

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 6446 (as reported without amendment)  
Sponsor: Representative Marc Shulman  
House Committee: Insurance and Financial Services  
Senate Committee: Transportation and Tourism

**CONTENT**

The bill would amend the Motor Vehicle Sales Finance Act to do the following:

- Increase the maximum document preparation fee for a motor vehicle sales installment contract, and require that the fee be regularly adjusted to account for inflation.
- Require any installment sales contract to contain the cash price of any extended warranty or service contract.
- Specify that the finance charge would have to be calculated by the seller.

Currently, a document preparation fee must not exceed \$40. Under the bill, the fee would be limited to not more than 5% of the cash price of the motor vehicle or \$160, whichever was less. Beginning on January 1, 2005, the administrator (the Commissioner of the Office of Financial and Insurance Services) would have to adjust the \$160 maximum fee every two years to reflect the cumulative percentage change in the consumer price index for the immediately preceding calendar years. The administrator would have to round the adjustment to the nearest \$10 increment to set the fee every two years, but would have to carry over and use the absolute value to calculate the next two-year adjustment.

MCL 492.113 & 492.118

Legislative Analyst: Julie Koval

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 12-9-02

Fiscal Analyst: Maria Tyszkiewicz