

AMENDED IN SENATE JUNE 16, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 605

Introduced by Assembly Member Gatto

February 24, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 605, as amended, 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 specify that the filing charge would only be for the fees and services identified, and would not include any direct or indirect costs for unrelated first-line provider services, as specified. *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.

State-mandated local program: yes.

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

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

3 4456.5. (a) A dealer may charge the purchaser or lessee of a
4 vehicle the following charges:

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

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

13 (B) If a dealer does not have a contractual agreement with the
14 department to be a private industry partner pursuant to Section
15 1685, the document processing charge shall not exceed sixty-five
16 dollars (\$65).

17 (2) An electronic filing charge, not to exceed the actual amount
18 the dealer is charged by a first-line service provider, *only provider*
19 for providing license plate processing, postage, and the fees and
20 services authorized pursuant to subdivisions (a) and (d) of Section
21 1685. The electronic filing charge shall not include any direct or
22 indirect costs for first-line provider services unrelated to providing
23 license plate processing, postage, and the fees and services
24 authorized pursuant to subdivisions (a) and (d) of Section 1685.
25 be used to pay for additional fees, goods, or services not directly
26 related to the electronic registration of a motor vehicle, including,
27 but not limited to, the receipt by the dealer of free or discounted
28 goods, services, or financial incentives. The director may establish,
29 through the adoption of regulations, the maximum amount that a

1 first-line service provider may charge a dealer. The electronic
2 filing charge shall not be represented as a governmental fee.

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

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

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