

BILL ANALYSIS

		<u>DATE:</u>	05/29/2007
<u>COMMITTEE:</u>	Consumer Protection and Professional Licensure	<u>BILL NO.:</u>	SB 1424
<u>PRIME SPONSOR:</u>	Senator Tomlinson	<u>PRINTER NO.</u>	2076

Senate Bill 1424 amends the Board of Vehicles Act., to establish in law the documentary fee that has been informally collected in the Pennsylvania vehicle sales process for approximately 20 years. The legislation will also establish a statutory maximum for the permissible fee amount.

Under current practice, PennDOT requires automotive dealers to perform titling and registration activities on behalf of the Commonwealth in conjunction with vehicle sales. Presently, such activities have been considered "licensing costs" and, with the approval of state agencies involved in the registration process, a disclosed documentary fee has been charged to vehicle purchasers as compensation for dealers completing PennDOT paperwork at the time of sale.

The legislation would statutorily authorize existing practice which is authorized by a memorandum of understanding issued by the Office of Attorney General with the concurrence of relevant state agencies. Specifically, the documentary fee currently referenced in state law, regulation, and agency policies, would be formally established in law.

The legislation provides in law for a maximum permissible licensing cost fee for documentary preparation services. Enforcement authority for this provision would reside with the Office of Attorney General to ensure that fees charged do not exceed established limits.

The bill would take effect immediately.

There is a technical amendment to be offered at the request of the Office of Attorney General.