



August 14, 2025

Honorable Buffy Wicks
Chair, Assembly Committee on Appropriations
California State Assembly
1021 O Street, Suite 8140
Sacramento, CA 95814

Re: SB 791 (Cortese): Car dealer “document fee” increase: OPPOSE

Dear Chair Wicks:

The organizations signing into this letter strongly oppose SB 791, which would drastically and exponentially increase the amount car dealers in California, including Tesla, may charge as a “document processing fee.”

Currently, the cap on car dealer document fees is \$85 for dealers who have a contractual agreement with the Department of Motor Vehicles (DMV) to be a private industry partner and \$70 for all other dealers. This bill would authorize car dealers to charge a document processing charge that exceeds those amounts, allowing them to charge up to 1% of the total price of the vehicle, capped at \$350 – more than *quadruple* (400%) the current amount.

We oppose SB 791 for the following reasons, among others:

- Car dealer document fees are the epitome of a “junk fee” that fails to reflect what the service actually costs dealers to provide, is not required to be disclosed up front, and is presented at the end of the transaction along with governmental fees, creating the false impression that it is an “official” fee and is non-negotiable.
- Historically, increases in the document fee have been incremental, and were the subject of negotiations so that they related to improvements in protections for car buyers. However, SB 791 does nothing to improve services or protections for consumers, and is totally one-sided in favor of car dealers at the expense of consumers.
- For decades, California has consistently had the lowest cap for doc fees, among all 50 states. However, this bill would allow car dealers to increase the fee to \$350, an amount far exceeding a number of other states, including:¹

STATE	DOC FEE CAP
Arkansas	\$129
Iowa	\$180
Michigan	\$260 or 5% of sale price, whichever is less
New York	\$175
Oregon	\$115, or \$150 if filed electronically
Texas	\$225
Washington	\$200
West Virginia	\$250

- The sponsors of SB 791 claim that one supposed justification for the increase is the cost of preparing loan documents. However, they fail to disclose that car dealers typically receive hefty kickbacks from lenders in exchange for assigning loans, and in fact that function is one of the biggest sources of profits for car dealers.
- Current law does not require car dealers to include document fees in the advertised price. If car buyers were fully informed up front about the costs, they might choose alternatives, such as purchasing vehicles from private parties and / or joining their local auto club (AAA), which typically provides car title transfer, licensing, and registration services to members for a relatively small fee, or no fee at all.
- The timing could not be worse, with the price of cars predicted to skyrocket due to tariffs. Instead of adding to the price of buying a car in California in order to benefit car dealers, the Legislature and Governor should work together to reduce the costs imposed on car buyers and make buying a car less risky and more affordable.
- Car dealers have been raking in record profits, while consumers are increasingly struggling to make ends meet.

¹Edmunds: “What New Car Fees Should You Pay? A guide to doc fees, plus other new and used car buying fees,” May 14, 2025. Posted at: <https://www.edmunds.com/car-buying/what-fees-should-you-pay.html>

- The biggest beneficiaries of this bill would be high-volume car dealership entities that are publicly traded on Wall Street and have headquarters based in other states, including the following multi-billion dollar companies:
 - Tesla
 - AutoNation
 - CarMax
 - Lithia Motors
- The J.D. Power report cited by the sponsors as justification for the huge increase is questionable, at best. For instance, according to Zip Recruiter, the average annual pay for a dealership finance and insurance manager is currently over \$144,000.² (Salaries are typically supplemented by bonuses and commissions.) This is because F&I profits for car dealers are soaring, and handling much of the paperwork specified by the report entails selling financing and other products that are extremely lucrative for car dealers. Therefore, it would be a mistake to accept the figures in the J.D. Power report at face value.

For the reasons stated above, we must oppose this measure and strongly urge your “NO” vote.

Thank you for considering our views.

Sincerely,

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Consumers for Auto Reliability and Safety

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²“Car Dealership Finance Manager Salary,” ZipRecruiter, May 9, 2025. Posted at:
<https://www.ziprecruiter.com/Salaries/Car-Dealership-Finance-Manager-Salary>

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