

## **NEW MOTOR VEHICLE BOARD**

### **Arbitration Certification Program Fee Collection -- FY 2023-24**

#### Statement Specifying Why The Changes Are Without Regulatory Effect

Business and Professions Code section 472.1 authorizes the Department of Consumer Affairs (Department) to establish a program for certifying each third-party dispute resolution process used for the arbitration of motor vehicle disputes pursuant to Civil Code section 1793.22(d). Business and Professions Code section 472.5 designates the New Motor Vehicle Board (Board) as the agency responsible for administering the collection of fees from new motor vehicle manufacturers and distributors to fully fund the Arbitration Certification Program (ACP) within the Department.

Business and Professions Code section 472.5 further requires that:

- (a) Each manufacturer and distributor file a statement with the Board, on or before May 1 of each year, which contains specified information, and to pay a fee within a specified time after written notification by the Board;
- (b) The Department notify the Board, on or before February 1 of each year, of the dollar amount necessary to fully fund the ACP for the upcoming fiscal year, but not specify to the method by which the Board is to determine the dollar amount;
- (c) The regulations the Board adopts to implement the provisions relating to the collection of fees shall include, at a minimum, a formula for calculating the fee to be collected for each motor vehicle and the total amount of fees to be collected from each manufacturer or distributor.

The Board adopted regulations in Title 13 of the California Code of Regulations (sections 553.50, et seq.) to clarify and implement the collection of the fees.

Currently, the Board is proposing to adopt changes to Section 553.70 in Title 13 of the California Code of Regulations. These changes reflect the dollar amount to be charged for the 2023-24 fee collection and are without regulatory effect. The amount to be collected pursuant to Section 472.5(b) of the Business and Professions Code is to be determined each year by a specific formula as delineated in Section 553.70. Pursuant this provision, the Board is required to divide the dollar amount necessary to fully fund the Department's ACP by the number of new motor vehicles sold, leased or otherwise distributed in California during the previous calendar year. It was reported that 1,658,482 new motor vehicles were sold, leased or otherwise distributed in California during 2022 (see attached Exhibit A). The Department reports that it will need \$1,709,000 to fund the ACP for fiscal year 2023-24 (see attached Exhibit B). The Department's figure does not, however, include the Board's costs of administering the collection of fees to fund this program.

Section 3016 of the Vehicle Code requires that the Department reimburse the Board for its costs associated with the administration of the collection of the fees. The Board's

costs for this program during the period from August 25, 2022, through April 18, 2023 (see attached Exhibit C) were \$715.87. As such, computation of the fee to be charged per vehicle is as follows:

ACP's funding requirements	\$ 1,709,000
Board's costs	\$ 715.87
Total funding requirements	\$ 1,709,715.87
Number of vehicles distributed in 2022	1,658,482
Fee per vehicle (calculated by dividing the total funding needed by the number of vehicles distributed)	\$ 1.00

Accordingly, collecting the maximum fee allowable by statute of \$1.00 per vehicle will cover almost all costs associated with this program.

The proposed changes in the regulation are implementing the conditions and prescriptions contained in the regulation. The Board is merely specifying the amount to be charged and does not alter the requirements, rights, responsibilities, conditions, or prescriptions contained in the existing regulation.

