

EXPRESS TERMS

Title 13, Division 1, Chapter 1

Article 3.6 – Business Partner Automation (BPA) Program

§ 225.00. Definitions.

The following definitions shall apply to this article.

- (a) "BPA" means the Business Partner Automation Program.
- (b) "BPA contract" means an agreement between the State and a qualified private industry first-line business partner or first-line service provider as authorized under ~~Section 1685 of the Vehicle Code~~ section 1685.
- (c) "Accountable inventory" means inventory identified by a unique serial number that is assigned by the department. These items are the department issued license plates, year stickers, vessel stickers, and salvage and nonrepairable vehicle certificates. These items are at all times the property of the department.
- (d) "Business partner" means a qualified private industry partner as set forth in ~~Section 1685 of the Vehicle Code~~ section 1685.
- (1) A business partner that acts as a registration service is subject to Chapter 2.5, Division 5 of the Vehicle Code unless otherwise exempt.
 - (2) A business partner that acts as a vessel agent is subject to Chapter 2, Division 3.5 of the Vehicle Code unless otherwise exempt.
 - (3) A business partner that acts as a dealer is subject to Chapter 4, Division 5 of the Vehicle Code unless otherwise exempt.
 - (4) A business partner that acts as a automobile dismantler is subject to Chapter 3, Division 5 of the Vehicle Code unless otherwise exempt.
 - (5) A business partner that acts as a salvage pool is subject to Chapter 3, Division 5 of the Vehicle Code unless otherwise exempt.
 - (6) A business partner that acts as a rental/leasing company.
- (e) "Controlled inventory" means inventory that may impact the registration of vehicles and collection of fees. These items are the department issued computer DMV 95A paper, Commercial Vehicle Registration Act (CVRA) decals and stickers, PFR stickers and month stickers. These items are at all times the property of the department.

(f) "First-line business partner," "first-line service provider," and "second-line business partner" are defined as set forth in ~~Section 1685(b)(1)(A) through (C)~~ of the Vehicle Code section 1685(b)(1)(A) through (C).

(g) "Interface" means the electronic exchange of information.

(h) A "change in legal structure" means a change between sole owner, partnership, corporation, association, limited liability company or other legal entity.

(i) "Miscellaneous original" means a transaction for an application for California title/ownership certificate when the supporting documentation does not include a California new vehicle report of sale form or a title or evidence of ownership from another state or international jurisdiction and there is no record on the department's vehicle registration (VR) database. This may include:

(1) Unavailable Record (Document submitted may be a California title or registration card, but the vehicle/vessel is not listed in the California vehicle registration ~~history~~ database-).

(2) No Evidence of Ownership (Document submitted is not recognized by the Polk Motor Vehicle Registration Manual, Title, Registration and Related Procedures for all ~~Statesbook~~ states as evidence of title/ownership).

(3) Vehicle with ~~manufacturer's~~ Manufacturer's Statement of Origin (MSO) (Document submitted as evidence of title/ownership is a Manufacturer's Statement of Origin (MSO) created by the vehicle's manufacturer).

(4) Vehicle with Manufacturer's Certificate of Origin (MCO) (Document submitted as evidence of title/ownership is a ~~manufacturer's~~ Manufacturer's Certificate of Origin (MCO) created by the vehicle's manufacturer).

(j) "Owner" means sole owner, partner (except for limited partner), ~~Limited Liability Company~~ limited liability company members, or private and public corporation directors and principal shareholders with ~~10~~ ten % ~~percent~~ or more interest in the corporation.

(k) "Permanent Fleet Registration (PFR)" means the intrastate registration of fleet vehicles authorized by Vehicle Code section 5301 to display a permanent license plate sticker on each participating fleet vehicles.

Note: Authority cited: Sections 1651, ~~and~~ 1685, and 5301, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.03. Application Requirements.

A business partner applicant shall complete all requirements and submit to the BPA Program Administrator the following:

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(a) A business partner applicant shall complete, sign and submit an application form for the appropriate type of business.

(1) The application form for a first-line business partner is a Business Partner Automation Application; First-Line Business Partner form, REG 4024 (REV. ~~10/2008~~ 11/2011).

(2) The application form for a first-line service provider is a Business Partner Automation Application; First-Line Service Provider form, REG 4023 (REV. ~~10/2008~~ 11/2011).

(3) The application form for a second-line business partner is a Business Partner Automation Application; Second-Line Business Partner form, REG 4025 (REV. ~~10/2008~~ 11/2011).

(4) The application forms identified in Section 225.03(a)(1) through (3) of these regulations are hereby incorporated by reference.

(5) Each business partner owner shall be identified on the application form submitted pursuant to Section 225.03(a)(1) through (3) of these regulations.

(b) A business partner applicant shall pay a non-refundable application fee of ~~three hundred and twenty four dollars (\$324)~~ \$324 for its principal place of business and ~~one hundred and thirty dollars (\$130)~~ \$130 for each site added with the application. Checks shall be made payable to the Department of Motor Vehicles. This fee shall be paid at the time the application is submitted. An application for a BPA contract shall be submitted via ~~US~~ U.S. mail or private courier to the following address: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

(1) An application shall be valid for one year from the date the application is first received by the department. An applicant ~~who~~ that fails to fulfill the requirements identified in this section within one year from the date the application is first received by the department must reapply and pay a new application fee.

