant to Section 3070(a)(1) and (b)(1), the Board has a duty to receive written notice from the franchisor in accordance with Section 3070. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3070(a)(2), the Board has a duty to advise the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3080, and that the franchisor may not terminate or refuse to continue until the Board makes its findings. This is a duty which has been delegated to the staff of the Board.

#### Section 3071. Good Cause

In determining whether good cause has been established for modifying, replacing, terminating, or refusing to continue a franchise of a dealer of new recreational vehicles, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

- (a) The amount of business transacted by the franchisee, as compared to the business available to the franchisee.
- (b) The investment necessarily made and obligations incurred by the franchisee to perform its part of the franchise.
- (c) The permanency of the investment.
- (d) Whether it is injurious or beneficial to the public welfare for the franchise

to be modified or replaced or the business of the franchisee disrupted.

(e) Whether the franchisee has adequate new recreational vehicle sales and, if required by the franchise, service facilities, equipment, vehicle parts, and qualified service personnel, to reasonably provide for the needs of the consumers of the recreational vehicles handled by the franchisee and has been and is rendering adequate services to the public.

(f) Whether the franchisee fails to fulfill the warranty obligations agreed to be performed by the franchisee in the franchise.

(g) The extent of franchisee's failure to comply with the terms of the franchise.

#### Duties Relating to Section 3071

1. Pursuant to Section 3071, the Board has a duty, in determining whether good cause has been established for modifying, replacing, terminating, or refusing to continue a franchise, to take into consideration the existing circumstances, including, but not limited to, all of the following subsections delineated in Section 3071 (a) through (g). The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3072. Establishing or Relocating Recreational Vehicle Dealerships

(a)(1) Except as otherwise provided in subdivision (b), if a franchisor seeks to enter into a franchise establishing an additional recreational vehicle dealership, or seeks to relocate an existing recreational vehicle dealership, that has a relevant market area in which the same recreational vehicle line-make is represented, the franchisor shall, in writing, first notify the board and each franchisee in that recreational vehicle line-make in the relevant market area of the franchisor's intention to establish an additional dealership or to relocate an existing dealership. Within 20 days of receiving the notice, satisfying the requirements of this section, or within 20 days after the end of any appeal procedure provided by the franchisor, any franchisee required to be given the notice may file with the board a protest to the proposed dealership establishment or relocation described in the franchisor's notice. If, within this time, a franchisee files with the board a request for additional time to file a protest, the board or its executive director, upon a showing of good cause, may grant an additional 10 days to file the protest. When a protest is filed, the board shall inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3080, and that the franchisor shall not establish the proposed dealership or relocate the existing dealership until the board has held a hearing as provided in Section 3080, nor thereafter, if the board has determined that there is good cause for not permitting the establishment of the proposed recreational vehicle dealership or relocation of the existing recreational vehicle dealership. In the event of multiple protests, hearings may be consolidated to expedite the disposition of the issue.

(2) The written notice shall contain, on the first page thereof in at least 12-point bold type and circumscribed by a line to segregate it from the rest of the text, the following statement:

"NOTICE TO DEALER: You have the right to file a protest with the NEW MOTOR VEHICLE BOARD in Sacramento and have a hearing on your protest under the terms of the California Vehicle Code if you oppose this action. You must file your protest with the board within 20 days of your receipt of this notice, or within 20 days after the end of any appeal procedure that is provided by us to you. If, within this time, you file with the board a request for additional time to file a protest, the board or its executive director, upon a showing of good cause, may grant you an additional 10 days to file the protest."

(b) Subdivision (a) does not apply to any of the following:

(1) The relocation of an existing dealership to any location that is both within the same city as, and within one mile of, the existing dealership location.

(2) The establishment at any location that is both within the same city as, and within one-quarter mile of, the location of a dealership of the same recreational vehicle line-make that has been out of operation for less than 90 days.

(3) A display of vehicles at a fair, exposition, or similar exhibit if no actual sales are made at the event and the display does not exceed 30 days. This paragraph may not be construed to prohibit a new vehicle dealer from establishing a branch office for the purpose of selling vehicles at the fair, exposition, or similar exhibit, even though that event is sponsored by a financial institution, as defined in Section 31041 of the Financial Code, or by a financial institution and a licensed dealer. The establishment of these branch offices, however, shall be in accordance with subdivision (a) where applicable.

(4) An annual show sponsored by a national trade association of recreational vehicle manufacturers that complies with all of the requirements of subdivision (d) of Section 11713.15.

(c) For the purposes of this section, the reopening of a dealership that has not been in operation for one year or more shall be deemed the establishment of an additional recreational vehicle dealership.

(d) For the purposes of this section and Section 3073, a "recreational vehicle dealership" or "dealership" is any authorized facility at which a franchisee offers for sale or lease, displays for sale or lease, or sells or leases new recreational vehicles, as defined in subdivision (a) of Section 18010 of the Health and Safety Code. A "recreational vehicle dealership" or "dealership" does not include a dealer who deals exclusively in truck campers.

#### Duties Relating to Section 3072

1. Pursuant to Section 3072(a)(1), the Board has a duty to receive written notice from the franchisor in accordance with Section 3072(a)(1). This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3072(a)(1), the Board or the Executive Director has the right to grant an additional 10 days to file a protest, upon receipt of a request

for additional time, and upon a showing of good cause. This is a duty which has been delegated to the staff of the Board.

3. Pursuant to Section 3072(a)(1), the Board has the duty to inform the franchisor that a timely protest has been filed, that a hearing is required pursuant to Section 3080, and that the franchisor may not establish or relocate the proposed dealership until the Board has held a hearing as provided in Section 3080, nor thereafter, if the Board has determined that there is good cause for not permitting the establishment of the proposed recreational vehicle dealership or relocation of the existing recreational vehicle dealership. This is a duty which has been delegated to the staff of the Board.

### Section 3073. Good Cause

In determining whether good cause has been established for not entering into a recreational vehicle franchise or relocating an existing dealership of the same recreational vehicle line-make, the board shall take into consideration the existing circumstances, including, but not limited to, all of the following:

- (a) The permanency of the investment.
- (b) The effect on the retail recreational vehicle business and the consuming public in the relevant market area.
- (c) Whether it is injurious to the public welfare for an additional recreational vehicle franchise to be established or an existing dealership be relocated.
- (d) Whether the franchisees of the same recreational vehicle line-make in the relevant market area are providing adequate competition and convenient consumer care for the motor vehicles of the recreational vehicle line-make in the market area. In making this determination, the board shall consider the adequacy of recreational vehicle sales and, if required by the franchise, service facilities, equipment, supply of vehicle parts, and qualified service personnel.
- (e) Whether the establishment of an additional franchise would increase competition and therefore be in the public interest.

### Duties Relating to Section 3073

1. Pursuant to Section 3073, the Board has the duty, in determining whether good cause has been established for not entering into a recreational vehicle franchise or relocating an existing dealership of the same recreational vehicle line-make, to take into consideration the existing circumstances, including, but not limited to, all of the following subsections delineated in Section 3073 (a) through (e). The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

## Section 3074. Delivery and Preparation Obligations

(a) A franchisor shall specify to its franchisees the delivery and preparation obligations of the franchisees prior to delivery of new recreational vehicles to retail buyers. A copy of the delivery and preparation obligations, which shall constitute the franchisee's only responsibility for product liability between the franchisee and the franchisor but which shall not in any way affect the franchisee's responsibility for product liability between the purchaser and either the franchisee or the franchisor, and a schedule of compensation to be paid franchisees for the work and services they shall be required to perform in connection with the delivery and preparation obligations shall be filed with the board by franchisors, and shall constitute the compensation as set forth on the schedule. The schedule of compensation shall be reasonable, with the reasonableness thereof being subject to the approval of the board, if a franchisee files a notice of protest with the board. In determining the reasonableness of the schedules, the board shall consider all relevant circumstances, including, but not limited to, the time required to perform each function that the dealer is obligated to perform and the appropriate labor rate.

(b) Upon delivery of the vehicle, the franchisee shall give a copy of the delivery and preparation obligations to the purchaser and a written certification that the franchisee has fulfilled these obligations.

### Duties Relating to Section 3074

1. Pursuant to Section 3074(a), the Board has a duty to receive a copy of the delivery and preparation obligations, and a schedule of compensation to be paid franchisees for the work and services they shall be required to perform in connection with the delivery and preparation obligations. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3074(a), if a franchisee files a notice of protest with the Board, the Board has a duty to determine the reasonableness of the schedule of compensation. This is a duty of the members of the Board.
3. Pursuant to Section 3074(a), in determining the above-referenced reasonableness of the schedules, the Board has a duty to consider all relevant circumstances, including, but not limited to, the time required to perform each function that the dealer is obligated to perform and the appropriate labor rate. This is a duty of the members of the Board.
4. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.



## Section 3075. Warranty Reimbursement

(a) A franchisor shall properly fulfill every warranty agreement made by it and adequately and fairly compensate each of its franchisees for labor and parts used to fulfill that warranty when the franchisee has fulfilled warranty obligations of repair and servicing and shall file a copy of its warranty reimbursement schedule or formula with the board. The warranty reimbursement schedule or formula shall be reasonable with respect to the time and compensation allowed the franchisee for the warranty work and all other conditions of the obligation. The reasonableness of the warranty reimbursement schedule or formula shall be determined by the board if a franchisee files a notice of protest with the board.

(b) In determining the adequacy and fairness of the compensation, the franchisee's effective labor rate charged to its various retail customers may be considered together with other relevant criteria.

(c) If a franchisor disallows a franchisee's claim for a defective part, alleging that the part, in fact, is not defective, the franchisor shall return the part alleged not to be defective to the franchisee at the expense of the franchisor, or the franchisee shall be reimbursed for the franchisee's cost of the part, at the franchisor's option.

