

Transportation Committee JOINT FAVORABLE REPORT

Bill No.: SB-774

AN ACT CONCERNING THE OFFERING PRICE OF A MOTOR VEHICLE BY A

Title: CAR DEALER.

Vote Date: 3/12/2025

Vote Action: Joint Favorable

PH Date: 2/26/2025

File No.:

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SPONSORS OF BILL:

Transportation Committee

REASONS FOR BILL:

This bill requires car dealers to include any dealer conveyance fee in the stated price and any advertising and any selling price the dealer quotes to a prospective buyer. This also prohibits car dealers from pre-printing the order of invoices to include any optional fee. This is not based on the federal cars rule and was intentionally revised this year to include the fee but to separately state it. This bill aims to improve transparency for customers and give them more protections from car dealers that may try to mislead them about fee negotiation when making a purchase.

RESPONSE FROM ADMINISTRATION/AGENCY:

No state agency provided testimony on this bill.

NATURE AND SOURCES OF SUPPORT:

Senate Majority Leader Bob Duff, Connecticut General Assembly

Majority leader Duff supports the bill, stating that the currently advertised price of a motor vehicle in the state is not required to include conveyance fees and processing fees. Furthermore, they state that some dealers have failed to post the amount of conveyance fees online or used paperwork that doesn't clearly state that such fees are negotiable. They say this bill will increase transparency for consumers, by protecting them from hidden costs and requiring fairer advertising.

Ralph Podolsky, Attorney, Connecticut Legal Services

Attorney Podolsky supports this bill arguing that conveyance fees are deceptive, as they are not pass-through costs but part of the dealer's internal administrative expenses. They highlight that current disclosure requirements have been ineffective, allowing dealers to mislead consumers by advertising lower vehicle prices while adding hidden fees. Under current state law, dealers can advertise a vehicle for \$1000 less than the customer will be paying, misleading consumers and giving an unfair competitive advantage to the dealer who advertises the total price.

Daniel Blinn, Managing Attorney, Consumer Law Group, LLC

Attorney Blinn supports the bill highlighting the fact that conveyance fees have increased significantly in the past two decades, far outpacing inflation, with some dealerships charging up to \$1,200 on a single transaction. Despite existing laws requiring disclosure, Blinn says many dealerships fail to comply, often hiding fees in fine print or adding additional fees like processing charges. This bill would require dealerships to include all fees in their advertised prices, prevent fee stacking, and ensure that optional or negotiable charges are not pre-printed.

NATURE AND SOURCES OF OPPOSITION:

Jeff Aiosa, Legislative Chair, Connecticut Automotive Retailers Association, and President, Carriage House Mercedes Benz of New London

Mr. Aiosa opposes the bill, highlighting the fact that Connecticut's 250 franchised new car dealerships create over 25,000 jobs in our state, process 75% of the state's vehicle registrations, and assist municipalities in collecting taxes and fines. He emphasizes that the state's conveyance fee laws are transparent and reasonable, with clear requirements for disclosure and negotiability, and penalties for charging an unreasonable fee or violating the present laws. They argue that the bill is unnecessary, as they say the CT DMV has not seen any complaints or enforcement issues related to the conveyance fee, and all 50 states feature some form of this fee.

Katie Burrell, Manager, Mercedes-Benz of New London

Ms. Burrell opposes the bill, citing the employment car dealerships offer the state, with a combined annual payroll for all employees of 1.1 billion. They say the fee is clearly displayed on signage and advertising, and that they have never received a customer complaint regarding the fee. They therefore consider the legislation unnecessary.

Chip Gengras, Chairman of the Board of Directors, Connecticut Automotive Retailers Association and President, Gengras Motor Cars

Mr. Gengras opposes the bill, citing the fact that Connecticut's 250 new car dealers process a majority of state registrations, reducing DMV congestion. They say dealers use the conveyance fee to cover legitimate costs, which is negotiable and subject to strict state laws, and they say the DMV has no record of complaints or enforcement actions related to the fee. They also highlight the role new car dealers in CT have played in investing millions into

expanding EV charging and supporting local technical schools. He urges rejection of the bill, emphasizing that current laws are effective and that no issues have been reported.

Chrissy Monaco DiMauro, Executive Board Member, Connecticut Automotive Retailers Association, and Co-Owner, Monaco Ford

Ms. DiMauro opposes the bill. She argues that Connecticut's existing conveyance fee laws are transparent and among the strictest in the nation, requiring clear disclosure of fees both in signage and on sales documents. They emphasize that dealerships use the conveyance fee to cover legitimate costs, and that the fee is negotiable, offering consumers flexibility. They also highlight the important role car dealerships play in processing 75% of the state's registrations, benefiting both customers and the DMV.

Sara Fryzell, President, Connecticut Automotive Retailers Association

Ms. Fryzell opposes the bill, arguing that Connecticut's existing laws regulating the conveyance fee is the most transparent in the country, and stating that the bill's requirement to include the fee in the advertised price and list it separately could cause confusion. They emphasize that the conveyance fee is negotiable and subject to adjustment while also pointing out that there is no record of DMV enforcement actions taken against dealerships, and that the bill burdens small businesses.

Kathryn Wayland and Hayden Reynolds, Co-Owners, Reynolds Subaru

Ms. Wayland and Mr. Reynolds oppose the bill, citing Connecticut's existing law on conveyance fees. Under current law, dealerships must post their conveyance fees prominently and list them separately on sales documents. They explain that the fee covers legitimate costs, such as processing title documents, advancing funds for trade-ins, and submitting registrations. They emphasize that the Department of Motor Vehicles can suspend or revoke dealer licenses for non-compliance, though no such actions have been taken.

Reported by: Patrick Riley & Alex Sferrazza

Date: 3/13/2025