

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 344

SPONSOR: Senator Latvala

SUBJECT: Motor Vehicles

DATE: November 26, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Vickers</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	<u> </u>	<u> </u>	<u>CM</u>	<u> </u>
3.	<u> </u>	<u> </u>	<u>JU</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

Section 29 of chapter 2001-196, Laws of Florida, provides that certain motor vehicle dealer practices are actionable under the Florida Deceptive and Unfair Trade Practices Act. This provision codified the violations proscribed in a repealed Department of Legal Affairs administrative rule regarding motor vehicle sales.

This bill amends this section to eliminate a pre-delivery disclosure requirement and conform Florida law to established industry practice. Specifically, the bill deletes a requirement that motor vehicle dealers post a disclosure of pre-delivery service charges on a window sticker. Motor vehicle dealers would still be required to disclose all pre-delivery service charges to prospective purchasers prior to the consummation of the sale.

This bill repeals subsection (19) of section 29 of chapter 2001-196, Laws of Florida (s. 501.196, F.S.)

II. Present Situation:

The repealed Department of Legal Affairs administrative rule (Ch. 2-19.05, F.A.C.) stated that it is an unfair or deceptive act to charge a customer for any pre-delivery service without disclosing such charges prior to the consummation of sale. In addition, the former rule provided where a motor vehicle is available for inspection by a prospective purchaser, the dealer has the *option* of attaching a window sticker that specifies pre-delivery service charges. If the dealer opted to utilize the window sticker to make the pre-delivery service charges disclosure, he was prohibited from adding additional pre-delivery service charges on other sales documents.

During the 2001 Legislative Session, the language contained in the repealed administrative rule was incorporated into SB 1956. During the bill drafting process, this disclosure language was revised in an attempt to provide greater clarity and consistency. However, this revision inadvertently changed the pre-delivery service window sticker provision from optional to mandatory. Currently, subsection (19) of s. 29, chapter 2001-196, Laws of Florida, states that it is an unfair or deceptive act to:

Add an additional charge for pre-delivery service other than those shown on a conspicuous label attached to the window of the vehicle specifying any charge for pre-delivery services and describing the charges as pre-delivery services, delivery and handling, dealer preparation, or in similar terms the dealer's charge for each dealer-installed option, and a total price line.

This provision, combined with the existing requirement that dealers disclose charges for pre-delivery services prior to final sale, appears to require motor vehicle dealers to make two disclosures of pre-delivery service charges: one on a window sticker and one at the time of sale. Motor vehicle dealers maintain that this double disclosure requirement is contrary to the former administrative rule and creates a potential hardship for many Florida dealers. According to representatives of the Florida Automobile Dealers Association, most used car dealers, motorcycle dealers, and recreational vehicle dealers do not currently use window stickers for purposes of disclosing pre-delivery service charges.

III. Effect of Proposed Changes:

This bill repeals subsection (19) of section 29 of chapter 2001-196, Laws of Florida. This repeals a provision of law which makes it a deceptive and unfair trade practice to add an additional charge for pre-delivery services other than those shown on a window sticker affixed to the vehicle. Dealers would still be required to disclose all pre-delivery charges to prospective purchasers prior to the final sale.

The bill shall take effect upon becoming a law and shall apply retroactively to any motor vehicle sold on or after October 1, 2001.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Florida motor vehicle dealers would not be required to attach window stickers disclosing pre-delivery service charges. However, motor vehicle dealers would still be required to disclose all pre-delivery service charges to prospective purchasers prior to the consummation of the sale.

The impact of the bill on Florida consumers is unknown.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.