(d) All claims made by franchisees pursuant to this section shall be either approved or disapproved within 30 days after their receipt by the franchisor. A claim not specifically disapproved in writing within 30 days from receipt by the franchisor shall be deemed approved on the 30th day. When a claim is disapproved, the franchisee who submits it shall be notified in writing of its disapproval within the required period, and the notice shall state the specific grounds upon which the disapproval is based. All claims made by franchisees under this section and Section 3074 for labor and parts shall be paid within 30 days following approval. Failure to approve or pay within the above specified time limits, in individual instances for reasons beyond the reasonable control of the franchisor, do not constitute a violation of this article.

(e) Audits of franchisee warranty records may be conducted by the franchisor on a reasonable basis, and for a period of 12 months after a claim is paid or credit issued. Franchisee claims for warranty compensation shall not be disapproved except for good cause, including, but not limited to, performance of nonwarranty repairs, lack of material documentation, or fraud. Any chargeback to a franchisee for warranty parts or service compensation shall be made within 90 days of the completion of the audit. If a false claim was submitted by a franchisee with intent to defraud the franchisor, a longer period for audit and any resulting chargeback may be permitted if the franchisor obtains an order from the board.

### Duties Relating to Section 3075

1. Pursuant to Section 3075(a), the Board has a duty to receive a copy of a franchisor's warranty reimbursement schedule or formula. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3075(a), if a notice of protest is filed with the Board, the

Board has a duty to determine the reasonableness of the warranty reimbursement schedule or formula. This is a duty for the members of the Board.

3. Pursuant to Section 3075(e), the Board has a duty to receive filings relating to a request for an order in accordance with Section 3075(e). This is a duty which has been delegated to the staff of the Board.
4. Pursuant to Section 3075(e), the Board has the duty to review any request for an extension of time to conduct the warranty audit. This duty is for the members of the Board.
5. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3076. Franchisor Incentive Program

(a) All claims made by a franchisee for payment under the terms of a franchisor incentive program shall be either approved or disapproved within 30 days after receipt by the franchisor. When a claim is disapproved, the franchisee who submits it shall be notified in writing of its disapproval within the required period, and each notice shall state the specific grounds upon which the disapproval is based. A claim not specifically disapproved in writing within 30 days from receipt shall be deemed approved on the 30th day. Following the disapproval of a claim, a franchisee shall have one year from receipt of the notice of disapproval in which to appeal the disapproval to the franchisor and file a protest with the board. All claims made by franchisees under this section shall be paid within 30 days following approval. Failure to approve or pay within the above specified time limits, in individual instances for reasons beyond the reasonable control of the franchisor, do not constitute a violation of this article.

(b) Audits of franchisee incentive records may be conducted by the franchisor on a reasonable basis, and for a period of 18 months after a claim is paid or credit issued. Franchisee claims for incentive program compensation shall not be disapproved except for good cause, such as ineligibility under the terms of the incentive program, lack of material documentation, or fraud. Any chargeback to a franchisee for incentive program compensation shall be made within 90 days of the completion of the audit. If a false claim was submitted by a franchisee with the intent to defraud the franchisor, a longer period for audit and any resulting chargeback may be permitted if the franchisor obtains an order from the board.

#### Duties Relating to Section 3076

1. Pursuant to Section 3076(a), the Board has a duty to receive a protest relating to a disapproval of a claim in accordance with Section 3076(a). This

is a duty which has been delegated to the staff of the Board.

2. Pursuant to Section 3076(b), the Board has a duty to receive filings relating to a request for an order in accordance with Section 3076(b). This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3076(b), the Board has the duty to review any request for an extension of time to conduct the franchisor incentive program audit. This duty is for the members of the Board.
4. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision. The members of the Board have the duty to render the final decision on the merits of the protest.

#### Section 3078. Consumer Complaints: Referral to Department of Consumer Affairs

(a) If the board receives a complaint from a member of the public seeking a refund involving the sale or lease of, or a replacement of, a recreational vehicle, as defined in subdivision (a) of Section 18010 of the Health and Safety Code, from a recreational vehicle dealership, as defined in subdivision (d) of Section 3072, the board shall recommend that the complainant consult with the Department of Consumer Affairs.

(b) This chapter does not affect a person's rights regarding a transaction involving a recreational vehicle as defined in subdivision (a), to maintain an action under any other statute, including, but not limited to, applicable provisions of Title 1.7 (commencing with Section 1790) of Part 4 of Division 3 of the Civil Code.

#### Duties Relating to Section 3078

1. Pursuant to Section 3078(a), if the Board receives a complaint from a member of the public seeking a refund involving the sale or lease of, or a replacement of, a recreational vehicle, as defined, from a motor vehicle dealership as defined in Section 3072(d), the Board has a duty to recommend that the complainant consult with the Department of Consumer Affairs. This is a duty which has been delegated to the staff of the Board.

#### Section 3080. Recreational Vehicle Hearings on Protests

(a) Upon receiving a protest pursuant to Section 3070, 3072, 3074, 3075, or 3076, the board shall fix a time and place of hearing within 60 days of the order, and shall send by certified mail a copy of the order to the franchisor, the protesting franchisee, and all individuals and groups that have requested notification by the board of protests and decisions of the board. The board or its executive director may, upon a showing of good cause, accelerate or postpone the date initially established for a hearing, but the hearing shall not be rescheduled more than 90

days after the board's initial order. For the purpose of accelerating or postponing a hearing date, "good cause" includes, but is not limited to, the effects upon, and any irreparable harm to, the parties or interested persons or groups if the request for a change in hearing date is not granted. The board or an administrative law judge designated by the board shall hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups, and the board shall make its decision solely on the record so made. Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code and Sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517 of the Government Code apply to these proceedings.

(b) In a hearing on a protest filed pursuant to Section 3070 or 3072, the franchisor shall have the burden of proof to establish that there is good cause to modify, replace, terminate, or refuse to continue a franchise. The franchisee shall have the burden of proof to establish that there is good cause not to enter into a franchise establishing an additional recreational vehicle dealership or relocating an existing recreational vehicle dealership.

(c) Except as otherwise provided in this chapter, in a hearing on a protest alleging a violation of, or filed pursuant to, Section 3074, 3075, or 3076, the franchisee shall have the burden of proof, but the franchisor has the burden of proof to establish that a franchisee acted with intent to defraud the franchisor when that issue is material to a protest filed pursuant to Section 3075 or 3076.

#### Duties Relating to Section 3080

1. Pursuant to Section 3080(a), the Board has a duty, upon receiving a protest pursuant to Sections 3070, 3072, 3074, 3075, or 3076, to fix a time and place of hearing within 60 days of the order, and shall send by certified mail a copy of the order to the franchisor, the protesting franchisee, and all individuals and groups that have requested notification by the Board of protests and decisions of the Board. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3080(a), the Board, upon a showing of good cause, has the right to accelerate or postpone the date initially established for a hearing, but in no event shall the hearing be rescheduled more than 90 days after the Board's initial order. This is a duty which has been delegated to the staff of the Board.
3. Pursuant to Section 3080(a), the Board or its Executive Director, upon a showing of good cause, has the right to accelerate or postpone the date initially established for a hearing, but the hearing shall not be rescheduled more than 90 days after the Board's initial order. This is a duty which has been delegated to the staff of the Board.
4. Pursuant to Section 3080(a), the Board or an administrative law judge of the Board has a duty to hear and consider the oral and documented evidence

introduced by the parties and other interested individuals and groups in accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty which has been delegated to the staff of the Board.

5. Pursuant to Section 3080(a), the Board has the duty to make its decision solely on the record established at a hearing conducted in accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty of the members of the Board.

#### Section 3081. Recreational Vehicle Decisions

(a) The decision of the board shall be in writing and shall contain findings of fact and a determination of the issues presented. The decision shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. Conditions imposed by the board shall be for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the purposes of this article. If the board fails to act within 30 days after the hearing, within 30 days after the board receives a proposed decision when the case is heard before an administrative law judge alone, or within a period necessitated by Section 11517 of the Government Code, or as may be mutually agreed upon by the parties, then the proposed action shall be deemed to be approved. Copies of the board's decision shall be delivered to the parties personally or sent to them by certified mail, as well as to all individuals and groups that have requested notification by the board of protests and decisions by the board. The board's decision shall be final upon its delivery or mailing and a reconsideration or rehearing is not permitted.

(b) Notwithstanding subdivision (c) of Section 11517 of the Government Code, if a protest is heard by an administrative law judge alone, 10 days after receipt by the board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the board as a public record and a copy shall be served by the board on each party and his or her attorney.

#### Duties Relating to Section 3081

1. Pursuant to Section 3081(a), the Board has a duty to provide its decisions in writing, with findings of facts and a determination of the issues presented. This is a duty for the members of the Board.
2. Pursuant to Section 3081(a), the Board has a duty to provide a conclusion in its decision that shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. This is a duty for the members of the Board.
3. Pursuant to Section 3081(a), the Board has a duty to only provide conditions that are for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the

purposes of this article. This is a duty for the members of the Board.

4. Pursuant to Section 3081(a), the Board has a duty to act within 30 days after a hearing, within 30 days after the Board receives a proposed decision where the case is heard before an administrative law judge alone, or within such period as may be necessitated by Section 11517 of the Government Code or as may be mutually agreed upon by the parties. This is a duty for the members of the Board.
5. Pursuant to Section 3081(a), the Board has a duty to deliver copies of the decision to the parties personally or send it to them by certified mail, as well as to all individuals and groups that have requested notification by the Board of protests and decisions by the Board. This is a duty which has been delegated to the staff of the Board.
6. Pursuant to Section 3081(b), notwithstanding Government Code section 11517(c), if a protest is heard by an administrative law judge alone, 10 days after receipt by the Board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the Board as a public record and a copy shall be served by the Board on each party and his or her attorney. This is a duty which has been delegated to the staff of the Board.

