

AMENDED IN ASSEMBLY MAY 21, 2012
AMENDED IN ASSEMBLY MARCH 14, 2012
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1534

Introduced by Assembly Member Wieckowski
(Coauthor: Senator Correa)

January 24, 2012

An act to add Chapter 6 (commencing with Section 11950) to Division 5 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1534, as amended, Wieckowski. Vehicles: dealers: used vehicle sales: labeling requirements.

Existing law regulates the accuracy of information provided to consumers during vehicle sales, including the information contained in advertising, brochures, and manuals, as specified. Existing law also requires manufacturers, as specified, to disclose certain information regarding a vehicle's engine, as specified, by affixing a label on the vehicle. A violation of these provisions is an infraction.

This bill would require a ~~dealer~~ *buy-here-pay-here dealer, as defined*, to affix to and to prominently and conspicuously display a label on any used vehicle offered for *retail* sale that states the reasonable market value of the vehicle. The bill would require the label to contain specified information used to determine the vehicle's reasonable market value and the date the value was determined. The bill would require a *buy-here-pay-here* dealer to provide to a prospective ~~purchaser~~ *buyer* of the used vehicle a copy of any information obtained from a nationally recognized pricing guide that the *buy-here-pay-here* dealer used to

determine the reasonable market value of the vehicle. By creating a new crime, the 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. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 6 (commencing with Section 11950) is
2 added to Division 5 of the Vehicle Code, to read:

3
4 CHAPTER 6. SALE OF USED VEHICLES

5
6 11950. (a) A *buy-here-pay-here* dealer shall affix a label on
7 any used vehicle being offered for *retail* sale that states the
8 reasonable market value of that vehicle. The label shall meet all
9 of the following conditions:

- 10 (1) Be in writing.
- 11 (2) Be printed with a heading that reads “REASONABLE
12 MARKET VALUE OF THIS VEHICLE” in at least 16-point bold
13 type and text in at least 12-point type.
- 14 (3) Be located adjacent to the window sticker identifying the
15 equipment provided with the vehicle or, if none, it shall be located
16 prominently and conspicuously on the vehicle so that it is readily
17 readable.
- 18 (4) Contain the information used to determine the reasonable
19 market value of the vehicle, including, but not limited to, the use
20 of a nationally recognized pricing guide for used vehicles.
- 21 (5) Contain the date the reasonable market value was
22 determined.
- 23 (6) *Indicate that the reasonable market value is being provided*
24 *only for comparison shopping and is not the retail sale price or*
25 *the advertised price of the vehicle.*

26 (b) A *buy-here-pay-here* dealer shall provide to a prospective
27 ~~purchaser~~ buyer of the used vehicle a copy of any information
28 obtained from a nationally recognized pricing guide that the

1 *buy-here-pay-here* dealer used to determine the reasonable market
2 value of the vehicle.

3 (c) As used in this section:

4 (1) “Reasonable market value” means the average retail value
5 of a used vehicle based on the condition, mileage, year, make, and
6 model of the vehicle, as determined within the last ~~30~~ 60 days by
7 a nationally recognized pricing guide that provides used vehicle
8 retail values or pricing reports to *vehicle* dealers or the public.

9 (2) “Nationally recognized pricing guide” includes, but is not
10 limited to, the Kelley Blue Book (KBB), Edmunds, the Black
11 Book, or the National Automobile Dealers’ Association (NADA)
12 Guide.

13 (3) “*Buy-here-pay-here dealer*” means a seller who does both
14 of the following:

15 (A) *Enters into conditional sale contracts, within the meaning*
16 *of subdivision (a) of Section 2981 of the Civil Code, or lease*
17 *contracts, within the meaning of subdivision (d) of Section 2985.7*
18 *of the Civil Code.*

19 (B) *Does not routinely assign his or her conditional sale*
20 *contracts to an unaffiliated third-party finance or leasing source.*

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