

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1251 (Delegate Conaway)
Environmental Matters

Vehicle Dealers - Dealer Processing Charges - Posted Notice

This bill requires a vehicle dealer to post a “notice of dealer processing charge” in a prominent location within the dealership, clearly visible to customers. The notice must state, in at least 72 point type, the minimum and maximum dealer processing charge, the services included in the charge, and that the dealer processing charge is included in the total price statement attached to the vehicle window.

Fiscal Summary

State Effect: None. The bill primarily regulates the actions of private entities.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A vehicle dealer may include in the contract for the sale of a vehicle, a reasonable dealer processing charge, not to exceed \$100, which must reflect the dealer expenses incurred for:

- the preparation and retention of written documentation of the transaction;
- obtaining the title, license plates and a release of lien for the vehicle;
- filing title documents with the Motor Vehicle Administration (MVA);
- complying with privacy laws; or
- other administrative services.

A dealer processing charge may not reflect the purchase or installation of items for the vehicle, or to perform mechanical service on the vehicle.

On the window of a vehicle for purchase, next to any other price disclosure required by law, the dealer's price statement must state the total price for which the dealer is offering to sell the vehicle, including the dealer processing charge in at least 10 point font. Additionally, the dealer processing charge must be disclosed to the purchaser of the vehicle on the contract for sale form in at least 12 point type, and the dealer must provide a written disclosure of the services included in the dealer processing charge on request by the purchaser.

State Fiscal Effect: Enforcement of the bill's provisions may be handled within MVA's existing licensing regulation and approval capacity. Any additional burden on the caseload of the Attorney General or District Court can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2009
ncs/ljm

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