#### Section 3085. Protest of Export or Sale-for-Resale Prohibition Policy

(a) An association may bring a protest challenging the legality of an export or sale-for-resale prohibition policy of a manufacturer, manufacturer branch, distributor, or distributor branch at any time on behalf of two or more dealers subject to the challenged policy pursuant to subdivision (y) of Section 11713.3.

(b) For the purpose of this article, an association is an organization primarily owned by, or comprised of, new motor vehicle dealers and that primarily represents the interests of dealers.

(c) Relief for a protest pursuant to this section is limited to a declaration that an export or sale-for-resale prohibition policy of a manufacturer, manufacturer branch, distributor, or distributor branch violates the prohibitions of subdivision (y) of Section 11713.3. No monetary relief may be sought on behalf of the association or any dealers represented by the association.

(d) In a protest pursuant to this section, the association shall have the burden of proof to show that the challenged export or sale-for-resale prohibition policy violates subdivision (y) of Section 11713.3.

#### Duties Relating to Section 3085

1. Pursuant to Section 3085(a), if a protest is filed with the Board, the Board has a duty to make sure it is filed by an association as defined on behalf of two or more dealers subject to the challenged export or sale-for-resale prohibition

policy. This is a duty which has been delegated to the staff of the Board. The staff is responsible for the administration of protests filed under this section, including the proceedings up to and including the evidentiary hearing and preparation of the proposed decision.

2. Pursuant to Section 3085(c), the Board has a duty to limit the relief awarded to protestant to a declaration that an export or sale-for-resale prohibition policy violates subdivision (y) of Section 11713.3. The Board is not authorized to award monetary relief. The members of the Board have the duty to render the final decision on the merits of the protest that does not exceed these limits.

#### Section 3085.2. Hearings on Protest

(a) Upon receiving a protest pursuant to Section 3085, the board shall fix a time and place of hearing within 60 days, and shall send by certified mail a copy of the order to the manufacturer, manufacturer branch, distributor, distributor branch, the protesting association, and all individuals and groups that have requested notification by the board of protests and decisions of the board. The board or an administrative law judge designated by the board shall hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups, and the board shall make its decision solely on the record so made. Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code and Sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517 of the Government Code apply to these proceedings.

(b) In a hearing on a protest filed pursuant to Section 3085, the association shall have the burden of proof to establish a violation of the applicable section by the subject manufacturer, manufacturer branch, distributor, or distributor branch.

(c) A member of the board who is a new motor vehicle dealer may not participate in, hear, comment, or advise other members upon, or decide, a matter involving a protest filed pursuant to this article unless all parties to the protest stipulate otherwise.

#### Duties Relating to Section 3085.2

1. Pursuant to Section 3085.2(a), the Board has a duty, upon receiving a protest pursuant to Section 3085 to fix a time and place of hearing within 60 days, and shall send by certified mail a copy of the order to the manufacturer or distributor, the protesting association, and all individuals and groups that have requested notification by the Board of protests and decisions of the Board. This is a duty which has been delegated to the staff of the Board.
2. Pursuant to Section 3085.2(b), the Board or an administrative law judge of the Board has a duty to hear and consider the oral and documented evidence introduced by the parties and other interested individuals and groups in

accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty which has been delegated to the staff of the Board.

3. Pursuant to Section 3085.2(b), the Board has the duty to make its decision solely on the record established at a hearing conducted in accordance with Government Code sections 11507.3, 11507.6, 11507.7, 11511, 11511.5, 11513, 11514, 11515, and 11517. This is a duty of the members of the Board.
4. Pursuant to Section 3085.2(d), unless all parties to the protest stipulate otherwise, a new motor vehicle dealer member may not participate in, hear, comment, or advise other members upon, or decide, a matter involving a protest filed pursuant to Article 6. This is a duty of the dealer members of the Board. The staff of the Board is delegated with the duty of determining whether or not the parties to an Article 6 protest want to stipulate to allow dealer Board member participation.

#### Section 3085.4. Decision

(a) The decision of the board shall be in writing and shall contain findings of fact and a determination of the issues presented. The decision shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. Conditions imposed by the board shall be for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the purposes of this article. The board shall act within 30 days after the hearing, within 30 days after the board receives a proposed decision when the case is heard before an administrative law judge alone, or within a period necessitated by Section 11517 of the Government Code, or as may be mutually agreed upon by the parties. Copies of the board's decision shall be delivered to the parties personally or sent to them by certified mail, as well as to all individuals and groups that have requested notification by the board of protests and decisions by the board. The board's decision shall be final upon its delivery or mailing and a reconsideration or rehearing is not permitted.

(b) Notwithstanding subdivision (c) of Section 11517 of the Government Code, if a protest is heard by an administrative law judge alone, 10 days after receipt by the board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the board as a public record and a copy shall be served by the board on each party and his or her attorney.

#### Duties Relating to Section 3085.4

1. Pursuant to Section 3085.4(a), the Board has a duty to provide its decisions in writing, with findings of facts and a determination of the issues presented. This is a duty for the members of the Board.



2. Pursuant to Section 3085.4(a), the Board has a duty to provide a conclusion in its decision that shall sustain, conditionally sustain, overrule, or conditionally overrule the protest. This is a duty for the members of the Board.
3. Pursuant to Section 3085.4(a), the Board has a duty to only provide conditions that are for the purpose of assuring performance of binding contractual agreements between franchisees and franchisors or otherwise serving the purposes of this article. This is a duty for the members of the Board.
4. Pursuant to Section 3085.4(a), the Board has a duty to act within 30 days after a hearing, within 30 days after the Board receives a proposed decision where the case is heard before an administrative law judge alone, or within such period as may be necessitated by Section 11517 of the Government Code or as may be mutually agreed upon by the parties. This is a duty for the members of the Board.
5. Pursuant to Section 3085.4(a), the Board has a duty to deliver copies of the decision to the parties personally or send it to them by certified mail, as well as to all individuals and groups that have requested notification by the Board of protests and decisions by the Board. This is a duty which has been delegated to the staff of the Board.
6. Pursuant to Section 3085.4(b), notwithstanding Government Code section 11517(c), if a protest is heard by an administrative law judge alone, 10 days after receipt by the Board of the administrative law judge's proposed decision, a copy of the proposed decision shall be filed by the Board as a public record and a copy shall be served by the Board on each party and his or her attorney. This is a duty which has been delegated to the staff of the Board.

B. Delegation of Administrative Duties. The following is a list of the non-statutory or administrative duties of the Board and staff, with an indication as to individual or entity to whom these duties have been delegated.

1. Personnel.
  - a. The members of the Board have the duty to recruit, interview, and hire for the positions of Executive Director as well as the General Counsel and Administrative Law Judges.
  - b. The Executive Director has been delegated with the responsibility of recruiting, interviewing, and hiring all individuals associated with the legal operations of the Board.

- c. The Assistant Director and Equity Officer has been delegated with the responsibility of recruiting, interviewing, and hiring all individuals associated with the clerical operations of the Board. Any candidate selected by the Assistant Director and Equity Officer shall be approved by the Executive Director prior to processing the hiring documents.
- d. Any hiring done by the staff of the Board in accordance with the procedures as set forth above shall be reported to the Board at the next General Meeting of the Board which ensues such hiring.
- e. Recruitment and hiring practices should be designed and implemented with the goal of filling at least 44% of Board public contact positions with bilingual employees who have passed the Department of Motor Vehicles' Bilingual Verbal Proficiency Examination. (September 21, 2023)

## 2. Procurement.

Subject to the limitations set forth below, the Executive Director has been delegated with the responsibility of procuring all necessary equipment, supplies, and services which are deemed necessary to administer the responsibilities of the Board.

### a. Limitations on procurement authority.

The Executive Director is delegated the authority to procure of any necessary equipment, supplies, and services up to the amount budgeted in a line item of the Board's approved budget. If, due to extenuating circumstances, the necessary expenditure exceeds the amount budgeted, the Executive Director shall contact the members of the Fiscal Committee by telephone and discuss this matter. The Committee may authorize the procurement which may then be ratified by the full Board at its next regularly scheduled meeting.

## 3. Budget Change Proposals.

All budget change proposals shall be submitted with the concurrence of the Fiscal Committee, and ultimately considered by the full Board at its next regularly scheduled meeting.

4. Formal Board Delegations at Noticed Meetings.<sup>3</sup>

a. Amicus Curiae Briefs.

The Board will not file any amicus briefs without the consent of Business, Transportation & Housing Agency<sup>4</sup> (“Agency”) and approval of the Governor’s Office of Legal Affairs. As a prerequisite to requesting the consent of Agency, the Board must (a) discuss and approve the consent request at a noticed public meeting, or (b) in the case where time constraints do not permit the foregoing the President may authorize the request for consent. In any instance when the President authorizes the request, a notice shall be immediately sent to Board members. If any member seeks immediate review of this action, the member may request that the President call a special meeting of the Board to discuss the matter. If there is no such immediate review requested, the matter will be included in the agenda of the next regularly scheduled Board meeting. If the Board determines that it does not want to file the amicus brief, the request for consent will be withdrawn.

(July 12, 1996 - Business, Transportation & Housing Agency Audit Recommendation 4)

b. Assignment of Merits Hearings to Office of Administrative Hearings.

~~For a period not to exceed three years, the Executive Director has discretion to assign additional merits hearings to OAH outside the current assignment log. Prior to submitting a hearing to OAH that is outside the normal rotation, the Executive Director will seek Executive Committee permission. The use of OAH in general and any additional assignments will be reported to the Board in the Executive Director’s Report.~~

~~(April 28, 2023)~~

Effective February 28, 2025, all merits hearings in new protests and existing protests will be assigned to the Office of Administrative Hearings or OAH. The Board’s retired annuitant ALJs will be retained on the Alternative MSC Assignment Log and the Alternative Law and Motion Assignment Log.

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<sup>3</sup> The Board Meeting(s) in which the delegation occurred is noted in parenthesis after the formal delegation.

