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STATE OF CALIFORNIA
NEW MOTOR VEHICLE BOARD
MINUTES

The New Motor Vehicle Board (“Board”) held a General meeting on December 8, 2023, via Zoom and teleconference. Jacob Stevens, Vice President and Public Member, called the meeting of the Board to order at 9:36 a.m.

Vice President Stevens welcomed everyone to the meeting and stated that the meeting materials are available on the Board’s website and hard copies of the materials can be requested by contacting the Board’s legal staff at (916) 445-1888 or nmvp@nmvp.ca.gov. Vice President Stevens also set forth the parameters for the meeting.

2. **ROLL CALL**

Board Members Present: Anne Smith Boland
Ashley Dena (arrived 9:39 a.m.)
Kathryn Ellen Doi
Bismarck Obando (arrived 9:52 a.m.)
Karthick Ramakrishnan
Brady Schmidt
Jacob Stevens

Board Members Not Present: Ryan Fitzpatrick
Ardashes “Ardy” Kassakhian

Board Staff Present: Timothy M. Corcoran, Executive Director
Robin P. Parker, Chief Counsel
Jason Rose, Senior Staff Counsel
Suzanne Luke, Administrative Services Analyst
Alex Martinez, Staff Services Analyst
Navpreet (Penny) Bhatti, Mediator Analyst
Rabia Sadiq, Mediator Analyst

Anthony M. Skrocki, Administrative Law Judge
Tammy Bayne, Administrative Law Judge

Mr. Corcoran indicated that a quorum was established for case management and general business.

3. **INTRODUCTION AND WELCOME OF NEWLY APPOINTED PUBLIC BOARD MEMBER KARTHICK RAMAKRISHNAN**

Vice President Stevens welcomed newly appointed Public Member Karthick Ramakrishnan. Member Ramakrishnan commented that he is a professor of public policy at the University of California, Riverside. He is thrilled to be at his first meeting as he was out of the country for the last meeting. Member Ramakrishnan noted that prior to this he served as chair of the California Commission on Asian and Pacific Islander Affairs. For two and a half years, he was the director of California 100, which was an ambitious initiative to think about California's long-term future. Member Ramakrishnan had the privilege of learning about many issues ranging from transportation to housing and the future of work, the economy, business, and climate. He hopes to bring these experiences and judgment to the work at the Board.

Vice President Stevens expressed the Board's appreciation as new motor vehicle sales touch on all of those different policy areas that Member Ramakrishnan mentioned.

4. **APPROVAL OF THE MINUTES FROM THE APRIL 28, 2023, AND SEPTEMBER 21, 2023, GENERAL MEETINGS, AND MAY 23, 2023, MEETING OF THE AD HOC COMMITTEE ON EQUITY, JUSTICE AND INCLUSION**

Member Doi moved to adopt the April 28, 2023, and September 21, 2023, General meeting minutes, and May 23, 2023, Ad Hoc Committee on Equity, Justice and Inclusion meeting minutes. Member Schmidt seconded the motion. Member Ramakrishnan abstained from voting. The motion carried unanimously.

5. **DISCUSSION AND CONSIDERATION OF ACTIVITIES AND EVENTS COMMEMORATING THE NEW MOTOR VEHICLE BOARD'S 50TH ANNIVERSARY (JULY 1, 2024)**

Mr. Corcoran discussed the activities and events commemorating the Board's 50th anniversary. The members were provided with four options to change the Board's logo to commemorate the 50th anniversary beginning in July 2024. Mr. Corcoran thanked Penny Bhatti for her work with DMV to create the logo options.

Vice President Stevens solicited input from the members on their preferences. After discussing several options, Mr. Corcoran commented that the Industry Roundtable in 2024 could be marketed using the anniversary logo and perhaps the entire event could be on the Board's 50th anniversary. Mr. Corcoran remarked that he was requesting direction and discretion from the Board to incorporate the members suggestions by adding "Years" to option 2 and using it to market the Industry Roundtable and then option 4 for the Board's general purpose. After discussing this matter and considering several options, Member Ramakrishnan moved to approve Option 2 with the addition of "years" in the banner after "50" and Option 4. These two logos could be used for different purposes depending on the use and audience. Vice President Stevens seconded the

motion. The motion carried unanimously.

