



NEW MOTOR VEHICLE BOARD

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Pursuant to Vehicle Code section 3000 *et seq.*, the New Motor Vehicle Board (NMVB) licenses new motor vehicle dealerships and regulates dealership relocations and manufacturer terminations of franchises. It reviews disciplinary action taken against dealers by the Department of Motor Vehicles (DMV). Most licensees deal in cars or motorcycles.

NMVB is authorized to adopt regulations to implement its enabling legislation; the Board's regulations are codified in Chapter 2, Division 1, Title 13 of the California Code of Regulations (CCR). The Board also handles disputes arising out of warranty reimbursement schedules. After servicing or replacing parts in a car under warranty, a dealer is reimbursed by the manufacturer. The manufacturer sets reimbursement rates which a dealer occasionally challenges as unreasonable. Infrequently, the manufacturer's failure to compensate the dealer for tests performed on vehicles is questioned.

The Board consists of four dealer members and five public members. The Board's staff consists of an executive secretary, three legal assistants and two secretaries.

LEGISLATION:

The following is a status update on bills reported in detail in CRLR Vol. 11, No. 3 (Summer 1991) at pages 188-89:

AB 1763 (Sher), as amended August 19, prohibits licensed motor vehicle dealers from advertising the selling price of a vehicle that is above, below, or at either the manufacturer's or distributor's invoice price to the dealer, or the dealer's cost; the bill specifies limited exceptions involving face-to-face negotiations and certain commercial purchases. This bill, which makes these provisions applicable only to advertisements made on or after January 1, 1992, was signed by the Governor on October 13 (Chapter 935, Statutes of 1991).

AB 211 (Tanner), as amended April 25, provides that if a new motor vehicle is transferred by a buyer or lessee to a manufacturer because of the manufacturer's inability to repair a nonconformity to an express warranty, then no person shall transfer that motor vehicle unless the nature of the nonconformity is disclosed, the nonconformity is corrected, and the manufacturer provides a new warranty in writing. This bill was signed by the Governor on June 25 (Chapter 72, Statutes of 1991).

SB 1113 (Leonard), as amended April 23, would impose a \$25 fee on the purchase of new automobiles and new light-duty trucks that do not meet, and provide specified rebates to the purchasers of those vehicles that do meet, prescribed standards relative to low-emission vehicles and safety. This two-year bill is pending in the Senate Transportation Committee.

SB 760 (Johnston), as amended April 8, would require every applicant for a vehicle dealer's license and every managerial employee, commencing July 1, 1992, to take and complete a written examination prepared by DMV concerning specified matters; permit an oral examination in place of the written examination for any dealer or managerial employee who is not the sole owner of any vehicle dealership, so long as at least one person in the dealership ownership structure completes the written examination; prescribe continuing education requirements applicable to dealers and managerial employees consisting of at least six hours of instruction during the two-year period following the initial examination and at least four hours during each succeeding two-year period; and require DMV to adopt regulations with respect to these examination and instruction requirements. This two-year bill is pending in the Senate Transportation Committee.

SB 1164 (Bergeson), as amended April 15, would provide that, for purposes of vehicle license fees, the market value of a vehicle shall be determined upon the first sale of a new vehicle to a consumer and upon each sale of a used vehicle to a consumer, but the market value shall not be redetermined upon the sale of a vehicle to specified family members. This two-year bill is pending in the Senate inactive file.

AB 126 (Moore), as amended July 10, would enact the "One-Day Cancellation Law" which would provide that, in addition to any other right to revoke an offer or rescind a contract, the buyer of a motor vehicle has the right to cancel a motor vehicle contract or offer which complies with specified requirements until the close of business of the first business day after the day on which the buyer signed the contract or offer. This bill is pending in the Senate Judiciary Committee.

RECENT MEETINGS:

NMVB's meeting scheduled for August 22 in Los Angeles was cancelled.

FUTURE MEETINGS:

To be announced.

BOARD OF OSTEOPATHIC EXAMINERS

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In 1922, California voters approved a constitutional initiative which created the Board of Osteopathic Examiners (BOE). Today, pursuant to Business and Professions Code section 3600 *et seq.*, BOE regulates entry into the osteopathic profession, examines and approves schools and colleges of osteopathic medicine, and enforces professional standards. The Board is empowered to adopt regulations to implement its enabling legislation; BOE's regulations are codified in Division 16, Title 16 of the California Code of Regulations (CCR). The 1922 initiative, which provided for a five-member Board consisting of practicing doctors of osteopathy (DOs), was amended in 1982 to include two public members. The Board now consists of seven members, appointed by the Governor, serving staggered three-year terms.

MAJOR PROJECTS:

Budget Surplus Reduction Proposal Cancelled. In February 1991, BOE approved a proposal for a long-term budget reduction program which would decrease annual licensing fees for DOs already licensed in California. BOE based this decision on the need to reduce its surplus reserve, which is approximately \$800,000. (See CRLR Vol. 11, No. 2 (Spring 1991) p. 172 for background information.) However, at its August 30 meeting, BOE cancelled the proposal as a result of the passage of AB 222 (Vasconcellos), which requires the transfer of most of the "excess fees" of over fifty state agencies, including BOE, to the state's general fund on June 30, 1992. Like the other affected agencies, BOE will be left with only three months' worth of operating expenses in its reserve account, or about \$100,000.

Continuing Medical Education. At its August 30 meeting, BOE addressed concerns raised by osteopathic physician specialists regarding BOE's continuing medical education (CME) requirement which must be satisfied to maintain DO certification. Section 1635, Title 16 of the CCR, requires each osteopathic physician to complete 150 hours of continuing medical education during each three-year period; this requirement must include a minimum of 60 hours of CME in Category 1-A as defined by the American Osteopathic Association (AOA). Category 1-A consists of general osteopathic continuing education; however, specialists prefer