



Senate

General Assembly

File No. 370

January Session, 2025

Senate Bill No. 774

Senate, April 1, 2025

The Committee on Transportation reported through SEN. COHEN of the 12th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE OFFERING PRICE OF A MOTOR VEHICLE BY A CAR DEALER.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-62a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) No dealer licensed under the provisions of section 14-52 shall
4 advertise the price of any motor vehicle unless the stated price in such
5 advertisement includes the federal tax, the cost of delivery, dealer
6 preparation, any dealer conveyance fee or processing fee and any other
7 charges of any nature [, except that] and such advertisement [shall (1)
8 state] (1) states in at least eight-point bold type that any state or local tax
9 [.] or registration fees [or dealer conveyance fee or processing fee, as
10 defined in subsection (a) of section 14-62, is] are excluded from such
11 advertised price, and (2) separately [state,] states in at least eight-point
12 bold type, immediately next to the phrase "Dealer Conveyance Fee", the
13 amount of such dealer conveyance fee or processing fee. For the
14 purposes of this subsection, "dealer conveyance fee" and "processing
15 fee" have the same meanings as provided in subsection (a) of section 14-

16 62, as amended by this act.

17 (b) Any new or used car dealer violating the provisions of this section
18 shall be fined not more than one thousand dollars. The Commissioner
19 of Motor Vehicles may suspend or revoke, in accordance with section
20 14-64, the license of any such dealer violating the provisions of this
21 section.

22 Sec. 2. Subsections (a) and (b) of section 14-62 of the general statutes
23 are repealed and the following is substituted in lieu thereof (*Effective*
24 *October 1, 2025*):

25 (a) Each sale shall be evidenced by an order properly signed by both
26 the buyer and seller, a copy of which shall be furnished to the buyer
27 when executed, and an invoice upon delivery of the motor vehicle, both
28 of which shall contain the following information: (1) Make of vehicle; (2)
29 year of model, whether sold as new or used, and on invoice the
30 identification number; (3) deposit, and (A) if the deposit is not
31 refundable, the words "No Refund of Deposit" shall appear at this point,
32 and (B) if the deposit is conditionally refundable, the words
33 "Conditional Refund of Deposit" shall appear at this point, followed by
34 a statement giving the conditions for refund, and (C) if the deposit is
35 unconditionally refundable, the words "Unconditional Refund" shall
36 appear at this point; (4) cash selling price; (5) finance charges, and (A) if
37 these charges do not include insurance, the words "No Insurance" shall
38 appear at this point, and (B) if these charges include insurance, a
39 statement shall appear at this point giving the exact type of coverage; (6)
40 allowance on motor vehicle traded in, if any, and description of the
41 same; (7) stamped or printed in a size equal to at least ten-point bold
42 type on the face of both the order and invoice one of the following forms:
43 (A) "This motor vehicle not guaranteed", or (B) "This motor vehicle is
44 guaranteed", followed by a statement as to the terms of such guarantee,
45 which terms shall include the duration of the guarantee or the number
46 of miles the guarantee shall remain in effect. Such statement shall not
47 apply to household furnishings of any trailer; (8) if the motor vehicle is
48 new but has been subject to use by the seller or use in connection with

49 [his] the seller's business as a dealer, the word "demonstrator" shall be
 50 clearly displayed on the face of both the order and invoice; (9) any dealer
 51 conveyance fee or processing fee and a statement that such fee is not
 52 payable to the state of Connecticut printed in at least ten-point bold type
 53 on the face of both order and invoice; and (10) the dealer's legal name,
 54 address and license number. The form used by a dealer for the order
 55 and invoice shall not be printed in advance of discussions with a
 56 prospective buyer to include the amount of any vehicle identification
 57 etching service or any other fee for an optional service. For the purposes
 58 of this [subdivision] section, "dealer conveyance fee" or "processing fee"
 59 means a fee charged by a dealer to recover reasonable costs for
 60 processing all documentation and performing services related to the
 61 closing of a sale, including, but not limited to, the registration and
 62 transfer of ownership of the motor vehicle which is the subject of the
 63 sale.

64 (b) (1) The selling price quoted by any dealer to a prospective buyer
 65 shall both (A) include [,] any dealer conveyance fee or processing fee,
 66 and (B) separately [stated,] state the amount of [the] any such dealer
 67 conveyance fee or processing fee and that such fee is negotiable. [No
 68 dealer conveyance fee shall be added to the selling price at the time the
 69 order is signed by the buyer.]

70 (2) No dealer shall include in the selling price a dealer preparation
 71 charge for any item or service for which the dealer is reimbursed by the
 72 manufacturer or any item or service not specifically ordered by the
 73 buyer and itemized on the invoice.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	14-62a
Sec. 2	October 1, 2025	14-62(a) and (b)

Section 1	October 1, 2025	14-62a
Sec. 2	October 1, 2025	14-62(a) and (b)

TRA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
State Revenues	Various - Potential Revenue Gain	Minimal	Minimal

Note: Various=Various

Municipal Impact: None

Explanation

The bill, which modifies how car dealers are allowed to present certain fees related to motor vehicle sales to customers, results in a potential revenue gain to the state. Few, if any, additional violations are anticipated to result from the changes that this bill makes.¹

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the actual number of violations.

¹ Between FY 20 – FY 24, only one charge for a violation of CGS §14-62 was recorded and no associated revenue was collected.

OLR Bill Analysis**SB 774*****AN ACT CONCERNING THE OFFERING PRICE OF A MOTOR VEHICLE BY A CAR DEALER.*****SUMMARY**

This bill makes two changes related to motor vehicle sales. First, it requires car dealers to include their dealer conveyance fee or processing fee, if any, in the price they advertise or quote for a motor vehicle. It also prohibits dealers from pre-printing vehicle orders and invoices with optional fees.

Current law requires dealers to exclude conveyance or processing fees from a vehicle's advertised price and from the selling price they quote to any prospective buyer. The bill instead requires dealers to include these fees in the advertised or quoted price. Under existing law and the bill, dealers must also separately state the amount of the conveyance or processing fee. Under the bill, as under existing law, a "dealer conveyance fee" or "processing fee" is a fee dealers charge to recover reasonable costs for processing all documentation and performing services related to closing a sale, including registration and transferring vehicle ownership.

By law, and unchanged by the bill, a dealer must also give a buyer a written statement and prominently display a sign specifying (1) the conveyance fee or processing fee amount, (2) the included services, (3) that the fee is negotiable, (4) that the fee is not payable to the state, and (5) that the buyer may choose, where appropriate, to submit registration and title documents to the Department of Motor Vehicles, in which case the dealer will reduce the fee by a proportional amount (CGS § 14-62(c)).

For each motor vehicle sale, state law requires dealers to give buyers an order and an invoice that contains the vehicle's cash selling price and

other specified vehicle information and offer terms. Dealers are prohibited from including in the selling price any item or service not specifically ordered by the buyer and itemized on the invoice. The bill prohibits dealers from pre-printing the vehicle order and invoice with a vehicle identification number (VIN) etching fee or a fee for any other optional service before discussions with a prospective buyer.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

BACKGROUND

Related Bill

sSB 1357 (§ 43), favorably reported by the General Law Committee, requires licensed car dealers to clearly and conspicuously disclose, on the vehicle's side window and in each written advertisement where the price is displayed, each fee, charge, or cost that a person is required to pay in order to purchase, lease, or otherwise receive the vehicle.

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 25 Nay 10 (03/12/2025)