(c) A business partner applicant shall provide the information required by the ~~Business Partner Automation Program Information Security Pre-Implementation Checklist for First-Line Business Partner and First-Line Service Provider~~ Business Partner Automation Program Information Security Pre-Implementation Checklist First-Line Business Partner and First-Line Business Partner Service Provider form, EXEC 5555A (NEW 11/2002) or the Business Partner Automation Program Information Security Pre-Implementation Checklist ~~for~~ Second-Line Business Partner form, EXEC 5555B (NEW 11/2002), which are hereby incorporated by reference, and in the first-line business partner or first-line service provider BPA contract.

(d) A business partner applicant shall submit a photocopy of the completed and signed Request for Live Scan Service Applicant Submission (License, Certification, Permit Only, or Business Partner Automation Program Participant) form, DMV 8016 (Rev. ~~11/2001~~ 2/2008) in accordance with Section 225.06 of these regulations and a Statement of Personal History Pre-Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002) for each owner and each employee. The Statement of Personal History form ~~is~~ and Request for Live Scan Service form are hereby incorporated by reference. A business partner applicant shall submit the documents required by this section for all owners, managers, and administrative staff responsible for the oversight of the program or ~~who~~ that manage, administer, supervise, or monitor transactions, inventory, employees, or money; order or account for inventory; and employees ~~who~~ that process vehicle registration transactions or work directly with customers.

(1) A business partner applicant located out-of-state or with BPA site locations out-of-state shall ~~submit fingerprints~~ be responsible for fingerprinting and obtaining a hardcopy of the results for each owner identified on the application form and each of its employees ~~on a Fingerprint Card form, ADM1316 (Rev. 1/97) or on a Request for Live Scan Service form~~ in accordance with Section 225.06 of these regulations.

~~(A) The Fingerprint Card form shall be submitted to a local law enforcement agency. After the local law enforcement agency completes the form, processes for fingerprints, and signs and identifies itself, the form shall be returned to the business partner owner or employee, who will submit the form to the BPA Program Administrator.~~

~~(B) (A) The completed original fingerprint forms, along with a copy of the receipt from the local law enforcement agency for processing the form, a photocopy of each person's valid driver license or identification card issued by the state where the site is located, a completed and signed Personal History Statement form A hardcopy of the fingerprint results and a Statement of Personal History Pre-Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002), for each person, and the fee as authorized in Penal Code section 11105(e) for the Department of Justice (DOJ) fingerprint checks for each set of fingerprints shall be sent by trackable mail to the following address: Business Partner Automation Program, 2415 1st Avenue MS C383, Sacramento, CA 95818. Checks shall be made payable to the Department of Motor Vehicles.~~

(e) Fingerprints shall not be required when the person to be fingerprinted is a business partner owner ~~who~~ that is currently an occupational licensee of the department and ~~whose~~ has already submitted fingerprints ~~have already been submitted~~ to the department.

(f) The business partner applicant shall submit evidence of compliance with Section 225.09 of these regulations.

(g) A business partner applicant shall complete, sign and submit the Information Security and Disclosure Statement (Firm) form, EXEC_201X (REV. 3/2003), which is hereby incorporated by reference.

(h) A business partner applicant that is a registration service, a dismantler or a vehicle dealer licensed by the department shall submit a copy of ~~the~~ their Occupational License, form, OL 39 (REV. 7/2004) ~~form as evidence of a valid occupational license. The form is hereby incorporated by reference.~~

(i) A business partner with BPA site locations out-of-state shall maintain an office in the State of California or designate a registered agent within the State of California for service of process.

(1) The identification of a registered agent within the State of California that is available for service of process shall be provided on an application form identified in Section 225.03(a)(1) through (3) of these regulations.

(j) The department will review a submitted application package and determine whether or not the application package is complete within ~~thirty (30)~~ 30 days of the receipt of the application package as required by Section 225.03 of these regulations. After a determination has been made by the department, written notification shall be sent to the applicant. The department will inform the applicant that the application is complete and acceptable for filing or that the application is deficient and what specific information is required by the applicant. The department will review a complete application package and decide whether or not to ~~enter into a BPA contract~~ grant a permit within ~~ninety (90)~~ 90 days of receipt of the complete package.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

~~§ 225.06. Fingerprints.~~

~~(a) A business partner applicant shall submit fingerprints for business partner owners and employees located in California to a Live Scan facility for each person identified in Section 225.03(d) of these regulations. A copy of the Request for Live Scan Service form, DMV 8016 (Rev. 11/2001) shall be submitted for any and all persons being fingerprinted prior to participation in the BPA.~~

~~(1) The Request for Live Scan Service form shall contain the following:~~

~~(A) The typed or printed true, full name of the person fingerprinted.~~

~~(B) Any alias used by the person fingerprinted.~~

~~(C) The birth date of the person fingerprinted.~~

~~(D) The birthplace of the person fingerprinted.~~

~~(E) The sex, height, weight, eye color and hair color of the person fingerprinted.~~

~~(F) The driver license or identification card number of the person fingerprinted and state of issue.~~

~~(G) The social security number of the person fingerprinted.~~

~~(H) The date the fingerprints are taken.~~

~~(I) The signature of the person taking the fingerprints.~~

~~(J) A statement that the Request for Live Scan Service form shall be for the purpose of determining approval to participate in the BPA.~~

