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AB-605 Dealer charges: license plates. (2015-2016)

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Assembly Bill No. 605

CHAPTER 695

An act to amend Section 4456.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor October 09, 2015. Filed with Secretary of State October 09, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 605, Gatto. Dealer charges: license plates.

Existing law authorizes the Department of Motor Vehicles to establish contracts for electronic programs that allow qualified private industry partners to join the department in providing services that include processing and payment programs for vehicle registration and titling transactions. Under existing law, a dealer is authorized to charge the purchaser or lessee of a vehicle certain charges, including an electronic filing charge, not to exceed the actual amount the dealer is charged by a first-line service provider, for providing license plate processing, postage, and other specified fees and services relating to first-line service providers.

This bill would prohibit the electronic filing charge from being used to pay for additional fees, goods, or services not directly related to the electronic registration of a motor vehicle. Because a violation of these provisions would constitute an infraction, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4456.5 of the Vehicle Code is amended to read:

4456.5. (a) A dealer may charge the purchaser or lessee of a vehicle the following charges:

(1) A document processing charge for the preparation and processing of documents, disclosures, and titling, registration, and information security obligations imposed by state and federal law. The dealer document processing charge shall not be represented as a governmental fee.

(A) If a dealer has a contractual agreement with the department to be a private industry partner pursuant to Section 1685, the document processing charge shall not exceed eighty dollars (\$80).

(B) If a dealer does not have a contractual agreement with the department to be a private industry partner pursuant to Section 1685, the document processing charge shall not exceed sixty-five dollars (\$65).

(2) An electronic filing charge, not to exceed the actual amount the dealer is charged by a first-line service provider for providing license plate processing, postage, and the fees and services authorized pursuant to subdivisions (a) and (d) of Section 1685. The electronic filing charge shall not be used to pay for additional fees, goods, or services not directly related to the electronic registration of a motor vehicle, including, but not limited to, the receipt by the dealer of free or discounted goods, services, or financial incentives. The director may establish, through the adoption of regulations, the maximum amount that a first-line service provider may charge a dealer. The electronic filing charge shall not be represented as a governmental fee.

(b) As used in this section, the term "first-line service provider" shall have the same meaning as defined in subdivision (b) of Section 1685.

(c) This section does not prohibit a first-line service provider from entering into contracts with dealers for products and services unrelated to electronic vehicle registration services.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.