At Vice President Stevens' suggestion, the new logos will be circulated to the members for their Zoom background.

The approved logos are:

Option 2



Option 4



6. **REPORT ON THE NATIONAL ASSOCIATION OF MOTOR VEHICLE BOARDS AND COMMISSIONS (NAMVBC) FALL CONFERENCE BY TIM CORCORAN, EXECUTIVE DIRECTOR AND BISMARCK OBANDO, PUBLIC MEMBER - BOARD DEVELOPMENT COMMITTEE**

Mr. Corcoran discussed the value to the Board in attending the NAMVBC conference that is now held in conjunction with AAMVA (American Association of Motor Vehicle Administrators). It is an opportunity to connect with other entities such as the National Highway Traffic Safety Administration (NHTSA). These connections are helpful for the Core Four Safety Initiative (OKR) related to the Takata air bag recall and increasing consumer awareness and remediation. Member Obando noted this was the second annual conference he attended on behalf of the Board and found it useful. In terms of electric vehicles, he commented that California is ahead of other states. He also enjoyed connecting with the California attorneys and California New Car Dealers Association.

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

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

The members were provided a memo from Tim Corcoran concerning Board development activities. Mr. Corcoran noted that the location of the February 22, 2024, General Meeting will be unique and full of educational content. (This meeting date was subsequently changed to April 25, 2024.) Member Schmidt remarked that he is looking forward to the meeting. Vice President Stevens encouraged more education.

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

8. **REPORT ON THE BOARD'S FINANCIAL CONDITION FOR THE 4TH QUARTER OF FISCAL YEAR 2022-2023 AND RELATED FISCAL MATTERS - FISCAL COMMITTEE**

The members were provided with a memo from Tim Corcoran and Suzanne Luke. As indicated in the memo, the fourth quarter of Fiscal Year 2022-2023 began with a budget appropriation of \$2.03 million, ending with \$2.9 million reserve balance. Eighty-three percent (83%) of the appropriated budget for the 2022-2023 fiscal year was expended. Staff do not see a need for fee structure adjustments.

Ms. Luke indicated that the annual collection of fees from manufacturers and distributors began in July. Staff have collected \$766,648.00 of the \$766,948.00 from manufacturers and distributors under the Board's jurisdiction.

Vice President Stevens inquired about the fees being paid by credit card. Ms. Luke noted the payments were by check. Mr. Corcoran indicated that the contract for the vendor processing the Board's credit card payments expired so staff are in the process of looking at new vendors based on the Board's needs. In response to Member Doi's questions, Mr. Corcoran said the available vendors are on lists provided by the Department of General Services and available to all State agencies. Although, the Board may need to contract separately to meet its needs.

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

9. **DISCUSSION AND CONSIDERATION OF THE 2024 NEW MOTOR VEHICLE BOARD INDUSTRY ROUNDTABLE FOCUSING ON INDUSTRY SERVICES - GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE**

Mr. Corcoran discussed the 2024 Industry Roundtable. This event will focus on industry services including the Board's use of the Office of Administrative Hearings (OAH) for its merits hearings and the Department of Motor Vehicles DXP (Digital eXperience Platform) for digital license renewal. Mr. Corcoran in conjunction with the Committee is in the process of developing topics and welcomes ideas from the members. Feedback will be sought from the industry in advance of the Roundtable on the Department's DXP project. An additional opportunity to include California State Transportation Agency's Core Four (OKR's) includes working with dealers and manufacturers on best practices for the sale of electric vehicles.

Anthony Bento on behalf of the California New Car Dealers Association indicated that they are happy to partner with the Board on this. He noted there are lots of challenges and opportunities with the sale of electric vehicles.

Member Ramakrishnan suggested highlighting long-term cost savings to consumers in promotional materials and providing information on other items such as the wear on tires so there are no surprises.

Member Doi suggested that other states who might have an interest in attending the Roundtable be invited if the format is Zoom or a hybrid. Also, a short video of the history of the New Motor Vehicle Board could open the event. Vice President Stevens added that a history of the evolution of cars over the past 50 years would be interesting.