~~(K) The home address and telephone number of the person fingerprinted.~~

~~(b) A business partner applicant shall submit fingerprints for business partner owners and employees located out of state for each person identified in Section 225.03(d) of these regulations to a Live Scan facility or to any local law enforcement agency. A Fingerprint Card form, ADM1316 (Rev. 1/97) shall be submitted for the person being fingerprinted prior to participation in the BPA.~~

~~(1) The Fingerprint Card form shall contain the following:~~

~~(A) The true, full name of the person fingerprinted.~~

~~(B) The signature of the person fingerprinted.~~

~~(C) The date the person is fingerprinted.~~

~~(D) The signature of the official at the local law enforcement agency taking the fingerprints.~~

~~(E) The name and address of the law enforcement agency performing the fingerprinting.~~

~~(F) Alias (AKA) of the person fingerprinted.~~

~~(G) The driver license or state issued identification card number of the person fingerprinted.~~

~~(H) The sex, height, weight, eye color and hair color of the person fingerprinted.~~

~~(I) The birthplace of the person fingerprinted.~~

~~(J) The date of birth of the person fingerprinted.~~

~~(K) The social security number of the person fingerprinted.~~

~~(L) On the reverse side, the "Occupational Licensing Branch" box and "Other" box shall be checked and the notation "BPA" added to explain why the "Other" box is checked.~~

~~(M) The name of the business partner that is owned by or employs the person fingerprinted.~~

~~(N) The street address and city of the business partner that is owned by or employs the person fingerprinted.~~

~~(O) The position (title) in the business of the person fingerprinted.~~

~~(P) The street address and city of the person fingerprinted.~~

~~Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.~~

§ 225.09. Financial Security Requirements.

(a) Every applicant for issuance or renewal of a first-line business partner or first-line service provider permit shall submit the bond required by Vehicle Code section 1685(b)(2)(C) to the department on a Business Partner Automation Surety Bond (Vehicle Code Section 1685) form, REG 866 (Rev. 11/2008), which is hereby incorporated by reference. The conditions of the bond shall be incorporated in the REG 866 form.

(1) A deposit as provided in ~~Section 995.710 of the~~ Code of Civil Procedure section 995.710 shall be acceptable in lieu of the surety bond.

(b) The amount of financial security required shall be as follows:

(1) A first-line business partner shall maintain a bond in the amount of ~~six hundred and fifty thousand dollars (\$650,000)~~ \$650,000.

(2) A first-line service provider shall maintain a bond in the amount of ~~one million dollars (\$1,000,000,000)~~ \$1,000,000.

~~(3) A second-line business partner shall maintain a bond in the amount of fifty thousand dollars (\$50,000) when processing new vehicle reports of sale, vehicle or legal owner transfer, vehicle license fee (VLF) refund, duplicate title, substitute vehicle license plate and sticker, substitute vehicle license sticker, non-resident, vehicle registration renewal, miscellaneous original, new vessel, salvage, junk,~~

~~nonrevivable junk or nonrepairable vehicle transactions or any combination thereof.~~

~~(A) A second line business partner shall maintain a bond in the amount of ten thousand dollars (\$10,000) when only processing registration renewal, substitute vehicle license sticker, and substitute vehicle license plate and sticker transactions.~~

~~(e) A rider for the surety bond may be accepted when adding processing transaction(s) to the surety bond.~~

~~(d)~~(c) The agreement and assignment form accompanying a deposit given in lieu of a surety bond shall be on a Business Partner Deposit Agreement and Assignment (Vehicle Code section 1685 and CCP section 995.710) form, (REG 4029, REV. 10/2008), which is incorporated by reference.

~~(e)~~(d) A deposit shall be released by the department when either of the following conditions occur:

(1) ~~five (5)~~ Five years after the business partner ceases to do business in the BPA program when the department determines it is satisfied that there are no outstanding claims and unsatisfied final judgments against the business partner, or

(2) ~~when~~ When the contract and permit expires and is not renewed and the department is satisfied that there are no outstanding claims and unsatisfied final judgments against the business partner.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code; and Sections 995.360, 995.710 and 995.770, Code of Civil Procedure.

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

(a) A first-line business partner or first-line service provider applicant shall sign the BPA contract prepared on a State of California, Standard Agreement form, STD213 (NEW 2/98) and executed in accordance with the Department of General Services requirements and the State Contracting Manual.

(b) A BPA contract shall be in effect for ~~thirty-six (36)~~ months. A renewal application and new BPA contract shall be required for each subsequent permit. The renewal application process may be started ~~one hundred and twenty (120)~~ days before the BPA contract and permit expire.

(c) Should any provision of the BPA contract, statute or regulations be deemed illegal or unenforceable, all remaining provisions of the BPA contract, statutes, and regulations shall remain in effect.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1653 and 1685, Vehicle Code.

§ 225.15. BPA Permit Authority.

(a) No person shall act as a first-line business partner or first-line service provider who ~~who~~ that is not a party to a currently valid BPA contract.

~~(b)~~ Upon the execution of the first-line business partner or first-line service provider BPA contract, the department will issue a BPA permit for each site location that the department has determined meets the permit qualifications. The BPA permit shall identify the business as an authorized business partner.

