

Date of Hearing: June 17, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

SB 1193 (Newman) – As Introduced February 17, 2022

**SENATE VOTE:** 33-0

**SUBJECT:** Department of Motor Vehicles: electronic notifications and transactions

**SUMMARY:** Authorizes the Department of Motor Vehicles (DMV) to notify its customers using electronic mail (email) for various DMV transactions so long as DMV obtains consent from the customer. Specifically, **this bill:**

- 1) Authorizes email notices instead of mail notices for any provision of the Vehicle Code or Title 13 of the California Code of Regulations that require mail notices if all of the following conditions are met:
  - a) DMV identified the person prior to accepting their consent to receive the type of document or information that is electronically delivered.
  - b) The person consented to the electronic receipt of the document or information delivered.
  - c) DMV permits a person to withdraw their consent to electronically receive the type of document or information.
  - d) DMV records do not indicate the person withdrew their consent to electronically receive this type of document or information as of the date the document or information was electronically sent.
- 2) Authorizes an email to be considered sufficient service of process for knowledge of a driver's license suspension or revocation instead of a first class mail delivery if a person has opted to receive notices by email from DMV.
- 3) Authorizes DMV to require a new full face photograph for a vehicle salesperson's license.
- 4) Removes the restriction on only allowing a vehicle salesperson to renew their license by mail if their license was not renewed by mail for the immediately preceding period.
- 5) Authorizes a veteran to receive a "Veteran" designation on their license with DMV in manner other than an in-person visit.

**EXISTING LAW:**

- 1) Requires a state department, including the DMV, or a division, officer, employee, or agent, to give various notices or communications to persons, and requires that whenever that notice is required to be given, the notice is to be given either by personal delivery, by certified mail, or by mail.

- 2) Requires that whenever notice is required to be given by DMV, the notice shall be given either by personal delivery to the person to be notified; by certified mail, return receipt requested; or by mailing the notice, postage prepaid, addressed to the person at their address as shown by the records of DMV.
- 3) Specifies that the giving of notice by personal delivery is complete upon delivery of a copy of the notice to the person to be notified. The giving of notice by mail is complete upon the expiration of four days after deposit of the notice in the mail, except that in the case of a notice informing a person of an offense against them, the notice is complete 10 days after mailing.
- 4) Specifies that wherever a notice or other communication is required to be mailed by registered mail by or to a person or corporation, the mailing of that notice or other communication by certified mail, shall be deemed to be a sufficient compliance with the requirements of law.
- 5) Makes it a misdemeanor to knowingly drive on a suspended or revoked driver's license and a \$1,305 fine for the first offense and authorizes a peace officer to impound the vehicle for 30 days.
- 6) Creates a rebuttable presumption that a person has knowledge of a driver's license suspension or revocation if the person receives notice of the suspension or revocation by first class mail to the most recent address on file with DMV.
- 7) Requires a person to have a valid license or temporary permit issued by the DMV to act as a vehicle salesperson, and requires the DMV to issue a license bearing a full face photograph of the licensed vehicle salesperson, among other information, upon their application for the license.

**FISCAL EFFECT:** Unknown

**COMMENTS:** In July of 2021, DMV created a process to allow its customers to opt in to receiving driver's license renewal, identification card renewal and vehicle/vessel registration renewal notifications by email instead of by mail. Existing statute requires the notifications to be sent by mail. This bill codifies actions DMV has already taken without statutory authority to send notices to customer email addresses. While DMV has been sending reminder notices for these renewals, they have continued sending the actual registration or renewal documents via mail.

According to the author, "In response to the ongoing COVID-19 pandemic, DMV has deployed new technologies and services to streamline workflow processes and improve the customer experience. SB 1193 continues the DMV's modernization progress by allowing customers the option to receive paperless notifications and apply for a veteran designation or renew a vehicle salesperson license online without an in-person visit. By allowing for electronic notices and reducing the number of required in-person transactions, this bill will reduce wait times at DMV locations while improving overall efficiency and the customer experience for veterans, vehicle salespersons, and people who prefer 'paperless' notifications."

In May of 2020, DMV expanded the “Virtual Field Office” as a result of closing DMVs for in-person visits during the early stages of the COVID-19 pandemic. Under the Virtual DMV, vehicle salespersons were authorized to renew their licenses online, whereas previously they were required to renew in-person every other year as required by statute. This bill codifies the action DMV took without authorizing statute to allow salespersons to continue to renew their licenses, which expire every three years, online, while also expanding their authority to require a new photograph be taken.

Under existing law, in order to convict someone for driving with a suspended or revoked license, the State must show that the person had actual knowledge of the license suspension or revocation. Actual knowledge may be established when a person was personally given notice by DMV, a court, or a peace officer of a suspension. A notice may also be given using first class mail, so long as the first class mail was sent to the last known address most recently updated by the person. Persons are required by law to notify DMV when they move. This bill modifies that presumption that the person received notice of a suspension to also include notice by email instead of mail if the person opted in to receive notices by email.

Driving with a suspended license or revoked license can come with serious consequences. It is a misdemeanor with a potential six month jail sentence and a minimum \$1,305 fine to drive on a suspended or revoked license. Peace officers are authorized to tow a vehicle and impound it for 30 days if caught driving with a suspended license.

The Legislature has authorized electronic mail as proper service of process in the past, so long as the user consented to such an option. For example, AB 1108 (Daly), Chapter 227, Statutes of 2017 authorized self-service storage facility owners when occupants are delinquent on payments to send a notice by email instead of mail so long as the owner of the unit consented to such contact. In civil court, electronic service is permitted so long as the parties expressly consented to it.

Finally, this bill removes the requirement for DMV to accept proof of a veteran’s veteran status in person in order to designate the term “VETERAN.” Applicants are still required to go to a County Veteran Service Office to verify they are a veteran.

*Committee comments:* The ability for DMV to send renewal notices by email instead of by mail may save DMV a significant amount of money, especially if a large number of DMV customers opt into the email verification program. Moving away from using first class mail to email to send renewal notices is consistent with private sector business practices. In addition, it may also help to ensure that someone who has changed addresses will receive a renewal notice.

While, this bill will help to ensure that customers receive DMV notifications, the actual process will be improved by DMV requiring customers to verify addresses to ensure that all addresses on file are appropriately changed when a person moves. For example, toll violations and parking tickets are sent to the DMV address on file for a license plate. Should a consumer rely solely on receiving their DMV registration by email and get their renewal tags at a DMV kiosk or a business partner facility like AAA, they may not realize they are accumulating parking tickets or toll violations until those violations, including late fees, are added to their vehicle registration the following year. This is particularly important considering the Bay Area bridges are no longer accepting cash tolls, and those without a FasTrak transponder will only get their toll notices by mail.

DMV is planning on mitigating this problem in a couple of ways. The vehicle registration email will include the address they have on file, ask drivers to verify that address and provide a hyperlink to the address change form if necessary. They also will be partnering with a vendor that will check a customer's address against the United States Postal Service address change request forms. If an individual signs up to have their mail rerouted because they move, DMV will be able to update the address for vehicle registration.

**REGISTERED SUPPORT / OPPOSITION:****Support**

American Legion, Department of California  
Amvets, Department of California  
California New Car Dealers Association  
Military Officers Association of America, California Council of Chapters  
United Veterans Council, Santa Clara County  
Vietnam Veterans of America, California State Council

**Opposition**

None on file

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