



Orange County Taxpayers Association

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To: The Honorable Christine Kehoe, Chair, Senate Committee on Appropriations

From: Reed Royalty, President, Orange County Taxpayers Association (OCTax)

Date: August 16, 2011

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## AB 1215 (Blumenfield): Automobile Documents

### OCTax Position: OPPOSE (unless amended)

AB 1215 would require a motor vehicle sold or leased by a new motor vehicle dealer to be registered by the dealer using electronic programs provided by private industry partners. It would establish fees to pay for the registration service. The bill would prohibit a dealer from selling or leasing a car unless the dealer first obtains a report on the legal status and condition of the vehicle from the National Motor Vehicle Title Information System (NMVTIS).

#### OCTax analysis

AB 1215 specifically names a government agency (NMVTIS) as the arbiter of a vehicle's legal status and condition (i.e., whether it has been stolen, wrecked, flooded, etc.). The law would require new car dealers to make the NMVTIS report available to potential car buyers.

AB 1215 may cause vehicle buyers to assume that the NMVTIS report is the authoritative, or perhaps only, source of information on a vehicle's history. At least two private-sector vendors (Car Fax and Experian Auto Check) offer car shoppers research on the legal status and condition of cars. AB 1215's focus on the NMVTIS report may put private providers of vehicle history information at a severe disadvantage, perhaps to the extent of forcing them out of business.

OCTax supports taxpaying private enterprise. Car Fax has been in business since 1984, Experian since 1980. Apparently consumers trust their service.

OCTax supports Car Fax's proposed amendment to AB 1215 that would allow dealers to obtain and use either NMVTIS or commercially available vehicle history reports.

cc: The Honorable Bob Blumenfield  
Orange County Legislative Delegation