Arbitration Certification Program

2023-2024 Fee Collection

OL#	Company	2022 Sales	x 1.00	Fees
1700	357 Golf Cart Inc.	129	129.00	\$129
03421	American Honda Motor Company, Inc.	139,362	139362.00	\$139,362
41910	Aston Martin Lagonda of North America, Inc.	431	431.00	\$431
41171	Automobili Lamborghini America, LLC	687	687.00	\$687
53822	Bentley Motors Incorporated	826	826.00	\$826
46520	BMW of North America, LLC	64,206	64206.00	\$64,206
5822	BrightDrop Vehicle Distribution LLC	145	145.00	\$145
96447	Columbia Vehicle Group, Inc.	440	440.00	\$440
45282	HDK Plastic Factory, Ltd. (U.S.A.)	1,617	1617.00	\$1,617
45259	FCA US, LLC	102,014	102014.00	\$102,014
32354	Ferrari North America, Inc.	685	685.00	\$685
00014	Ford Motor Company	101,753	101753.00	\$101,753
85415	Forest River, Inc.	101	101.00	\$101
90755	Garia, Inc.	121	121.00	\$121
9832	Gem Waev LLC	347	347.00	\$347
45257	General Motors, LLC	184,854	184854.00	\$184,854
96781	Genesis Motor America, LLC	7,472	7472.00	\$7,472
17000	Hyundai Motor America	65,029	65029.00	\$65,029
41916	Jaguar/Land Rover North America, LLC	11,982	11982.00	\$11,982
19573	Kia Motors America, Inc.	64,440	64440.00	\$64,440
27202	Lexus, A Division of Toyota Motor Sales, USA	46,705	46705.00	\$46,705
88785	Lucid USA, Inc.	1,340	1340.00	\$1,340
54302	Maserati North America, Inc.	1,020	1020.00	\$1,020
04896	Mazda Motor of America, Inc.	32,690	32690.00	\$32,690
48899	McLaren Automotive, Inc.	225	225.00	\$225
05506	Mercedes-Benz USA, LLC	75,150	75150.00	\$75,150
00202	Mitsubishi Motors North America, Inc.	4,174	4174.00	\$4,174
00562	Nissan North America, Inc.	83,809	83809.00	\$83,809
1517	Polestar Automotive USA, Inc.	2,993	2993.00	\$2,993
16403	Porsche Cars North America, Inc.	16,098	16098.00	\$16,098
05951	Rivian Automotive, LLC	4,045	4045.00	\$4,045
59010	Rolls Royce Motor Cars NA, LLC	451	451.00	\$451
18593	Subaru of America, Inc.	59,676	59676.00	\$59,676
63277	Tesla Motors, Inc.	214,148	214148.00	\$214,148

<b>43753</b>	Textron Specialized Vehicles	107	107.00	\$107
<b>797</b>	Toyota Motor Sales, USA, LLC	278,098	278098.00	\$278,098
<b>11976</b>	Volkswagen Group of America, Inc.	79,972	79972.00	\$79,972
<b>95508</b>	Volvo Car USA, LLC	11,140	11140.00	\$11,140
	<b>Total</b>	<b>1,658,482</b>	<b>\$1,658,482.00</b>	<b>\$1,658,482</b>



**ARBITRATION CERTIFICATION PROGRAM**

1625 North Market Blvd., Suite N-112, Sacramento, CA 95834

P (916) 574-7350 | Toll-Free (800) 952-5210 | [www.dca.ca.gov/acp](http://www.dca.ca.gov/acp)



December 1, 2023

Timothy Corcoran  
Executive Director  
New Motor Vehicle Board  
1507 21st Street, Suite 330  
Sacramento, CA 95811

Dear Mr. Corcoran:

Pursuant to Business and Professions Code, Chapter 9, Division 1, we have estimated that \$1,709,000 will need to be collected from manufacturers to fully fund the Arbitration Certification Program (ACP) in FY 2023/2024. If needed, we request that the New Motor Vehicle Board collect the maximum allowed per statute (\$1) and the ACP will use its budget reserves to cover the remaining balance. Attached is the ACP's fund condition.

If you have any questions or need additional information, please contact me at (916) 591-9144.

Sincerely,

A handwritten signature in blue ink that reads "Cynthia Antar".

Cynthia Antar  
Program Chief

Enclosure: ACP's Fund Condition



# NEW MOTOR VEHICLE BOARD

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**Gavin Newsom, Governor**  
State of California

**Toks Omishakin, Secretary**  
California State Transportation Agency

**Ardashes Kassakhian, President • Jacob Stevens, Vice-President**  
**Anne Smith Boland • Kathryn E. Doi • Ryan Fitzpatrick • Bismarck Obando • Brady Schmidt**

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## INVOICE

Department of Consumer Affairs  
Arbitration Certification Program  
Attn: Jose Escobar  
1625 North Market Blvd., N112  
Sacramento, CA 95834

Date: April 20, 2023

This invoice is for direct costs incurred by the New Motor Vehicle Board in the administration and collection of fees to support the Department of Consumer Affairs' Arbitration Certification Program for the period of August 25, 2022 to April 18, 2023. (Authority cited: Vehicle Code § 3016; Business and Professions Code § 472.5)

Staff Time	\$715.87
<b>Total</b>	<b>\$715.87</b>

Please remit payment (with a copy of this invoice) to:

New Motor Vehicle Board  
Attn: Suzanne Luke  
2415 1st Avenue, MS L242  
Sacramento, California 95818

California Relay Telephone Service for the deaf or hard of hearing from TDD Phones: 1-800-735-2929; from Voice Phones: 1-800-735-2922