

# MAINE STATE LEGISLATURE

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L.D. 639

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Date: 4-19-23

(Filing No. H-52)

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MINORITY  
TRANSPORTATION

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STATE OF MAINE

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HOUSE OF REPRESENTATIVES

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131ST LEGISLATURE

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FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT "A" to H.P. 416, L.D. 639, "An Act to Protect Vehicle Buyers by Limiting Vehicle Document Preparation Fees"

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Amend the bill by striking out the title and substituting the following:

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'An Act to Protect Vehicle Buyers by Prohibiting Vehicle Document Preparation Fees'

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Amend the bill by striking out everything after the enacting clause and inserting the following:

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'Sec. 1. 29-A MRSA §953-A, as enacted by PL 1999, c. 211, §1, is amended to read:

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**§953-A. Document fees prohibited**

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A dealer selling a new or used motor vehicle shall post on the vehicle any document preparation fee that will be added to the vehicle's sale price may not charge a document preparation fee. A violation of this section is prima facie evidence of an unfair trade practice and is a violation of Title 5, section 207.'

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Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

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**SUMMARY**

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This amendment is the minority report of the committee. The amendment prohibits a dealer selling a new or used motor vehicle from charging a document preparation fee.

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**FISCAL NOTE REQUIRED**

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(See attached)

**COMMITTEE AMENDMENT**



# 131st MAINE LEGISLATURE

LD 639

LR 1748(02)

## An Act to Protect Vehicle Buyers by Limiting Vehicle Document Preparation Fees

Fiscal Note for Bill as Amended by Committee Amendment *A (H-52)*

Committee: Transportation

Fiscal Note Required: Yes

### Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
<b>Net Cost (Savings)</b>				
General Fund	\$168,150	\$340,100	\$340,100	\$338,
<b>Revenue</b>				
General Fund	(\$168,150)	(\$340,100)	(\$340,100)	(\$338,200)
Other Special Revenue Funds	(\$8,850)	(\$17,900)	(\$17,900)	(\$17,800)

#### Fiscal Detail and Notes

This bill prohibits a dealer selling a new or used motor vehicle from charging a document preparation fee. The document fee is considered part of the sales price of motor vehicles and is subject to the sales tax. Assuming a January 1, 2024 effective date, prohibiting the document preparation fee will reduce General Fund revenue by \$168,150 in fiscal year 2023-24 and \$340,100 in fiscal year 2024-25. It will also reduce Local Government Fund revenue by \$8,850 in fiscal year 2023-24 and \$17,900 in fiscal year 2024-25. These estimates assume that motor vehicle dealers increase other elements of the price when the documentation fee is prohibited, such that the total taxable sales price is reduced by 10% of the documentation fee amount.