~~(b)(c)~~ A BPA permit shall be issued to each first-line business partner, first-line service provider and second-line business partner for each site location that the department has determined meets the permit qualifications to enter into a BPA contract. Upon the execution of the BPA contract, the department will issue a BPA permit. The BPA permit shall identify the business as an authorized business partner.

~~(e)~~ (d) The Authorized Business Partner Permit form, REG 4027 (Rev. 6/2002) shall be displayed within view of the business partner's customers.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code; and 15376, Government Code.

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

(a) The failure of an applicant to establish its honesty, integrity, good character and reputation to the satisfaction of the department is good cause for the department to refuse to enter into a first-line business partner or first-line service provider BPA contract with and/or permit with such applicant.

(b) The failure of an applicant to establish the honesty, integrity, good character and reputation of any of its owners or employees to the satisfaction of the department is good cause for the department to refuse to enter into a first-line business partner and/or first-line service provider BPA contract with and/or permit with such applicant.

(c) The information provided on a Statement of Personal History Pre-Implementation Screening Process Business Partner Automation Program Privacy Statement and Instructions to Applicant form, REG 4019 (Rev. 11/2002), the message(s) from DOJ in response to a fingerprint check and/or other information obtained by the department may be the basis for approval or disapproval of a business partner, business partner owner(s) or employee(s) in meeting the standards stated in ~~Section 1685(b)(2)(B) of the Vehicle Code~~ section 1685(b)(2)(B) to participate in the BPA.

(d) There is good cause for the department to refuse to enter into a BPA contract with a business partner applicant if the applicant, one of its owners or employees:

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- (1) Has been convicted of a felony or a crime, or committed an act or engaged in conduct involving moral turpitude that is substantially related to the function of a BPA business partner.
- (2) Is or has been the holder of an occupational license issued by the department that has been suspended or revoked.
- (3) Is or has been a managerial employee of an occupational licensee licensed by the department that has been suspended or revoked.
- (4) Is or has been a commercial requestor or one of its owners that has been suspended or revoked.
- (5) Has failed to comply with ~~their BPA contract or failed to complete any of the audit requirements of Section 225.63~~ Article 3.6, Business Partner Automation (BPA) Program of these regulations.
- (6) Has used a false name, made any false statement, or concealed any material fact in any BPA application or statement of personal history.
- (7) Has displayed, caused or permitted a sign, mark or advertisement, or used a "Doing Business As" (DBA) in violation of ~~Section 25 of the Vehicle Code~~ section 25.
- (8) Has permitted or engaged in fraudulent practices or acts, with reference to clients, members of the public or the department.
- (9) Has committed or was responsible for any other act, occurrence, or event in California or any foreign jurisdiction that provides cause for refusal to issue a permit.
- (10) Has failed to comply with ~~Section 1685, of the Vehicle Code~~ section 1685; Division 5, (commencing with Section 11100) of the Vehicle Code, has violated Article 3, commencing with Section 1800, Chapter 1, Division 2 of the Vehicle Code or any regulation adopted under these statutes.
- (11) Was a departmental employee dismissed by the department for cause related to honesty, integrity, good character and reputation of the person dismissed by the department within the last ten ~~(10)~~ years.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1653 and 1685, Vehicle Code.

§ 225.21. Review of Criminal History Information.

(a) In reaching a decision on approval or disapproval of a business partner owner or employee to participate in the BPA, the BPA Program Administrator or a designee may

review and consider the criminal history information provided by the California Attorney General pursuant to ~~Section 11105(b)(10) of the~~ Penal Code section 11105(b)(10). This information may be used as part of the department's process in reaching a decision as it relates to Sections 225.00 et seq. of these regulations. The BPA Administrator or designee will consider the "Occupational Licensing and Disciplinary Guidelines" (~~Rev. 11/2007~~ Rev. 4/2010) incorporated by reference in Section 440.04, Article 6.1, Chapter 1, Division 1, Title 13, of the California Code of Regulations in reaching a decision.

(1) Deviation from the Guidelines is appropriate when the Director or designee, in his or her sole discretion, determines that the facts warrant such a deviation, for example, the presence of mitigating factors, how long ago the conduct, action, or offense occurred, evidentiary problems and customer complaints.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code; and Section 11105, Penal Code.

§ 225.24. Failure to Meet Security Requirements.

The failure of an applicant or a business partner to comply with the information security requirements identified in Section 225.51 shall be good cause for the department to cancel, terminate or refuse to enter into a BPA contract and/or BPA permit with such business partner applicant.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.35. Renewal.

(a) A business partner renewal applicant shall complete and submit the following to the BPA Program Administrator prior to the expiration of the contract and permit term:

(1) A completed and signed Business Partner Automation Renewal Application form, REG 5056 (REV. ~~10/2008~~ 11/2011), which is hereby incorporated by reference.

(2) A completed and signed Information Security and Disclosure Statement (Firm) form, EXEC 201X (REV. 3/2003).

(3) A copy of the business partner's valid ~~occupational license~~ Occupational License form, OL 39 (REV 7/2004), if applicable.

(4) A non-refundable renewal application fee of ~~one hundred and ninety-eight dollars (\$198)~~ \$198. Checks shall be made payable to the Department of Motor Vehicles.

