

FIRST REGULAR SESSION

# HOUSE BILL NO. 1023

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE GREGORY (96).

2194H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal section 301.558, RSMo, and to enact in lieu thereof one new section relating to administrative fees imposed by dealers licensed by the department of revenue.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 301.558, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.558, to read as follows:

301.558. 1. A motor vehicle dealer, boat dealer, or powersport dealer may fill in the blanks on standardized forms in connection with the sale or lease of a new or used motor vehicle, vessel, or vessel trailer if the motor vehicle dealer, boat dealer, or powersport dealer does not charge for the services of filling in the blanks or otherwise charge for preparing documents.

2. A motor vehicle dealer, boat dealer, or powersport dealer may charge an administrative fee in connection with the sale or lease of a new or used motor vehicle, vessel, or vessel trailer for the storage of documents or any other administrative or clerical services not prohibited by this section. A portion of the administrative fee may result in profit to the motor vehicle dealer, boat dealer, or powersport dealer.

3. No motor vehicle dealer, boat dealer, or powersport dealer that sells or leases new or used motor vehicles, vessels, or vessel trailers and imposes an administrative fee of ~~less than two~~ **five hundred dollars or less** in connection with the sale or lease of a new or used vehicle, vessel, or vessel trailer for the storage of documents or any other administrative or clerical services shall be deemed to be engaging in the unauthorized practice of law. **The maximum administrative fee permitted under this subsection shall be increased annually by an amount equal to the percentage change in the annual average of the Consumer Price Index for All Urban Consumers or its successor index, as reported by the federal Bureau of**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **Labor Statistics or its successor agency, or by zero, whichever is greater. The director of**  
19 **the department of revenue shall annually furnish the maximum administrative fee**  
20 **determined under this section to the secretary of state, who shall publish such value in the**  
21 **Missouri register as soon as practicable after January fourteenth of each year.**

22 4. If an administrative fee is charged under this section, the **same** administrative fee shall  
23 be charged to all retail customers ~~[and]~~ **unless the fee is limited by the dealer's franchise**  
24 **agreement to certain classes of customers. The fee shall be** disclosed on the retail buyer's  
25 order form as a separate itemized charge.

26 5. A preliminary worksheet on which a sale price is computed and that is shown to the  
27 purchaser, a retail buyer's order form from the purchaser, or a retail installment contract shall  
28 include, in reasonable proximity to the place on the document where the administrative fee  
29 authorized by this section is disclosed, the amount of the administrative fee and the following  
30 notice in type that is boldfaced, capitalized, underlined, or otherwise conspicuously set out from  
31 the surrounding written material:

32 "AN ADMINISTRATIVE FEE IS NOT AN OFFICIAL FEE AND IS NOT  
33 REQUIRED BY LAW BUT MAY BE CHARGED BY A DEALER. THIS  
34 ADMINISTRATIVE FEE MAY RESULT IN A PROFIT TO DEALER. NO  
35 PORTION OF THIS ADMINISTRATIVE FEE IS FOR THE DRAFTING,  
36 PREPARATION, OR COMPLETION OF DOCUMENTS OR THE PROVIDING  
37 OF LEGAL ADVICE. THIS NOTICE IS REQUIRED BY LAW."

38 6. The general assembly believes that an administrative fee charged in compliance with  
39 this section is not the unauthorized practice of law or the unauthorized business of law so long  
40 as the activity or service for which the fee is charged is in compliance with the provisions of this  
41 section and does not result in the waiver of any rights or remedies. Recognizing, however, that  
42 the judiciary is the sole arbitrator of what constitutes the practice of law, in the event that a court  
43 determines that an administrative fee charged in compliance with this section, and that does not  
44 waive any rights or remedies of the buyer, is the unauthorized practice of law or the unauthorized  
45 business of law, then no person who paid that administrative fee may recover said fee or treble  
46 damages, as permitted under section 484.020, and no person who charged that fee shall be guilty  
47 of a misdemeanor, as provided under section 484.020.

✓