<sup>4</sup> Business, Transportation & Housing Agency was superseded by the California State Transportation Agency on July 1, 2013.

c. Audit Compliance Officer.

The Board has designated the General Counsel<sup>5</sup> to service as its Audit Compliance Officer to ensure compliance with all facets of the 1996 Agency Performance Audit. This includes the Corrective Action Plan Committee's proposal which was adopted by the Board at its December 8, 1998, General meeting, and the Audit Review Committee's recommendations concerning restructuring the senior management positions which were adopted at the May 25, 2000, General meeting. An annual report shall be provided to the Board each June updating the Board's compliance. This report was subsequently made an exception report.  
(July 12, 1996; December 8, 1998; May 25, 2000; November 20, 2008; and May 26, 2011)

d. Bagley-Keene Open Meeting Act Compliance Officer.

The General Counsel<sup>6</sup> is the Bagley-Keene Open Meeting Act Compliance Officer.  
(July 12, 1996; May 25, 2000)

e. Bagley-Keene Opening Meeting Act: Closed Meeting Minutes.

The Bagley-Keene Open Meeting Act requires that all state bodies designate a clerk or other officer or employee of the state body, who shall then attend each closed session of the state body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. In order to ensure compliance, the General Counsel<sup>7</sup> is responsible for maintaining the closed meeting minutes in accordance with the Bagley-Keene Open Meeting Act.  
(July 12, 1996; May 25, 2000)

f. Board Policy Review

The ~~Ad Hoc~~ Committee on Equity, Justice, and Inclusion will review all new and revised policies prior to Board action in order to further institutionalize equity within Board programs.  
(September 21, 2023; November 1, 2024)

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<sup>5</sup> Robin Parker, Chief Counsel, is performing all of the duties previously assigned to the Board's General Counsel including but not limited to the Audit Compliance Officer, the Bagley-Keene Compliance Officer, and maintaining the closed meeting minutes in accordance with the Bagley-Keene Open Meeting Act.

<sup>6</sup> See footnote 4

<sup>7</sup> See footnote 4

g. Decision Cover Sheet.

The presiding Administrative Law Judge shall prepare a decision cover sheet/analysis which is provided to the Board members with their meeting materials when a proposed decision or ruling (order) is agendized. The decision cover sheet should be limited to two pages and not contain a recommendation.

(December 8, 1998; May 25, 2000)

h. Court Participation on Issues of Interest to the Board.

The Board, as a general rule, should not substantively participate in mandamus actions in which a Board decision is challenged. When the Board renders a final decision which is challenged by way of a petition for writ of administrative mandamus, and an important State interest is not raised in the mandamus proceeding, then the Board shall notify the parties to the proceeding of the Board's policy not to appear in the mandamus action, and request that the parties so notify the court and keep it on the proof of service list. As such, unless the court specifically requests otherwise, the Board would not file any pleadings in the court action, which would obviate the necessity of involvement by the office of the Attorney General.

However, in mandamus actions in which an important State issue is raised, the Board would have the option to participate by the filing of pleadings opposing the petition and by presenting oral arguments on only those limited issues affecting the State interest. In such situations, prior to Board participation, the matter would be presented to the full Board for review at a regularly scheduled meeting of the Board. In the absence of sufficient time for consideration at a noticed Board meeting, the President, or a Board member designated by the President, can authorize the filing of appropriate pleadings in opposition to the petition and/or the presentation of oral arguments. When this occurs, a copy of the petition and supporting documents would be mailed to each Board member with an indication that the President, or his or her designee, has authorized Board participation. Any Board member who objects to Board participation would then immediately so notify staff and the matter would be scheduled for discussion at either the next general meeting of the Board or, if three public members request, then at a special meeting of the Board. Any appearance by the Board would be made by the office of the Attorney General or, with the consent of the Attorney General, by the Board's own counsel.

(October 22, 1996, February 12, 1997; March 18, 1997 - Business, Transportation & Housing Agency Audit Recommendation 5)

i. Document Requests – Waiver of Fees.

The Board will charge fees for document requests that are consistent with Evidence Code section 1563, and all fees for document requests that total \$10.00 or less (less than 40 pages and less than 15 minutes of actual labor) will be waived by the Board, subject to review and approval by the Executive Director.  
(October 22, 1996; September 6, 2001; December 13, 2006)

j. Legislative Policy

If there is insufficient time for Legislative Committee approval, the Board delegated to the Executive Director the power to approve legislative analyses pertaining to Legislation of Special Interest that are submitted to California State Transportation Agency and the Department of Motor Vehicles. The Legislative Committee delegates to the Executive Director the ability to discuss pending Legislation of Special Interest with stakeholders or sponsors regarding technical input without prior committee approval.  
(June 7, 2019)

k. Liaison Information Security Officer.

The Executive Director is the Liaison Information Security Officer and responsible for ensuring compliance with information security procedures. This ensures that the Board complies with the Government Code that requires that each agency have an officer who is responsible for ensuring that the organization's systems and procedures are in compliance.  
(August 20, 1996; December 12, 2000)

l. Promulgating Regulations.

The Board delegated to the Executive Director the ministerial duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. All substantive changes to the proposed text suggested by Board staff, the public, the Fair Political Practices Commission ("FPPC"), or the Office of Administrative Law ("OAL") would be brought before the members at the next meeting. Non-substantive changes suggested by OAL, FPPC, or staff would be submitted to the Executive Committee for consideration and ultimately reported to the Board at the next meeting.  
(April 26, 2002)

The Board adopted proposed regulations increasing the dealer licensing fee to \$425 and the per vehicle fee to \$.65 for manufacturers

and distributors with a minimum of \$425. If necessary, during the rulemaking process, the Board granted staff discretion in consultation with the Executive Committee to reduce the fee to any number between \$400 and \$425 and \$.60 and \$.65. If this occurs, staff will bring this matter to the full Board at its next meeting.  
(November 1, 2024)

m. Public Member Designee if President is Dealer Member.

When a Dealer Member is President, only those matters in which a Dealer Member would be disqualified from having heard in the first place are delegated. Furthermore, if a Dealer Member is Board President, and a Public Member is Vice President, then the designation would automatically go to the Vice President.  
(October 22, 1996, February 12, 1997; March 18, 1997 - Business, Transportation & Housing Agency Audit Recommendation 5; June 26, 2008)

n. Removal of Administrative Law Judge from Assignment Log

The Executive Director has discretion to remove an Administrative Law Judge from an assignment log based on performance. Any proposed changes would be discussed in advance with the Policy and Procedure Committee. If appropriate, updates would be reported to the Board in the Executive Director's Report or in closed Executive Session as a personnel matter.  
(April 28, 2023)

o. Strategic Plan Discretion to Implement Objectives

The Board adopted its first Strategic Plan (June 2024 through July 2030) at the April 25, 2024, General Meeting. The Executive Director has discretion to take action responsive to the following objectives: (1) Improve outcomes for all motor vehicle consumers; (2) Contribute to the advancement of the California State Transportation Agency's Core Four priorities: Safety, Equity, Climate Action and Economic Prosperity; (3) Transform our organization to become more resilient and conserve limited resources; and (4) Reimagine the engagement experience to meet the needs of the public, our industry, and litigant stakeholders.  
(April 25, 2024)



## Memorandum

**Date** : JULY 7, 2025

**To** : **POLICY AND PROCEDURE COMMITTEE**  
**KATHRYN ELLEN DOI, CHAIR**  
**JACOB STEVENS, MEMBER**

**From** : **TIMOTHY M. CORCORAN**  
**ROBIN P. PARKER**

**Subject** : **DISCUSSION AND CONSIDERATION OF PROPOSED NON-SUBSTANTIVE REGULATORY AMENDMENTS TO THE BOARD'S CONFLICT OF INTEREST CODE IN SECTION 599 OF TITLE 13 OF THE CALIFORNIA CODE OF REGULATIONS**

During the biennial review of the New Motor Vehicle Board's Conflict of Interest Code, staff identified non-substantive changes to Section 599 of Title 13 of the California Code of Regulations. This section does not contain the Board's Conflict of Interest Code but provides detailed information on how a member of the public could request a copy. The proposed changes cleanup dated language and update the address for the Fair Political Practices Commission. The changes are highlighted yellow in the attachment.

If the Board adopts the proposed regulatory changes, the staff will proceed with the rulemaking process as delineated in Government Code section 11340, et seq. Updates concerning the status of the rulemaking process will be provided at future Board meetings during the Administrative Matters portion of the Executive Director's Report.

This matter is being agendaized for discussion and consideration at the August 1, 2025, General Meeting.

If you have any questions or require additional information, please contact me at (916) 244-6774 or Robin at (916) 244-6776.

Attachment: as stated



13 CCR § 599

Article 7. New Motor Vehicle Board--Conflict-of-Interest Code

**NOTE:** Pursuant to a regulation of the Fair Political Practices Commission (Title 2, CCR, section 18750(k)(2)), an agency adopting a conflict of interest code has the options of requesting that the code either be (1) printed in the CCR in its entirety or (2) incorporated by reference into the CCR. Here, the adopting agency has requested its conflict of interest code be incorporated by reference into the California Code of Regulations. However, the full text of the regulations is available to the public for review or purchase at cost at the following locations:

NEW MOTOR VEHICLE BOARD  
2415 1<sup>ST</sup> AVENUE, MS L242  
SACRAMENTO, CALIFORNIA 95818

FAIR POLITICAL PRACTICES COMMISSION  
428 J STREET, SUITE 620  
1102 Q STREET, SUITE 3000  
SACRAMENTO, CALIFORNIA 95814 95811

ARCHIVES  
SECRETARY OF STATE  
1020 O STREET  
SACRAMENTO, CALIFORNIA 95814

The conflict-of-interest code is designated as Article 7 of Chapter 2 of Division 1 of Title 13 of the California Code of Regulations, and consists of sections numbered and titled as follows:

Article 7. New Motor Vehicle Board--Conflict-of-Interest Code

Section	
599.	General Provisions
	Appendix A
	Appendix B

NOTE: Authority cited: Section 3050(a), Vehicle Code; and Sections 87300, 87304 and 87306, Government Code. Reference: Section 81000, et seq., Government Code.



