State of California
Department of Motor Vehicles

Report to the Legislature of the State of California

Consolidated Private Industry Partner Report

July 2024 through June 2025 Fiscal Year

Gavin Newsom Governor

Toks Omishakin, Secretary
California State Transportation Agency

Steve Gordon, Director Department of Motor Vehicles

In Accordance with California Vehicle Code section 1685(g)

TABLE OF CONTENTS

Introduction 1

Background and Summary 1

Benefits of the Program 2

Qualified Private Industry Partners 2

BPA Transaction Data 3

Amount of Funds Received by the Department 4

Fraudulent Activities Identified 4

Administrative or Statutory Changes 5

Consolidated Private Industry
Partner Report

INTRODUCTION

California Vehicle Code (CVC) section 1685(g) requires the Department of Motor Vehicles (DMV) to submit an annual report to the Legislature identifying the partnerships created from this statute. Pursuant to CVC section 1685(g) (1-7), the DMV is required to provide the following information:

1. A listing of all qualified private industry partners, including names and business addresses.
2. Volume of transactions by type, completed by the business partners.
3. Total amount of funds by transaction type, collected by the business partners.
4. Total amount of funds received by DMV.
5. Description of any fraudulent activities identified by DMV.
6. Evaluation of the benefits of the program.
7. Recommendations for any administrative or statutory changes that may be needed to improve the program.

This annual report is for the 2024/2025 Fiscal Year (FY) and is due to the Legislature by October 1, 2025.

BACKGROUND AND SUMMARY

CVC section 1685 authorizes the DMV to join with qualified private industry partners to provide services that include processing and payment programs for vehicle registration and titling transactions. There are three types of private industry partnerships authorized under this section:

1. A First-Line Business Partner is a partner who receives information from the Department and uses it to process vehicle registration and titling transactions for that partner's own business purposes.
2. A First-Line Service Provider is a partner who provides software to Second-Line Business Partners, who receive information from the Department for processing vehicle registration and titling transactions.
3. A Second-Line Business Partner is a partner who utilizes software and receives information from the Department through a First-Line Service Provider that allows them to process vehicle registration and titling transactions.

BENEFITS OF THE PROGRAM

Transactions processed by the business partners provide DMV the following benefits:

- Nightly updates to the DMV registration database with new owner information.
- The ability to issue vehicle license plates to car buyers more quickly.
- An alternative method of service for DMV transactions. Many industry partners offer other services such as car insurance, and smog certification for one stop shopping. They also provide flexible hours.
- Reduced workload in DMV field offices.
- Eliminated costs to the state associated with dishonored payments as all fees are paid via Electronic Fund Transfer (EFT) from the First-Line Service Providers and First-Line Business Partner, who absorb the risk associated with invalid customer payments.
- The ability to accrue interest earlier since the EFT funds are received more quickly than other forms of payment.

QUALIFIED PRIVATE INDUSTRY PARTNERS

There is one First-Line Business Partner, AVIS Rent A Car. There are six First-Line Service Providers:

- Vitu Registration and Titling Solutions, Inc.,
- Motor Vehicle Software Corporation (MVSC),
- American Driving Records (ADR),
- Automated Vehicle Registration Services (AVRS),
- Car Registration Incorporated (CRI), and
- California Electronic Vehicle Registration System Inc. (CEVRS)

In the Business Partner Automation (BPA) Program, the First-Line Service Providers establish connectivity for 6,211 Second-Line Business Partner locations throughout California and the continental United States. A listing of all qualified private industry partners and their addresses is provided as part of this report.

BPA TRANSACTION DATA

The First-Line and Second-Line Business Partners have the ability to process the following vehicle registration and titling transactions. The transaction types and their corresponding volumes and registration revenue are noted in the table below.

TRANSACTION TYPE	VOLUME	REGISTRATION REVENUE
Registration of new vehicles	2,220,594	$1,400,611,895
Posting of fees on new vehicles	69,351	$23,845,937
Non-resident vehicles	299,924	$265,037,461
Miscellaneous original vehicles	93,870	$135,647,096
Transfer of registered owner	2,283,046	$916,118,617
Transfer of legal owner	63,603	$5,202,813
Registration renewals	2,387,999	$976,669,950
Duplicate titles	23,516	$2,130,525
Vehicle License Fee (VLF) refunds	9,343	$0
Junks/non-revivable junked vehicles	2,630	$314,269
Salvage/non-repairable vehicles	413,572	$14,560,416
Vessels	2,244	$1,529,197
Posting of fees non-original vehicles	35,355	$4,712,988
Total transactions processed	**7,905,047**	**$3,746,381,164**

AMOUNT OF FUNDS RECEIVED BY THE DEPARTMENT

The DMV, via an EFT, takes the fees from the collection of the registration transactions from the appropriate First-Line Service Provider or First-Line Business Partner account. During FY 2024/2025, the DMV collected a total registration revenue of $3,746,381,164.

The DMV, per CVC section 1685 and California Code of Regulations (CCR) section 423.00, charges the First-Line Service Provider and First-Line Business Partner a transaction fee, adjusted annually by the California Consumer Price Index (CPI), for each BPA transaction processed through completion. There is no BPA transaction fee billed for the posting of fees on new vehicles or for processing a VLF refund. The total transaction fees collected from the First-Line Business Partner and First-Line Service was $35,125,580. All fees collected by the department are deposited into the Motor Vehicle Account.

FRAUDULENT ACTIVITIES IDENTIFIED

The BPA Program continues to effectively combat fraud. As the program grows with more Second-Line Business Partners participants, DMV continues to collaborate with internal and external stakeholders for this purpose. During FY 2024/2025, there are two accusation cases currently pending a court hearing. These accusations vary from removing a lien holder, fraudulently transferring vehicles from one person to another, and eliminating smog, brake and light inspection when reviving a salvage vehicle. Once the case is scheduled for a hearing, each entity will be given an opportunity to plead their case.

In addition to the two accusations, the Department revoked the permit of one Second-Line Business Partner. This business was accused of illegally purchasing login information, enabling them to access the dealer's report of sale database. With the unauthorized access, they entered fraudulent transactions for vehicles that had not been purchased.

The BPA program continues to investigate and reduce fraud committed by business partners. DMV additionally continues to evaluate and implement system changes to prevent fraudulent activities from occurring.

ADMINISTRATIVE OR STATUTORY CHANGES

Assembly Bill 157 (Chapter 570, Statutes 2022) requires the department to make annual CPI adjustment to the $25 BPA processing fee. As of January 22, 2025, the fee was set at $29.