(b) A renewal application shall be received within ~~thirty (30)~~ 30 days of the expiration date on the BPA Authorized Business Partner Permit form, REG 4027 (REV. 6/2002), which is hereby incorporated by reference. Applications received after that date shall be required to comply with the original application requirements as specified in ~~section~~

Section 225.03 in these regulations. The ~~Business~~ business partner shall not process any transactions after the expiration of the contract and permit without the completion and approval of the BPA renewal or original application.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.36. Change of First-Line Service Provider.

(a) If a second-line business partner requests to change ~~the~~ its first-line service provider ~~identified in the BPA contract~~, the second-line business partner shall complete and submit to the BPA Program Administrator a request for a change ~~in the BPA contract~~ on the Business Partner Automation Program Service Provider Change Form form, REG 4022 (Rev. ~~11/2002~~ 4/2010), which is hereby incorporated by reference. ~~The request shall be completed, signed and submitted to the BPA Program Administrator no less than twenty (20) days prior to any change of service provider.~~

(b) The request shall be completed, signed and submitted to the BPA Program Administrator no less than 20 days prior to any change of first-line service provider.

(c) The second-line business partner shall remain with their current service provider for a minimum of 30 days prior to requesting a service provider change.

~~(b)~~(d) The department will process the requested change if the proposed first-line service provider is currently authorized by the department to act as a first-line service provider and the requirements of Section 225.36(a) of these regulations are met.

(e) A second-line business partner and its first-line service provider shall comply with the following procedures when changing first-line service providers.

(1) The second-line business partner shall collect all unassigned accountable and controlled inventory and return the inventory to the first-line service provider within seven days of changing first-line service providers.

(A) The first-line service provider that ordered or shipped the inventory at the time of ordering shall be the first-line service provider that receives the inventory from the second-line business partner.

(2) The first-line service provider may redistribute the unassigned accountable inventory to its other second-line business partners.

(3) A second-line business partner shall remain with a new first-line service provider for a minimum of 30 days at a time.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

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

(a) A first-line business partner or first-line service provider shall hold the State of California and any political subdivision thereof or any of its officers, agents, or employees harmless for monetary losses caused by the first-line business partner's or first-line service provider's and/or that provider's second-line business partner's misuse of the information obtained from the department or obtained from customers for transactions processed by the first-line business partner or first-line service provider and secured under the bond required by Section 225.09.

(b) A first-line business partner or first-line service provider shall pay to the department monies collected by the first-line business partner or first-line service provider and due to the department, including any transaction fee imposed in regulation or statute by the State under Vehicle Code section 1685.

(c) A first-line business partner or first-line service provider shall reimburse the State of California, or any political subdivision thereof, for any loss or damage that the State of California, or any political subdivision thereof, may suffer by reason of any act of the first-line business partner or first-line service provider, its agents or employees or that provider's second-line business partners arising out of or related to the first-line business partner's or first-line service provider's duties, functions or obligations as a first-line business partner or first-line service provider, in any amount up to the maximum amount secured under the bond required by Section 225.09, when any of the following conditions occur:

(1) Information obtained from the department or customers by false or misleading representations while performing the duties, functions and obligations of a first-line business partner or first-line service provider and/or that provider's second-line business partner.

(2) Information obtained from the department and customers and used for any purpose other than specified in the regulations or first-line business partner or first-line service provider BPA contract.

(3) Any other act resulting in monetary losses being suffered by the State of California, any political subdivision of the State of California, or any of its officers, agents or employees arising out of or related to the duties, functions and obligations of a first-line business partner or first-line service provider and/or a provider's second-line business partner.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.42. Business Partner Changes.

(a) A business partner shall notify the BPA Program Administrator within the timeframes identified for the changes listed in Sections 225.42(a)(1) through (7) of these regulations on a Business Partner Automation Program Application for Changes form, REG 4026 (Rev. 4/2002 11/2011), which is hereby incorporated by reference. The completed and

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signed Business Partner Automation Program Application for Changes form shall be sent by ~~US~~ U.S. Mail ~~mail~~ or private courier to the Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS ~~E383~~ C383, Sacramento, CA 95818. The following changes shall be entered on the Business Partner Automation Program Application for Changes form:

- (1) Closing a site, identified by the site identification number. The business partner shall notify the BPA Program Administrator no more than five ~~(5)~~ days after the closure of the site.
- (2) Changing the business, corporate, or ~~Limited Liability Company~~ limited liability company or DBA name. The business partner shall notify the BPA Program Administrator no more than ~~twenty (20)~~ 20 days after the effective date of the name change.
- (3) Adding a site. A nonrefundable processing fee of ~~one hundred and seventy-five dollars (\$175)~~ \$175 shall be submitted to the BPA Program Administrator with the Business Partner Automation Program Application for Changes form when a business partner adds a site after ~~entering into a BPA contract~~ receiving their permit.
- (4) Changing the address of a principal place of business or site; ~~or changing processing address only~~. The business partner shall notify the BPA Program Administrator no less than ~~twenty (20)~~ 20 days prior to the address change.
- (5) Adding an employee. A business partner shall not permit an employee to access DMV inventory or data unless the business partner has complied with the requirements of Section 225.03(d) of these regulations and has received approval from the department under Section 225.18(c) for the employee to have access to DMV inventory and data.
- (6) Deleting an employee. The business partner shall notify the BPA Program Administrator no more than five ~~(5)~~ days after deleting an employee from the BPA program. The business partner shall identify the reason for deleting an employee.
 - (A) A business partner ~~who~~ that terminates an employee for cause related to honesty, integrity, good character and reputation, pursuant to Vehicle Code section 1865, shall notify the BPA Program Administrator no more than one ~~(1)~~ day after the termination date.
 - (B) A business partner ~~who~~ that terminates an employee for cause unrelated to honesty, integrity, good character and reputation, pursuant to Vehicle Code section 1865, shall notify the BPA Program Administrator within five ~~(5) day~~ days after the termination date.