After a brief discussion on proposed dates, this matter will be agendaized for the next meeting. Mr. Corcoran will provide suggested dates.

Ms. Parker indicated that it would not be possible to discuss the transition to OAH if the Roundtable were held in June as the first Proposed Decision in an OAH hearing won't be considered by the Public Members until the June 13, 2024, General Meeting. With that in mind, Member Doi suggested this topic be postponed until the 2025 Industry Roundtable.

Mr. Corcoran thanked Member Smith Boland for her assistance as chair of the Government and Industry Affairs Committee.

10. **UPDATE ON THE CORE FOUR - SAFETY INITIATIVE (OKR) RELATED TO IMPROVING THE REPAIR RATE OF CALIFORNIA-REGISTERED VEHICLES SUBJECT TO THE TAKATA AIR BAG INFLATOR "STOP DRIVE" SAFETY RECALL - GOVERNMENT AND INDUSTRY AFFAIRS COMMITTEE**

Mr. Corcoran provided an update on the 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. He reiterated that up to 750,000 vehicles in California are subject to the recall and many of the vehicles are in underrepresented communities. Mr. Corcoran envisioned a two-day event with a demonstration to solicit input on how best to increase the number of repaired vehicles. Day 1 would include stakeholders discussing from their perspectives the barriers to getting these vehicles repaired. Day 2 would discuss creative strategies aimed at completing these repairs.

Vice President Stevens thanked Members Smith Boland and Fitzpatrick for their work on this event.

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

11. **DISCUSSION CONCERNING ENACTED AND PENDING LEGISLATION - LEGISLATIVE COMMITTEE**

- a. Enacted Legislation of Special Interest:

- (1) Assembly Bill 473 (Assembly Member Aguiar-Curry; Ch. 332, Stats. 2023) - Motor vehicle manufacturers, distributors, and dealers.
- b. Enacted Legislation of General Interest:
 - (1) Senate Bill 544 (Senator Laird; Ch. 216, Stats. 2023) - Bagley-Keene Open Meeting Act: teleconference.
- c. Pending Federal Legislation of General Interest:
 - (1) United States House of Representative Bill 1435 (Representative John Joyce) - Preserving Choice in Vehicle Purchases Act.
 - (2) United States Senate Bill 2090 (Senator Markwayne Mullin) - Preserving Choice in Vehicle Purchases Act of 2023.

The members were provided with a memo from Tim Corcoran and Robin Parker concerning enacted and pending legislation. Ms. Parker reported that the Board staff were beginning to implement the provisions in Assembly Bill 473, which added three new protests in Vehicle Code section 3065.3. She noted that the promulgation of regulations will not be necessary. Most updates will be completed in January 2024 and the members will consider revised publications at the February 22, 2024, General Meeting. (Subsequently change to April 25, 2024.) Future updates will not include the Pending Federal Legislation of General Interest. However, the staff will continue to monitor these bills.

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

12. **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 discussed the Board's impending move to its new facility at the Department of Motor Vehicle's headquarters in Sacramento. The demolition will begin soon and the use of modular furniture should speed up the renovation. Mr. Corcoran indicated the draft Strategic Plan will be reviewed by the Executive Committee in January 2024. In advance of this, Mr. Corcoran engaged the team and solicited feedback on the Board's strengths, weaknesses, and threats. The Strategic Plan will be longer than other agencies as Mr. Corcoran is targeting a 6-year Strategic Plan for a couple of reasons: (1) this is the first one the Board has drafted so a longer time period allows the Board to implement these proposals and builds in metrics to monitor and make adjustments as needed; and (2) it aligns with Mr. Corcoran's intended retirement.

Jason Rose, Senior Staff Counsel, was formerly introduced to the Board by Mr. Corcoran. Alex Martinez (Legal Analyst) and ALJs Skrocki and Bayne were also welcomed by Mr. Corcoran.

Mr. Rose reported that the Ford relocation protests were consolidated and the parties are working on a discovery and hearing schedule. In the new modification protest against Toyota, the notice was withdrawn so dismissal of the protest was anticipated.