## Memorandum

**Date** : JULY 15, 2025

**To** : LEGISLATIVE COMMITTEE  
JACOB STEVENS, CHAIR  
ANNE SMITH BOLAND, MEMBER

**From** : TIMOTHY M. CORCORAN  
ROBIN P. PARKER

**Subject** : DISCUSSION CONCERNING PENDING AND ENACTED LEGISLATION

The following provides a summary of pending and enacted legislation that is of interest to the New Motor Vehicle Board ("Board"). The criteria for reporting on "legislation of general interest" is that the bill impacts the Vehicle Code, the Board, and/or the automotive industry in general but does not directly impact the Board or its enabling statute. For purposes of this report "legislation of special interest" is that which directly affects the Board's laws or functions.

Bill summaries include a brief overview of the bill as provided by the Legislative Counsel's Digest or the Congressional Research Service, if available, as well as the current status of the bill.<sup>1</sup>

a. Pending Legislation of Special Interest: None.

b. Enacted Legislation of General Interest:

(1) **Senate Bill 26 - Senator Umberg** (Introduced December 2, 2024)

**Status:** Chaptered April 2, 2025, Chapter 1, Statutes of 2025, and effective immediately.

**Support:** This bill was supported by the original supporters of Assembly Bill 1755 (Chaptered September 29, 2024, Chapter 938, Statutes of 2024), including more than a dozen auto makers, Autos Drive America, and Consumer Attorneys of California.

**Opposition:** Consumers for Auto Reliability and Safety.

**Legislative Counsel's Digest:** Civil actions: restitution for or replacement of a new motor vehicle.

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<sup>1</sup> All statutory references are to the Vehicle Code, unless otherwise indicated.

Existing law prescribes specified procedures to govern actions seeking the restitution for or replacement of a new motor vehicle, or for civil penalties, pursuant to the provisions of the Song-Beverly Consumer Warranty Act or Tanner Consumer Protection Act. Beginning April 1, 2025, existing law will require the consumer to, prior to seeking civil penalties, provide a written notice to the manufacturer that, among other things, demands the manufacturer's restitution for or replacement of the consumer's vehicle.

This bill would provide that certain procedures described above would instead become operative on July 1, 2025. The bill would specify that the procedures described above would apply to the manufacturer of a motor vehicle only if the manufacturer elects to be governed by those procedures by reporting the election to the Arbitration Certification Program within the Department of Consumer Affairs. The bill would require a manufacturer that wishes to make this election regarding its motor vehicles sold in the year 2025 and all prior years to make the election within 30 days after the effective date of this bill. Thereafter, the bill would require a manufacturer that wishes to make this election to make an irrevocable election, as specified, regarding motor vehicles sold during the five calendar years following the date of the election. The bill would require the Arbitration Certification Program within the Department of Consumer Affairs, by December 15 of each year, to publish to its website a list of the manufacturers that have elected to be governed by the procedures described above for a period that includes the following calendar year.

Under existing law, beginning April 1, 2025, a consumer who demands restitution for or replacement of a new motor vehicle may, if specified conditions are met, instead sell the vehicle and seek remedies against the manufacturer, including civil penalties.

This bill would change the operative date of that provision to July 1, 2025. The bill would prohibit a consumer who sells their vehicle after demanding restitution or replacement from seeking civil penalties unless the consumer provides to the prospective buyer or recipient of the vehicle, prior to the sale, written notice of the consumer's basis for seeking restitution or replacement and of any pending action against the manufacturer, as specified.

c. Pending Legislation of General Interest.

- (1) **Assembly Bill 766 (Assembly Member Sharp-Collins)** - Introduced February 18, 2025, amended May 23, 2025, amended July 9, 2025.

**Status:** Passed the Assembly; re-referred to the Senate Committee on Appropriations.

**Support:** Alliance San Diego, California Consortium for Urban Indian Health, NAACP California-Hawaii State Conference, National Association of Social Workers, California Chapter, San Diego Unified School District.

**Opposition:** None.

**Legislative Counsel's Digest:** State agencies and departments: strategic plans: diversity, equity, and inclusion.

The State Government Strategic Planning and Performance and Review Act requires each agency, department, office, or commission for which strategic planning efforts are recommended, as specified, to develop a strategic plan and to report to the Governor and the Joint Legislative Budget Committee by April 1 each year on the steps being taken to develop and adopt a strategic plan. The act requires the report to include a description of the elements to be included in the strategic plan, the process for developing and adopting the strategic plan, and the timetable for the plan's completion.

This bill would instead require each agency, department, office, or commission subject to the Governor's authority to develop and report on the above-described strategic plan. The bill would also require each agency, department, office, or commission subject to the Governor's authority to, for any strategic plans applicable, develop or update the strategic plan to reflect the use of data analysis and inclusive practices to more effectively advance racial equity and to respond to identified disparities with changes to the organization's policies, programs, and operations. The bill would also require, as part of the development or updating of strategic plans, each of these entities to engage and gather input from California communities that have been historically disadvantaged and underserved within the scope of policies or programs administered or implemented by the entity and make the plans publicly available.

- (2) **Senate Bill 766 (Senator Allen)** - Introduced February 21, 2025, and Amended April 10, 2025, May 1, 2025, May 23, 2025, June 13, 2025, June 26, 2025, July 14, 2025.

**Status:** Passed the Senate; do pass and re-referred to the Committee on Privacy and Consumer Protection.

**Support:** Americans for Financial Reform, Bet Tzedek, California Low-Income Consumer Coalition, CALPIRG, Cameo Network, Center for Auto Safety, Centro Legal De LA Raza, Coalition for Clean Air, Community Legal Services in East Palo Alto, Consumer Attorneys of California, Consumer Federation of America, Consumer Federation of California, Consumer Protection Policy Center/USD School of Law, Consumer Reports, Consumers for Auto Reliability & Safety, Contra Costa Senior Legal Services, Elder Law & Advocacy, Housing and Economic Rights Advocates, Legal Aid of Marin, Legal Assistance for Seniors, Legal Assistance to The Elderly, National Association of Consumer Advocates (NACA), National Consumer Law Center, INC., National Consumers League, Open Door Legal, Public Citizen, Public Counsel, Public Law Center, Rise Economy, Riverside Legal Aid, Santa Clara Law, Unidos, Watsonville Law Center.

**Opposition:** American Financial Services Association, California Bankers Association, California Chamber of Commerce, California Community Banking Network, California Credit Union League, California Financial Services Association, California New Car Dealers Association, Carvana, CMDA-California Motorcycle Dealers Association, Insurance Auto Auctions, Inc.

**Legislative Counsel's Digest:** California Combating Auto Retail Scams

(CARS) Act.

Existing law governs motor vehicle conditional sale contracts, as defined, and requires a seller, prior to the execution of a conditional sale contract, to make certain disclosures to the buyer, including a description and the price of each item sold if the contract includes a charge for the item, and the sum of all of those charges.

Existing law prohibits a dealer from selling specified used vehicles at retail to an individual for personal, family, or household use without offering the buyer a contract cancellation option agreement that allows the buyer to return the vehicle without cause. Existing law sets forth certain requirements for the contract cancellation option agreement, including prescribing the purchase price for the contract cancellation option and requiring specified disclosures.

This bill would enact the California Combating Auto Retail Scams (CARS) Act. The bill would define the terms vehicle and used vehicle for these purposes. The bill would make it a violation of the act for a dealer to make any misrepresentation regarding material information about specified matters relating to the vehicle sale, including the costs or terms of purchasing, financing, or leasing a vehicle, the availability of vehicles at a total price communicated by the dealer, and the remedy available if a dealer fails to sell or lease a vehicle at the total price, as defined. The bill would also make it a violation of the act for a dealer to fail to make certain disclosures clear and conspicuous, including specified information relating to the total price and any add-on product or services, and would exempt from that provision a used vehicle sold at an auction, as defined. The bill would make it a violation of the act for a dealer, in connection with the sale or financing of a vehicle, to charge for certain items, including an add-on product or service if the vehicle purchaser or lessee would not benefit from the add-on product or service. The bill would repeal the above-described contract cancellation option agreement requirement and would instead prohibit a dealer from selling or leasing specified used vehicles without providing the purchaser or lessee a 3-business-day right to cancel the purchase or lease, as provided. The bill would require a dealer to create and retain, for a period of 2 years from the date the record is created, all records necessary to demonstrate compliance with the act, including specified records.

The bill would make its provisions operative on October 1, 2026.

The bill would make related conforming changes.

d. Pending Federal Legislation of General Interest: None.

This matter is for information only at the August 1, 2025, General Meeting. If you have any questions or require additional information, please do not hesitate to contact me at (916) 244-6774 or Robin at (916) 244-6776.



***EXECUTIVE  
DIRECTOR'S  
REPORT***

***August 1, 2025***

# **A.**

# **ADMINISTRATIVE MATTERS**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>ADMINISTRATION COMMITTEE</b>			
1. <u><b>Update Concerning Moving the Board's Offices to DMV Headquarters</b></u> Kim Vaye	Update regarding moving of the Board's Offices upon the expiration of the lease at Midtown Building to DMV Headquarters.	Ongoing	In progress.
<u><b>Update Guide to the New Motor Vehicle Board</b></u> Tim Corcoran, Robin Parker	Update the <i>Guide to the New Motor Vehicle Board</i> to incorporate statutory and regulatory changes.	February 2025	<u><b>Completed</b></u> The revised Guide was adopted at the February 28, 2025, General Meeting.
<b>BOARD DEVELOPMENT COMMITTEE</b>			
1. <u><b>Schedule Board Member Education Presentations</b></u> Tim Corcoran	Develop a schedule for prioritizing topics and speakers for Board member education presentations for upcoming meetings.	Ongoing	In progress. Board education will be presented at each General Meeting.
2. <u><b>Solon C. Soteras Employee Recognition Award Recipient</b></u> Tim Corcoran	Compile the nominations provided by staff and select a nominee for the Solon C. Soteras Employee Recognition Award.	TBD	In progress. The nominee will be considered at a future General Meeting.
<b>COMMITTEE ON EQUITY, JUSTICE AND INCLUSION</b>			
1. <u><b>Develop Strategies for Board Consideration</b></u> Kim Vaye	Develop strategies for the Board's consideration, which advance California State Transportation Agency's stated goal of "Enhancing the lives of all Californians – particularly people of color and disadvantaged communities..."	Ongoing	In progress. This will be discussed at the July 31, 2025, Committee Meeting.



Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>2. Review Proposed Revisions to the Board Adopted Delegation of Authority to the Executive Director to Proceed with the Rulemaking Process to Include Non-Substantive Changes Suggested by the Fair Political Practices Commission</u></b> Kim Vaye	This proposal will be reviewed by the Committee on Equity, Justice and Inclusion prior to being considered by the Board at its August 1 2025, General Meeting.	July 2025	In progress. This will be reviewed at the July 31, 2025, Committee Meeting.
<b><u>3. Land Acknowledgments for Board Meetings</u></b> Kim Vaye	Explore writing land acknowledgments for Board meetings.	August 2025	In progress. Land Acknowledgments were discussed by the then Ad Hoc Committee on Equity, Justice and Inclusion at its November 1, 2024, Meeting and at the Committee Meeting on February 28, 2025. A two-member working committee is being considered at the August 1, 2025, General Meeting.
<b><u>4. Charter Review</u></b> Kim Vaye	Review the Charter that includes the purpose of the Committee, membership, responsibilities, meetings, equity goals, and deliverables.	July 2025	In progress. This will be discussed at the July 31, 2025, Committee Meeting.

**August 2025 Executive Director's Report**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>EXECUTIVE COMMITTEE</b>			
<b><u>1. Strategic Plan July 2024 - June 2030</u></b> Tim Corcoran, Kim Vaye	Develop and implement the Board's first Strategic Plan encompassing July 2024 through June 2030. Delegate discretion to the Executive Director to implement action items responsive to the objectives in the Strategic Plan.	Ongoing	In progress. The Strategic Plan was adopted at the April 25, 2024, General Meeting and the Executive Director was granted discretion to implement action items.
<b><u>2. Recognition of Jurisdictions that are ZEV Ready (CalSTA Core Four)</u></b> Tim Corcoran, Kim Vaye	Recognize local jurisdictions that demonstrate Zero Emission Vehicle Readiness. (Strategic Plan Objective 2.7)	August 2025	In progress. An update will be provided at the August 1, 2025, General Meeting.
<b><u>3. Consider Amendments to Board delegations</u></b> Tim Corcoran, Robin Parker	Review and consider amendments to the Board adopted delegations in compliance with the 1996 Performance Audit.	August 2025	In progress. Amendments to the Board adopted delegations will be considered at the August 1, 2025, General Meeting.
<b><u>Update concerning Board's Compliance with 1996 Performance Audit</u></b> Tim Corcoran, Robin Parker	Update regarding the Board's compliance with the 1996 Performance Audit and the resultant Corrective Action Plan.	February 2025	<b><u>Completed</u></b> An update was presented at the February 28, 2025, General Meeting.
<b>FISCAL COMMITTEE</b>			
<b><u>1. Quarterly Financial Reports</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke	Quarterly reports on the Board's financial condition and related fiscal matters.	Ongoing	In progress.

**August 2025 Executive Director's Report**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>2. Status report concerning the Board's collection of the Annual Board Fee</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke	The staff will provide a report concerning the Board's collection of the Annual Fee.	August 2025	In progress. A status report will be provided at the August 1, 2025, General Meeting.
<b><u>3. Status Report on the Collection of Fees for the Arbitration Certification Program</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke	The staff will provide a report concerning the annual fee collection for the Department of Consumer Affairs, Arbitration Certification Program.	August 2025	In progress. A status report will be provided at the August 1, 2025, General Meeting.
<b><u>4. Proposed Board Budget for the Next Fiscal Year</u></b> Tim Corcoran, Kim Vaye, Suzanne Luke	The staff, in conjunction with the Fiscal Committee, will discuss and consider the Board's proposed Budget for fiscal year 2025-2026.	August 2025	In progress. A status report will be provided at the August 1, 2025, General Meeting.
<b><u>Report Concerning Out-of-State Travel Plans</u></b> Tim Corcoran, Kim Vaye	The staff will provide a report concerning the out-of-state travel plans for fiscal year 2025-2026	February 2025	<u>Completed</u> The Board approved the proposed out-of-state travel at the February 28, 2025, General Meeting.
<b>GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE</b>			
<b><u>1. Participant Surveys for Industry Roundtable</u></b> Tim Corcoran, Kim Vaye	Based upon the feedback provided at the Industry Roundtable in the surveys, highlight areas for improvement and develop a preliminary list of suggested topics for a future event.	August 2025	In progress. The feedback will be presented at the August 1, 2025, General Meeting

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>2. EV (Electric Vehicle) Export Pledge (CalSTA Core Four)</u></b> Tim Corcoran, Kim Vaye	Ask new car dealers to pledge to have one EV expert on their sales team. (Strategic Plan Objective 2.4)	August 2025	In progress. An update will be considered at the August 1, 2025, General Meeting.
<b><u>Host Board Industry Roundtable</u></b> Tim Corcoran, Kim Vaye, Robin Parker	Host the traditional Industry Roundtable with representatives from car, truck, motorcycle and recreational vehicle manufacturers/distributors, dealers, in-house and outside counsel, associations and other government entities.	March 2025	<u>Completed</u> The Industry Roundtable was held on March 27, 2025, in Sacramento.
<b><u>Develop a Core Four - Safety Initiative related to Improving the Repair Rate of California-Registered Vehicles Subject to the Takata Air Bag Inflator “Stop Drive” Safety Recall</u></b> Tim Corcoran, Kim Vaye	In conjunction with various stakeholders, review and identify strategies including consumer outreach to improve the rate of repair for California-registered vehicles subject to the Takata air bag inflator safety recall. Host future meeting to engage all Board members and the public.	March 2025	<u>Completed</u> The Board participated in press event with its partners on May 13 and 14, 2024, to highlight the Takata airbag recall. The Board and its CalSTA sister agencies have been promoting “Check to Protect” safety recall information.
LEGISLATIVE COMMITTEE			
<b><u>1. Review of Pending and Enacted Legislation</u></b> Tim Corcoran, Robin Parker	The staff will provide an overview of pending legislation of special and general interest, and enacted legislation and pending federal legislation, if any.	Ongoing	In progress. An update will be provided at the August 1, 2025, General Meeting.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>POLICY AND PROCEDURE COMMITTEE</b>			
<b><u>1. Draft Proposed Regulatory Amendments to the Board's Conflict of Interest Code</u></b> Tim Corcoran, Robin Parker	In compliance with the Administrative Procedure Act, amend the Board's Conflict of Interest Code as set forth in Section 599 of Title 13 of the California Code of Regulations to cleanup dated language and update the address for the Fair Political Practices Commission.	August 2025	In progress. The proposed amendments will be considered at the August 1, 2025, General Meeting.
<b><u>2. Proposed Revisions to the Board Adopted Delegation of Authority to the Executive Director to Proceed with the Rulemaking Process to Include Non-Substantive Changes Suggested by the Fair Political Practices Commission</u></b> Tim Corcoran, Robin Parker	In April 2002, the Board delegated to the Executive Director the ministerial duty of proceeding through the rulemaking process in compliance with the Administrative Procedure Act. Non-substantive changes suggested by the Office of Administrative Law (OAL) or staff are considered by the Executive Committee and reported to the Board at the next meeting. The Proposed amendment encompasses non-substantive changes suggested by the Fair Political Practices Commission.	August 2025	In progress. The proposed amended delegation will be considered at the August 1, 2025, General Meeting.

**August 2025 Executive Director's Report**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b>3. <u>Promulgate Amendments to Increase the Annual Board Fee in Sections 553 and 553.20 of Title 13 of the California Code of Regulations</u></b> Robin Parker	In compliance with the Administrative Procedure Act, amend Sections 553 and 553.20 of the Board's regulations to increase the fees paid by dealers, manufacturers, and distributors to fully fund the Board's operation.	January 2026	In progress. The Board approved the text at the November 1, 2024, General Meeting. The Notice was published June 13, 2025, and public comment closes on July 28, 2025. The Department of Finance will then review the proposed amendments prior to submission to OAL.
<b>4. <u>Promulgate Amendments to Include Electronic Means in Motion Hearings with Live Witness Testimony in Section 551.19 of Title 13 of the California Code of Regulations</u></b> Robin Parker	In compliance with the Administrative Procedure Act, amend the regulation pertaining to live witness testimony in a motion hearing so the hearing may be held in-person or by other electronic means if each party in the hearing has an opportunity to participate in and to hear the entire proceeding while it is taking place and to observe exhibits. This is consistent with the Board's current practice.	January 2026	In progress. The Board approved the text at the February 28, 2025, General Meeting. The Notice was published on May 30, 2025, and public comment closed on July 14, 2025. The final rulemaking packet will be submitted to OAL for its review.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>Annual Rulemaking Calendar</u></b> Tim Corcoran, Jason Rose	Consideration of the annual rulemaking calendar.	February 2025	<b><u>Completed</u></b> The 2025 Rulemaking Calendar was adopted at the February 28, 2025, General Meeting.
<b><u>Report on the Assignment of Cases to Board Administrative Law Judges</u></b> Tim Corcoran, Robin Parker, Jason Rose	Annual report on the assignment of cases to Board Administrative Law Judges ("ALJs").	February 2025	<b><u>Completed</u></b> A report on the assignment of cases to Board ALJs was presented at the February 28, 2025, General Meeting.
<b><u>Appoint Robin Parker at the Board's Designated Mandatory Settlement Conference Hearing Officer</u></b> Tim Corcoran, Robin Parker	On October 28, 2024, the Executive Committee designated Robin Parker as the Board's hearing officer for Mandatory Settlement Conferences on an emergency basis given the unexpected passing of Designated Mandatory Settlement Conference Judge Marilyn Wong. This designation will be considered by the full Board.	February 2025	<b><u>Completed</u></b> Robin Parker was appointed the Designated Mandatory Settlement Conference Hearing Officer at the February 28, 2025, General Meeting.
<b><u>Update the Informational Guide for Manufacturers and Distributors</u></b> Tim Corcoran, Robin Parker	Update the <i>Informational Guide for Manufacturers and Distributors</i> .	February 2025	<b><u>Completed</u></b> The revised Guide was approved at the February 28, 2025, General Meeting.