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(7) Changing controlling director(s) and/or officer(s); changing member(s) of a ~~Limited Liability Company~~ limited liability company; changing management and/or supervising BPA personnel; or changing partner(s) or stockholder(s). The business partner shall notify the BPA Program Administrator no more than ~~twenty~~ (20) 20 days after the effective date of the change.

(8) Changing a preapproved floorplan and/or adding a terminal. The business partner shall notify the BPA Program Administrator no less than 20 days prior to the change.

~~(b)~~ A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, US mail, or private courier at least twenty (20) days prior to the effective date of the following changes:

~~(1)~~(9) Change of "Doing Business As" (DBA) name.

~~(2)~~(10) Change of mailing address.

~~(e)~~(b) A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier no more than five ~~(5)~~ days after the effective date of the following changes:

(1) Change of operations contact person.

(2) Change of registered agent for service of process.

~~(d)~~(c) A business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier at least ~~sixty (60)~~ 60 days prior to the effective date of a change of the account number identified pursuant to Section 225.30 of these regulations.

(1) A change of the account number shall require a new Electronic Fund Transfer Authorization Agreement for Preauthorized Payments (12/2011) (EFT contract) pursuant to Section 225.30 of these regulations.

~~(e)~~(d) The business partner shall notify the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier within seven ~~(7)~~ days of a change of telephone number.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Sections 1652, 1653 and 1685, Vehicle Code.

§ 225.45. Customer Fees.

(a) A business partner shall complete a Business Partner Automation Disclaimer form, REG 4020 (Rev. ~~40/2008~~ 7/2010), which is hereby incorporated by reference, for each DMV transaction when a customer fee is charged.

Exceptions: (1) A business partner completing a conditional sales contract or lease agreement pursuant to Civil Code section 2982, 2982.5 or 2985.8 may disclose the amount of any optional Business Partnership Automation program fee to process transactions identified in Section 225.45(b)(1) through (3) of these regulations using the sales contract or lease agreement in place of the Business Partner Automation Disclaimer form. (2) A business partner acting as a salvage pool, as specified in Vehicle Code ~~Section~~ section 543, shall be exempt from completing the form. (3) A business partner acting as a licensed registration service, as specified in Vehicle Code ~~Section~~ section 505.2, may disclose the amount of any optional Business Partnership Automation program fee to process transactions ~~identified in Section 225.45(b)(1) through (3) of these regulations~~ using the methods required under Section 330.30, of Title 13 in the California Code of Regulations in place of the Business Partner Automation Disclaimer form.

- (1) The business partner shall obtain the customer's signature on the form after the business partner enters on the form the fee amount that the business partner is charging to process the transaction.
 - (2) The business partner shall provide the completed original of the Business Partner Automation Disclaimer form to the customer, shall keep a completed copy, and shall send a copy to the department with the transaction documents. Voided copies of the form shall be retained with the completed copies kept by the business partner pursuant to Section 225.60 of these regulations.
 - ~~(3) The Business Partner Automation Disclaimer form is hereby incorporated by reference.~~
- (b) A customer may be charged the following maximum amounts for each type of transaction processed through to completion by a business partner:

- (1) A business partner, ~~who~~ that is a licensed vehicle dealer and/or a licensed dismantler and meets the definition of a vehicle dealer as defined in Vehicle Code section 285 or a vehicle dismantler as defined in Vehicle Code sections 220, may charge up to \$25 for any transaction authorized under the Business Partnership Automation Program, in addition to any other fees authorized by statute.
- ~~(2) A business partner, who is a licensed registration service who meets the definition of a registration service as defined in Vehicle Code section 505.2, may charge up to \$25 for a registration renewal, substitute vehicle license plate and sticker, substitute vehicle license plate sticker, new vessel, legal owner transfer, duplicate title, or new vehicle report of sale transaction; up to \$75 for a miscellaneous original, junk, vehicle transfer, non-resident or nonrevivable junk vehicle transaction.~~

~~(3) A business partner, who meets the definition of a vessel agent as defined in Vehicle Code section 9858, may charge up to \$25 for a new vessel transaction.~~

~~(4) A business partner who is a licensed salvage pool and meets the definition of a salvage pool as defined in Vehicle Code section 543, may charge up to \$75 for salvage and nonrepairable vehicle certificates.~~

~~(e)~~ (b) A business partner, ~~who~~ that is a licensed salvage pool and meets the definition of a salvage pool as defined in Vehicle Code section 543, ~~are~~ is not authorized to charge a fee for ~~Vehicle License Fee~~ vehicle license fee refund transactions.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.54. Transaction Procedures and Inventory Requirements.

