



House of Representatives

General Assembly

File No. 403

January Session, 2015

Substitute House Bill No. 6321

House of Representatives, April 2, 2015

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING INFORMATION ON MOTOR VEHICLE PRICING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-62a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2015*):

3 (a) No dealer licensed under the provisions of section 14-52 shall
4 advertise the price of any motor vehicle unless the stated price in such
5 advertisement includes the federal tax, the cost of delivery, dealer
6 preparation and any other charges of any nature, except that such
7 advertisement shall (1) state in at least eight-point bold type that any
8 state or local tax, registration fees or dealer conveyance fee or
9 processing fee, as defined in subsection (a) of section 14-62, is excluded
10 from such stated price, and (2) separately state, in at least eight-point
11 bold type, immediately next to the phrase "Dealer Conveyance Fee",
12 the amount of such dealer conveyance fee or processing fee.

13 (b) Any new car dealer violating the provisions of this section shall

14 be fined not more than one thousand dollars. The Commissioner of
15 Motor Vehicles may suspend or revoke, in accordance with section 14-
16 64, the license of any such dealer violating the provisions of this
17 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	14-62a

TRA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Resources of the General Fund	GF - Potential Revenue Gain	up to \$10,000	up to \$10,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill creates a fine for any motor vehicle dealer who does not advertise the dealer conveyance fee and is anticipated to result in a revenue gain of up to \$10,000 in each year dependent on the number of dealers who violate the provisions of the bill. It is anticipated few violations will occur.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future dependent on the number of violations.

OLR Bill Analysis**sHB 6321****AN ACT CONCERNING INFORMATION ON MOTOR VEHICLE PRICING..****SUMMARY:**

This bill requires a motor vehicle dealer to separately list, in advertisements for the sale of a new motor vehicle, the amount of the dealer's conveyance or processing fee. The dealer must state the fee amount immediately next to the phrase "Dealer Conveyance Fee" in at least eight-point bold type.

A new car dealer who violates the bill faces a civil fine of up to \$1,000, and the motor vehicles commissioner may also suspend or revoke his or her license.

BACKGROUND***Dealer Charges and Fees***

Existing law requires motor vehicle dealers, in advertisements for the sale of a new motor vehicle, to include in the stated price the federal tax, delivery cost, dealer preparation, and similar charges. The advertisement must also state, in at least eight-point bold type, that the sale price does not include any state or local tax, registration fee, or dealer conveyance or processing fee.

By law, a dealer may charge a dealer conveyance or processing fee to recover the reasonable costs for processing all documentation and performing services related to the closing of a sale, including registering and transferring ownership of the vehicle being sold. The law requires motor vehicle sales orders and invoices to state, in at least 10-point bold type, that the dealer conveyance or processing fee is not payable to the state (CGS § 14-62).

Related Bill

SB 503, reported favorably by the Transportation Committee, caps dealer conveyance and processing fees at \$75.

EFFECTIVE DATE: July 1, 2015

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 31 Nay 0 (03/18/2015)