

HOUSE BILL 1251

R7

9lr2683

By: **Delegate Conaway**

Introduced and read first time: February 13, 2009

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Dealers – Dealer Processing Charges – Posted Notice**

3 FOR the purpose of requiring a vehicle dealer who charges a dealer processing charge
4 to post a “Notice of Dealer Processing Charge” in the vehicle dealer’s dealership
5 in a prominent location that is clearly visible to customers; requiring the posted
6 notice required under this Act to be printed in a certain manner and to include
7 certain information; and generally relating to dealer processing charges.

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 15–311.1
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2008 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Transportation**

16 15–311.1.

17 (a) (1) In this section, “dealer processing charge” includes an amount
18 charged by a dealer for:

19 (i) The preparation of written documentation of the
20 transaction;

21 (ii) Obtaining the title and license plates for the vehicle;

22 (iii) Obtaining a release of lien;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (iv) Filing title documents with the Administration;
- 2 (v) Retaining documentation and records of the transaction;
- 3 (vi) Complying with federal or State privacy laws; or
- 4 (vii) Other administrative services concerning the sale of the
- 5 vehicle.

6 (2) "Dealer processing charge" does not include a charge to purchase or

7 install tangible personal property on or in the vehicle, or to perform mechanical

8 service on the vehicle.

9 (b) (1) If a dealer charges a dealer processing charge, the charge:

10 (i) Shall be reasonable;

11 (ii) May not exceed \$100; and

12 (iii) Shall reflect dealer expenses generally incurred for the

13 services identified in subsection (a)(1) of this section.

14 (2) A dealer shall provide a written disclosure of the services included

15 in the dealer processing charge on request by the purchaser.

16 (c) Any dealer processing charge or freight charge shall be disclosed to a

17 purchaser as provided in this section.

18 (d) A contract for the sale of a vehicle shall contain a statement, in 12 point

19 type or larger, on the contract form as follows:

20 "Dealer processing charge (not required by law): \$....".

21 "Freight charge: \$".

22 (e) If a dealer advertises the price of a vehicle, the amount of any dealer

23 processing charge and freight charge shall be included in the advertised price unless

24 the dealer clearly and conspicuously discloses the amount of the dealer processing

25 charge and freight charge in at least 10 point and bold font within reasonable

26 proximity to the advertised price.

27 (f) The dealer shall attach its price statement to a window of the vehicle,

28 next to any other price disclosure required by law. The dealer's price statement shall

29 state the total price for which the dealer is offering to sell the vehicle. The total price

30 stated shall include any dealer processing charge, which shall be disclosed above the

31 total price in at least 10 point type as "dealer processing charge (not required by law):

32 \$.....". The total price may exclude only the taxes and title fees payable to the State.

1 (G) (1) IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS
2 SECTION, IF A DEALER CHARGES A DEALER PROCESSING CHARGE FOR ANY
3 VEHICLES OFFERED FOR SALE AT THE DEALERSHIP, THE DEALER SHALL POST A
4 “NOTICE OF DEALER PROCESSING CHARGE” IN THE DEALER’S DEALERSHIP IN
5 A PROMINENT LOCATION THAT IS CLEARLY VISIBLE TO CUSTOMERS.

6 (2) A NOTICE POSTED UNDER THIS SUBSECTION SHALL BE
7 PRINTED IN 72 POINT TYPE OR LARGER AND SHALL STATE:

8 (I) THE MINIMUM AND MAXIMUM AMOUNTS OF THE
9 DEALER PROCESSING CHARGES;

10 (II) THE SERVICES INCLUDED IN THE CHARGE; AND

11 (III) THAT SPECIFIC DEALER PROCESSING CHARGES FOR
12 EACH VEHICLE ARE INCLUDED IN THE TOTAL PRICE STATEMENT ATTACHED TO
13 THE VEHICLE’S WINDOW IN ACCORDANCE WITH SUBSECTION (F) OF THIS
14 SECTION.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2009.