A business partner shall process transactions and control inventory according to the "BPA Transaction Procedures and Inventory Requirements Handbook" (Revised ~~March 2009~~ November 2011), which is hereby incorporated by reference.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.60. Retention of Business Records

(a) Each business partner shall maintain all business records related to the BPA program. These records shall be retained for the term of the BPA ~~contract~~ permit in which they pertain, for three ~~(3)~~ years following the termination, cancellation or expiration of the BPA ~~contract~~ permit and during any ongoing examination, audit and investigation pursuant to Sections 225.63 and 225.66 of these regulations.

(b) Upon the department's request, all business records shall be immediately made available during normal business hours to the department's representative.

(1) A business partner's out-of-state site locations may be issued a permit only if the business partner agrees in writing, and subject to the sole discretion of the BPA Program Administrator, to (1) make the business records available in California for an examination, investigation or to complete an audit or (2) pay the reasonable costs of an examination, audit or investigation, including but not limited to the expenses for travel, meals and lodging of the department's representative incurred during an investigation or audit made at the business partner's out-of-state location.

(c) A business partner shall retain the business records at the business partner's principal place of business.

(d) The business records required to be maintained by the business partner ~~under the terms of the BPA contract~~ pursuant to these BPA regulations under Article 3.6 are records of the department.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§225.63. Audit Requirements.

(a) ~~This section shall not apply to a second-line business partner.~~ A business partner shall hire an independent auditor to perform three (3) compliance audits during the term of the BPA contract. The audits shall be conducted by an independent auditor in accordance with generally accepted government auditing standards and the department's BPA Audit Plan, which consists of the Independent Audit Plan (August 30, 2002) and Independent Audit Program (August 30, 2002). The independent auditor shall keep confidential the department's business practices obtained in the course of an audit.

~~(1) The department may accept the Business Partner Automation Program Audit Self Certification form, REG. 4016 (New 12/2002), which is hereby incorporated by reference, in lieu of a compliance audit from second line business partners only.~~

~~(A) The second line business partner shall submit a Business Partner Automation Program Audit Self Certification form, REG 4016 (NEW 12/2002) to the BPA Program Administrator. A copy of the form shall be submitted to the first line service provider and the Audits Office at the address indicated in Section 225.63(e).~~

~~(B) The Business Partner Automation Program Audit Self Certification form shall be submitted when an audit is due as set forth in Section 225.63(a)(2) of these regulations.~~

~~(2) (1) An audit is required for each twelve (12) 12 month period of the BPA contract. Each audit shall be completed within ninety (90) 90 days of the end of each twelve (12) 12 month audit period. A copy of the audit report, including any findings and recommendations, shall be submitted to the department within sixty (60) 60 days of completion of each audit.~~

~~(3) (2) The independent auditor shall be licensed as a certified public accountant in good standing in the state where the site is located.~~

~~(4) (3) The independent auditor shall not be part of the ownership or involved in the operation or overview of any part of the business partner's business(es).~~

(b) The independent auditor shall sign a Registration Operations Branch Business Partner Automation Program Representative Non-Disclosure Statement form, REG 4028 (~~NEW 3/2002~~ REV 4/2003), which is hereby incorporated by reference, agreeing to protect as confidential information all department records and information including, but not limited to, residence/ mailing address.

(1) The Registration Operations Branch Business Partner Automation Program Representative Non-disclosure Statement form shall be kept with the business partner's BPA business records and available for audit.

~~(2) The Representative Non-Disclosure Statement form is hereby incorporated by reference.~~

(c) The independent auditor shall provide the business partner audit report, the independent auditor's findings and any suggested corrective action plan or audit response developed by the business partner to the department at the following address: Department of Motor Vehicles, Audits Office, P.O. Box 932328, MS H121, Sacramento, CA 94232-3890 3280.

(1) Audits of second-line business partners shall require that a copy of the audit report, findings and any suggested corrective action plan or audit response be sent to the department and the first-line service provider by the independent auditor. The first-line service provider shall retain and maintain a copy of the audit report and corrective action plan or audit response pursuant to Section 225.63.

(d) A business partner shall inform the BPA Program Administrator when an independent auditor is no longer employed by the business partner to perform an audit. This notice shall be sent within seven ~~(7)~~ days of release of the independent auditor. The signed and written notice on business partner letterhead shall be sent by facsimile, ~~US~~ U.S. mail, or private courier when an independent auditor is released from service.

(e) A business partner's principal place of business shall be open during normal business hours for an electronic or manual audit of the records required to be retained immediately upon a request from the State.

(f) The department may conduct a standard random audit to verify compliance without reimbursement from a business partner.

NOTE: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.66. Investigation and Review.

(a) The department may exercise any and all authority and powers available to it under any other provisions of law to administer and enforce this article, including, but not limited to, examining, auditing and investigating the business partner's books and records, and charging and collecting the reasonable costs for these activities. Any civil, criminal, and administrative authority and remedies available to the department may be sought and employed in any combination deemed advisable by the department to enforce the provisions of this article. Nothing in this section shall be construed to impair or impede the department's authority under any other provision of law.