Ms. Parker indicated that four protests were closed since the members received the Executive Director's Report. A total of 46 protests were closed year-to-date. The Proposed Decision in the matter heard by OAH will be considered by the Public Members at the June 13, 2024, General Meeting (PR-2759-21 *KPAuto, LLC, dba Putnam Ford of San Mateo v. Ford Motor Company*). The merits hearing in PR-2803-22 *KM3G, Inc. d/b/a Putnam Kia of Burlingame v. Kia America, Inc.* will resume the week of February 12, 2024. As a year-end wrap up, Ms. Parker indicated that 19 termination notices and 366 modification notices were issued this year. These numbers were 18 and 793, respectively in 2022. To date, 33 protests were filed. By comparison, 55 protests and one petition were filed in 2022.

No update to judicial matters was provided as these matters have been resolved.

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

13. **DISCUSSION AND CONSIDERATION OF THE DEPARTMENT OF MOTOR VEHICLES' REQUEST FOR AN EXTENSION OF TIME UNTIL JANUARY 31, 2024 TO INVESTIGATE AND ISSUE A REPORT, BY THE PUBLIC MEMBERS OF THE BOARD**

COURTESY AUTOMOTIVE GROUP, INC., dba COURTESY SUBARU OF CHICO v. SUBARU OF AMERICA, INC.
Petition No. P-463-22

Consideration of the Department of Motor Vehicles' request for an extension of time, by the Public Members of the Board.

Vice President Stevens reminded the Dealer Members in attendance, that only the Public Members will consider this matter because the petition involves a dispute between a franchisee and a franchisor and confirmed the Public Member quorum. This discussion was held in Open Session.

On September 19, 2023, the Department of Motor Vehicles ("Department") requested an extension of the time permitted (180 days from January 26, 2023, or a reasonable time as requested by the Department) to investigate and issue a report. The request noted the Department is conducting an on-going inquiry into the allegations and issues. The Investigations Division anticipates their investigation will conclude and a report of their findings will be available in late January. Therefore, the Department requested an extension of time until January 31, 2024.

No appearances were made and no public comments presented.

Member Doi commented that she did not think the Board had any choice but to grant the request for extension because otherwise the matter cannot move forward. Therefore, Member Doi moved to grant the Department's extension until January 31, 2024. Member Ramakrishnan seconded the motion. The motion carried unanimously.

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

No additional public comment was presented.

15. **ORAL PRESENTATION BEFORE THE PUBLIC MEMBERS OF THE BOARD**

SORAYA, INC., DBA AUTO GALLERY MITSUBISHI - MURRIETA v. MITSUBISHI MOTORS NORTH AMERICA, INC.

Protest Nos. PR-2819-23

This matter was dismissed on November 28, 2023, so this matter was removed from the agenda.

16. **CLOSED EXECUTIVE SESSION DELIBERATIONS**

Pursuant to Government Code section 11126(c)(3), Vehicle Code section 3008(a), and Title 13, California Code of Regulations, sections 581 and 588, the Board convenes in closed Executive Session to deliberate the decisions reached upon the evidence introduced in proceedings that were conducted in accordance with Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

CONSIDERATION OF PROPOSED ORDER

SORAYA, INC., DBA AUTO GALLERY MITSUBISHI - MURRIETA v. MITSUBISHI MOTORS NORTH AMERICA, INC.

Protest Nos. PR-2819-23

Consideration of the Administration Law Judge's Proposed Order Granting Respondent's Motion to Dismiss or, in the Alternative, for Summary Adjudication, by the Public Members of the Board.

This matter was dismissed on November 28, 2023, so this matter was removed from the agenda.

17. **OPEN SESSION**

The members remained in open session.

18. ADJOURNMENT

The members offered each other and the staff their thanks and holiday wishes.

With no further business to discuss, the meeting was adjourned at approximately 10:48 a.m.


Submitted by



TIMOTHY M. CORCORAN
Executive Director

APPROVED:

FOR


Jacob Stevens
Vice President
New Motor Vehicle Board