**August 2025 Executive Director's Report**

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>Update the <i>Export or Sale-For-Resale Prohibition Policy Guide</i></u></b> Tim Corcoran, Robin Parker	Update the <i>Export or Sale-For-Resale Prohibition Policy Guide</i> for Vehicle Code section 3085 protests filed by an association, as defined.	February 2025	<b><u>Completed</u></b> The revised Guide was approved at the February 28, 2025, General Meeting.
<b><u>Assign Merits Hearings to the Office of Administrative Hearings (OAH)</u></b> Tim Corcoran, Robin Parker	Effective immediately, assign merits hearings to OAH for all new and existing protests. The Board's retired annuitant ALJs would remain on the Alternative MSC Assignment Log and the Alternative Law and Motion Assignment Log.	February 2025	<b><u>Completed</u></b> The Board approved assigning merits hearings to OAH for all new and existing protests at the February 28, 2025, General Meeting.
<b><u>Draft Proposed Regulatory Amendments to Include Electronic Means in Motion Hearings with Live Witness Testimony in Section 551.19 of Title 13 of the California Code of Regulations</u></b> Tim Corcoran, Robin Parker	In compliance with the Administrative Procedure Act, amend the regulation pertaining to live witness testimony in a motion hearing so the hearing may be held in-person or by other electronic means if each party in the hearing has an opportunity to participate in and to hear the entire proceeding while it is taking place and to observe exhibits. This is consistent with the Board's current practice.	February 2025	<b><u>Completed</u></b> The proposed regulatory amendments were adopted at the February 28, 2025, General Meeting.



Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>Promulgate Amendment to the Definition of Administrative Law Judge in subdivision (a) of Section 550 of Title 13 of the California Code of Regulations</u></b> Robin Parker	In compliance with the Administrative Procedure Act, amend the definition of Administrative Law Judge to exempt the Board from subdivision (b) in Sections 3067, 3081, and 3085.4 when the Office of Administrative Hearings presides over a merits hearing.	March 2025	<b><u>Completed</u></b> The Board approved the text at the April 25, 2024, General Meeting. The final rulemaking packet was submitted to OAL on January 24, 2025. On March 10, 2025, OAL notified the Board that OAL disapproved the proposed regulatory action. A Decision reflecting this was issued on March 17, 2025.
<b><u>Promulgate Amendments to Regulations to Remove References to Facsimile and Residence Addresses in Sections 551.14, 555, and 595 of Title 13 of the California Code of Regulations</u></b> Robin Parker	In compliance with the Administrative Procedure Act, amend Sections 551.14, 555, and 595 of the Board's regulations to remove references to facsimile and residence addresses.	July 2025	<b><u>Completed</u></b> The Board approved the text at the April 28, 2023, General Meeting. The final rulemaking packet was filed with the Secretary of State on March 6, 2025. These regulations were effective July 1, 2025.

Project Title/Manager	Project Goal (Description)	Estimated Completion Date	Status
<b><u>Promulgate Regulatory Amendments to the Board's Conflict of Interest Code</u></b> Robin Parker	In compliance with the Political Reform Act and the Administrative Procedure Act, amend the Board's Conflict of Interest Code as set forth in Section 599 of Title 13 of the California Code of Regulations to reflect Kim Vaye's position as Assistant Division Chief/Program Manager.	Completed	In progress. The Board approved the text at the November 1, 2024, General Meeting. The Notice was published on May 9, 2025. Public comment closed on June 23, 2025. OAL authorized for filing and printing on July 10, 2025. The rulemaking was filed with the Secretary of State on July 10, 2025. The amendments are effective August 9, 2025.
<b>AD HOC COMMITTEE TO REVIEW THE MISSION AND VISION STATEMENTS</b>			
1. <b><u>Revise the Board's Mission and Vision Statements</u></b> Tim Corcoran, Kim Vaye	Review and potentially update the Board's Mission and Vision Statements.	Ongoing	In progress. A status report will be presented at the first General Meeting of 2026.

# **B. CASE MANAGEMENT**

# CASE VOLUME

FEBRUARY 11, 2025, THROUGH JULY 15, 2025

VEHICLE CODE SECTION	CASE TYPE	NUMBER OF NEW CASES	NUMBER OF RESOLVED CASES	NUMBER OF PENDING CASES
3060	Termination	3	2	10
3060	Modification	1	10	2
3062	Establishment	0	0	0
3062	Relocation	0	0	0
3062	Off-Site Sale	0	0	0
3064	Delivery/Preparation Obligations	0	0	0
3065	Warranty Reimbursement	0	0	2
3065.1	Incentive Program Reimbursement	0	0	1
3065.3	Performance Standard	0	0	1
3065.4	Retail Labor Rate or Retail Parts Rate	0	0	1
3070	Termination	0	0	0
3070	Modification	0	0	0
3072	Establishment	0	0	0
3072	Relocation	0	0	0
3072	Off-Site Sale	0	0	0
3074	Delivery/Preparation Obligations	0	0	0
3075	Warranty Reimbursement	0	0	0
3076	Incentive Program Reimbursement	0	0	0
3085	Export or Sale-For Resale	0	0	0
3050(b)	Petition	0	0	0
TOTAL CASES:		4	12	17

# PENDING CASES

BY CASE NUMBER

ABBREVIATIONS			
<b>ALJ</b>	Administrative Law Judge	<b>Bd. Mtg.</b>	Board Meeting
<b>HRC</b>	Hearing Readiness Conference	<b>IFU</b>	Informal Follow-Up
<b>MH</b>	Merits Hearing	<b>CMH</b>	Continued Merits Hearing
<b>RMH</b>	Resumed Merits Heading	<b>MSC</b>	Mandatory Settlement Conference
<b>CMSC</b>	Continued Mandatory Settlement Conference	<b>RMSC</b>	Resumed Mandatory Settlement Conference
<b>MTCP</b>	Motion to Compel Production	<b>MTC</b>	Motion to Continue
<b>MTD</b>	Motion to Dismiss	<b>PHC</b>	Pre-Hearing Conference
<b>CPHC</b>	Continued Pre-Hearing Conference	<b>RPHC</b>	Resumed Pre-Hearing Conference
<b>PD</b>	Proposed Decision	<b>RFPD</b>	Requests for Production of Documents
<b>PSDO</b>	Proposed Stipulated Decision and Order	<b>ROB</b>	Rulings on Objections
<b>CROB</b>	Continued Rulings on Objections	<b>RROB</b>	Resumed Rulings on Objections
<b>SC</b>	Status Conference	<b>CSC</b>	Continued Status Conference
<b>* Consolidated, non-lead case</b>			

# PROTESTS

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
1.	PR-2803-22 9-15-22	Board Meeting: 8-1-25	KM3G Inc., d/b/a Putnam Kia of Burlingame v. Kia America Inc.	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Lauren A. Deeb, Jonathan R. Stulberg	Retail Labor Rate
2.	PR-2808-22 11-14-22	Protest settled at private mediation and should be dismissed soon RSC: 8-22-25	Martin Saturn of Ontario, Inc. dba Subaru of Ontario v. Subaru of America, Inc.	Protestant: Timothy D. Robinett, Gary H. Prudian  Respondent: Steven McFarland, Patrick Quinn, Amy Toboco	Termination
3.	PR-2812-22 11-30-22	RROB: 7-18-25 HRC: 1-26-26	San Luis Obispo Hyundai LLC dba Hyundai San Luis Obispo v. Hyundai Motor America	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Lauren A. Deeb, Kevin D'Olivo	Franchisor Incentive
4.	PR-2821-23 5-27-23	Parties are working on proposed merits hearing dates in February 2026 with OAH presiding	Liberty Motors, Inc., dba Liberty Chevrolet v. General Motors LLC	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Ashley Fickel, Robert Ellis	Modification

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
5.	PR-2826-23 5-25-23	Board Meeting: 7-31-25	KPAuto, LLC, dba Putnam Ford of San Mateo v. Ford Motor Company	Protestant: Gavin M. Hughes, Robert A. Mayville, Jr.  Respondent: Steve Kelso, Camille Papini-Chapla, April Connally	Warranty
6.	PR-2854-24 2-22-24	Protest settled at private mediation and should be dismissed soon RSC: 8-22-25	Martin Saturn of Ontario, Inc. dba Subaru of Ontario v. Subaru of America, Inc.	Protestant: Timothy D. Robinett, Gary H. Prudian  Respondent: Steven McFarland, Patrick Quinn, Amy Toboco	Termination
7.	PR-2856-24 4-30-24	Respondent's MTD Granted Board Meeting: 8-1-25	IVS NorCal LLC, d/b/a Kuhn INEOS Grenadier v. INEOS Automotive Americas, LLC	Protestant: Gavin Hughes, Robert Mayville  Respondent: Lou Chronowski, Michael Educate, Connor Gants, Marlow Svatek, Jim Vogler	Termination

