



# 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 " "

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	\$338,200
<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.