(b) The State may examine, audit, or investigate a business partner's activities under

Vehicle Code section 1685, these regulations, and any agreement between a business partner and the State even if the BPA contract or permit is terminated, cancelled or expires. The examination, audit or investigation may relate to any matter, including, but not limited to, procedures, operations and finances relating to the business partner activity. The business partner shall make available to the State all of its records and reports relating to the conduct of the activity, whether hard copy, or stored in electronic media. Failure by a business partner to comply with the provisions of this section shall be cause for immediate termination of a business partner's ~~authorization to process transactions as a business partner~~ permit.

(c) Whenever the department examines, audits or investigates any business partner, that business partner shall pay, within ~~thirty~~ (30) days after receipt of a statement from the department, the reasonable costs incurred by the department for the performance of the examination, audit or investigation, including, but not limited to:

- (1) The reasonable amount of the salary and/or other compensation paid to the persons making the examination, audit or investigation.
- (2) The reasonable expenses for travel, meals and lodging of the persons making the examination, audit or investigation.
- (3) The reasonable amount of any other expenses, including overhead.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

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

(a) A first-line business partner and first-line service provider shall cancel a BPA contract and permit by notifying the BPA Program Administrator in a signed and written notification on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier no less than ~~thirty~~ (30) days prior to the cancellation.

- (1) A second-line business partner shall cancel a BPA ~~contract and~~ permit by notifying its first-line service provider and the BPA Program Administrator in signed and written notifications on business partner letterhead and sent by facsimile, ~~US~~ U.S. mail, or private courier no less than thirty (30) days prior to the cancellation.

(b) The department may terminate a BPA contract and/or permit at any time without notice for any cause listed in Section 225.18 of these regulations.

- (1) A business partner terminated for cause may not submit a new application until one year after the date its BPA contract and/or permit was terminated by the department for cause.

(c) The department may terminate a BPA contract and/or permit without cause upon ~~thirty~~ (30) days written notification to a business partner.

(d) Upon the department's request, regardless of the reason, or upon the termination, cancellation or expiration of the BPA contract and/or permit, a business partner shall immediately discontinue the use of electronic interface access and the issuance of any and all DMV inventory, including, but not limited to, license plates, stickers and DMV95A paper.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.

§ 225.72. Voluntary Closing.

(a) A first-line service provider shall comply with the following procedures to close a site location within ~~thirty (30)~~ 30 days of cancellation or expiration of the BPA contract and/or permit:

- (1) The first-line service provider shall collect all unassigned accountable and controlled inventory from all of its second-line business partner sites.
- (2) The first-line service provider shall complete a Physical Inventory (Non-DMV Entities) form, ADM_175A (Rev. 2/2000), which is hereby incorporated by reference, by recording all of the unassigned accountable inventory on the form and signing the form.
- (3) The first-line service provider shall update the status of its unassigned accountable inventory on the BPA Inventory Database system.
- (4) The first-line service provider shall return the Physical Inventory (Non-DMV Entities) form and all unassigned accountable inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Forms and Accountable Items Section, 2570 24th Street, MS G202, Sacramento, CA 95818.
- (5) The first-line service provider shall return all unassigned controlled inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Inventory Management, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834.
- (6) The first-line service provider shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.
- (7) The first-line service provider shall return the permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

(b) A first-line business partner shall comply with the following procedures to close a site location within ~~thirty (30)~~ 30 days of cancellation or expiration of the BPA contract and/or permit.

- (1) The first-line business partner shall collect all unassigned accountable and controlled inventory from all branch site locations.
- (2) The first-line business partner shall complete a Physical Inventory (Non-DMV Entities) form, ADM_175A (Rev. 2/2000), by recording all unassigned accountable inventory on the form and signing the form.
- (3) The first-line business partner shall record the status of its accountable inventory on the BPA Inventory Database system.
- (4) The first-line business partner shall return the Physical Inventory (Non-DMV Entities) form and all unassigned accountable inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Forms and Accountable Items Section, 2570 24th Street, MS G202, Sacramento, CA 95818.
- (5) The first-line business partner shall return all unassigned controlled inventory by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Inventory Management, 4201 Sierra Point Drive, Suite 112, Sacramento, CA 95834.
- (6) The first-line business partner shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.
- (7) The first-line business partner shall return the BPA permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

(c) A second-line business partner and its first-line service provider shall comply with the following procedures to close a second-line business partner site location within ~~thirty (30)~~ 30 days of cancellation or expiration of the BPA ~~contract~~ permit.

- (1) The second-line business partner shall collect all unassigned accountable and controlled inventory and return it to its first-line service provider within seven ~~(7)~~ days of the cancellation or expiration of the BPA ~~contract~~ permit.
- (2) The first-line service provider may redistribute the unassigned accountable inventory to its other second-line business partners.
- (3) The second-line business partner shall return all transactions and supporting documentation to its first-line service provider within seven ~~(7)~~ days of the

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cancellation or expiration of the BPA ~~contract~~ permit. The first-line service provider shall return all transactions and supporting documentation by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, Business Partner Automation Audits Unit, 2415 1st Ave, MS C380, Sacramento, CA 95818.

(4) The second-line business partner shall return the BPA permit by trackable ~~US~~ U.S. mail or private carrier to: Department of Motor Vehicles, BPA Program Administrator, 2415 1st Avenue, MS C383, Sacramento, CA 95818.

Note: Authority cited: Sections 1651 and 1685, Vehicle Code. Reference: Section 1685, Vehicle Code.