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
8.	PR-2858-24 8-13-24	HRC: 7-21-25 MH: OAH	Jasper Auto Group, Inc. dba Victorville Hyundai, a California corporation v. Hyundai Motor America, a California corporation	Protestant: Victor P. Danhi, Adjoa M. Anim-Appiah, Esq.  Respondent: John Streelman, Rachel Sternlieb, Mariah Emmons, Lourdes Escalante	Termination
9.	PR-2859-24 9-13-24	Subsequent MTD to be filed by 7-23-25	Raceway Ford, Inc. dba Raceway Ford v. Ford Motor Company	Protestant: Gavin Hughes, Robert Mayville  Respondent: Elizabeth McNellie, Jeremiah Wood, Marcus McCutchen	Performance Standard
10.	PR-2860-24 12-19-24	CMSC: 9-12-25	Sunroad Auto LLC d/b/a Kearny Mesa Kia, California limited liability company v. Kia America, Inc., a California corporation	Protestant: Aaron H. Jacoby, Franjo M. Dolenac, Susanne L. Boniadi  Respondent: Lauren A. Deeb Jonathan R. Stulberg	Termination



	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
11.	PR-2862-25 1-23-25	HRC: 10-17-25	Hanlees Seven, Inc., dba Genesis of Richmond v. Genesis Motor America	Protestant: Gavin Hughes, Robert Mayville  Respondent:	Termination
12.	PR-2863-25 1-30-25	ROB: 8-6-25 HRC: 11-14-25	H & B Group, Inc. dba Nissan of Bakersfield v. Nissan North America, Inc.	Protestant: Gavin Hughes, Robert Mayville  Respondent: Steven McFarland, Christopher Genovese, Patrick Quinn	Warranty
13.	PR-2865-25 2-10-25	Supplemental briefing on Respondent's MTD initially heard on 5-27-25, which was deferred pending resolution  Respondent's initial brief: 7-18-25 Protestant's opposition: 7-28-25 Respondent's reply: 8-4-25 Resumption of MTD hearing: 8-11-25	DGDG21, LLC, dba Genesis of Stevens Creek v. Genesis Motor America	Protestant: Gavin Hughes, Robert Mayville  Respondent: Lauren A. Deeb, Kevin D'Olivo	Termination (15-day notice)

**August 2025 Executive Director's Report**

	CASE NUMBER/ DATE FILED	STATUS	PROTEST NAME	COUNSEL	CASE TYPE
14.	PR-2866-25 2-12-25	Held in abeyance pending MTD in PR-2865-25	DGDG21, LLC, dba Genesis of Stevens Creek v. Genesis Motor America	Protestant: Gavin Hughes, Robert Mayville  Respondent: Lauren A. Deeb, Kevin D'Olive	Termination (60-day notice)
15.	PR-2867-25 3-26-25	HRC: 10-28-25	E.M. Tharp, Inc., a California corporation dba Golden State Peterbilt v. Peterbilt Motors Company, a division of Paccar, Inc., a Delaware corporation	Protestant: Alton Burkhalter, Ros Lockwood  Respondent:	Termination
16.	PR-2868-25 6-13-25	RPHC: 8-5-25	West Valley Cycle Sales, Inc., a California corporation v. BMW of North America, LLC, a California corporation	Protestant: Victor P. Danhi, Adjoa M. Anim- Appiah, Esq.  Respondent:	Termination
17.	PR-2869-25 6-18-25	RPHC: 8-12-25	Liberty Motors, Inc., dba Liberty Chevrolet v. General Motors LLC	Protestant: Gavin Hughes, Robert Mayville  Respondent:	Modification

# PETITIONS

CASE NUMBER/ DATE FILED	STATUS	PETITION NAME	COUNSEL

# **C. JUDICIAL REVIEW**

**Either the Protestant/Petitioner/Appellant or Respondent seeks judicial review of the Board's Decision or Final Order by way of a petition for writ of administrative mandamus (Code of Civil Procedure section 1094.5). The writ of mandamus may be denominated a writ of mandate (Code of Civil Procedure section 1084).**

1. KPAUTO, LLC, DBA PUTNAM FORD OF SAN MATEO v. CALIFORNIA NEW MOTOR VEHICLE BOARD; FORD MOTOR COMPANY  
San Mateo County Superior Court No. 24-CIV-05035  
New Motor Vehicle Board No. CRT-283-24  
Protest No. PR-2759-21

In December 2021, KPAuto, LLC, dba Putnam Ford of San Mateo's (Putnam Ford) filed a Retail Labor Rate protest pursuant to Vehicle Code section 3065.4. Putnam Ford argued its current warranty labor reimbursement rate was significantly below its effective labor rate charged to retail customers. Putnam Ford requested an adjusted retail rate of \$436.76 per hour in July 2021. Ford Motor Company (Ford) denied this request because it was alleged to be double the rate being charged by other Ford dealers in the market and it claimed the submission was inaccurate or fraudulent. Ford proposed an adjusted retail labor rate of \$220.00. This was an increase from the \$177 per hour retail labor rate.

An 8-day Zoom merits hearing was held before Administrative Law Judge Wim van Rooyen of the Office of Administrative Hearings in September 2023. In the Proposed Decision, the ALJ determined that Ford had shown by a preponderance of the evidence that Putnam Ford's submission and determination of its retail labor rate were materially inaccurate. The Proposed Decision overruled Putnam Ford's protest. At the June 28, 2024, Special Meeting, the Public Members adopted the Proposed Decision as amended as its final Decision.

Putnam Ford filed a Verified Petition for Writ of Administrative Mandate (Petition) on August 12, 2024. The Board was served on August 28, 2024. A copy of the administrative record was provided.

Putnam Ford contends that the Board:

- Denied Putnam Ford a fair hearing and prejudicially abused its discretion by failing to proceed in the manner required by law.
- Denied Putnam Ford a fair hearing and violated Putnam Ford's due process rights.
- Prejudicially abused its discretion by failing to proceed in the manner required by law.

Putnam Ford seeks the issuance of a peremptory writ of administrative mandate directing the Board to set aside and vacate its Decision and to adopt and issue a new and different decision sustaining the protest. In the alternative, the issuance of a writ of administrative mandate directing the Board to set aside and vacate its Decision and

remand this case to the Board to consider evidence which in the exercise of reasonable diligence, could not have been produced or that was improperly excluded at the hearing.

President Kassakhian determined that there is not a state interest at issue in the writ so the Board will not participate via the Attorney General's Office.

On September 23, 2024, Petitioner filed Notice of Board's intent not to appear. On October 3, 2024, Real Party in Interest filed its Answer. At the January 22, 2025, hearing on the parties' First Joint Motion to Seal Exhibit A, the court denied the motion without prejudice. At the January 29, 2025, Case Management and Trial Setting Conference, the parties stipulated to, and the court ordered, the following dates:

- Petitioner's Opening Brief - Friday, April 18, 2025 . . . amended to May 9, 2025;
- Joint Appendix listing and containing regularly cited portions of the administrative record - Friday, April 18, 2025 . . . amended to May 9, 2025;
- Real Party in Interest's Opposition Brief - June 20, 2025 . . . amended to July 11, 2025;
- Petitioner's Reply Brief - Friday, August 8, 2025 . . . amended to August 29, 2025.

At the April 2, 2025, hearing on the parties' Second Joint Motion to Seal Exhibit A, the court denied the motion without prejudice. The hearing on the Third Joint Motion to Seal Exhibit A is on August 13, 2025.

The hearing on the Writ is October 8, 2025, at 2:00 p.m. in Department 28.

# NOTICES FILED

PURSUANT TO VEHICLE CODE SECTIONS

3060/3070 AND 3062/3072

FEBRUARY 11, 2025, THROUGH JULY 15, 2025

These are generally notices relating to termination or modification (Sections 3060 and 3070) and establishment, relocation, or off-site sales (Sections 3062 and 3072).

## SECTIONS 3060/3070

Manufacturer	Number of Notices
BMW/Mini	
Ford	
GM (Buick, Cadillac, Chevrolet, GMC)	280
Honda/Acura	
Hyundai/Genesis	
Kia	
Nissan/Infiniti	
Stellantis (Chrysler, Jeep, Dodge, RAM,)	
Stellantis (Alfa Romeo, FIAT)	
Stellantis (Maserati)	
Subaru	
Toyota/Lexus	
Volkswagen/Audi	
Miscellaneous Car	3
Miscellaneous Motorcycles	22
Miscellaneous Recreational Vehicle	37
<b>Total</b>	<b>342</b>

## SECTIONS 3062/3072

	Number of Notices
BMW	
Ford	
GM (Buick, Cadillac, Chevrolet, GMC)	
Honda/Acura	
Hyundai/Genesis	
Kia	1
Nissan/Infiniti	
Stellantis (Chrysler, Jeep, Dodge, RAM)	
Stellantis (Alfa Romeo, FIAT)	
Stellantis (Maserati)	
Subaru	
Toyota/Lexus	
Volkswagen/Audi	
Miscellaneous Car	
Miscellaneous Motorcycles	1
Miscellaneous Recreational Vehicle	
	<b>2</b>





## Memorandum

**Date : JULY 17, 2025**

**To : ALL BOARD MEMBERS**

**From : TIMOTHY M. CORCORAN**

**Subject : BOARD MEETING DATES**

The following identifies planned Board meeting dates:

- July 31, 2025, Ad Hoc Committee on Equity, Justice and Inclusion (Glendale)
- August 1, 2025, General Meeting (Glendale)
- August 1, 2025, Special Meeting (Glendale)
- November 2025, Special Meeting (date/location to be determined)
- February 2026, General Meeting (date/location to be determined)
- March 2026 Industry Roundtable (Sacramento)
- Summer 2026, General Meeting (location to be determined)
- Fall/Winter 2026, General Meeting (location to be determined)

If you have any questions or concerns about any of the upcoming Board meetings, please do not hesitate to contact me at (916) 244-6774.