

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2629 (Chen) – As Introduced February 20, 2026

Policy Committee: Transportation

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

For any service provided by the Department of Motor Vehicles (DMV), this bill limits the amount of an additional charge levied by a registration service to no more than 5% greater than the fee DMV charges to consumers when providing that service directly through DMV's website or field office.

**FISCAL EFFECT:**

While this bill makes no explicit requirement of DMV, it creates costs for DMV (Motor Vehicle Account (MVA)), nonetheless. Cost drivers to DMV are modification of DMV's website and publications, issuing memos and promulgating regulations. DMV estimates the average cost of developing new regulations at approximately \$115,000 one time and anticipates the regulations required by this bill to be relatively simple.

In addition, DMV notes it may experience an increase in complaints that require investigation, at a cost of roughly \$60,000 annually (MVA).

In addition, as the bill is written, the effect will be to prevent a registration service from charging a fee of more than \$0 to a customer for a service provided by DMV. (See below for discussion and rationale.) A DMV transaction completed by a business partner includes a transaction fee, currently set at \$6, deposited to the MVA. Additionally, existing law requires DMV's industry partners to pay a \$1 transaction fee to fund DMV's ongoing IT modernization. To the extent this bill reduces the amount of DMV transactions completed by DMV business partners—and this analysis assumes the reduction will be substantial—the MVA will forgo revenue of an unknown, but significant amount.

The MVA faces insolvency. The Legislative Analyst's Office (LAO) advises, "Until a plan is put in place to address MVA's structural deficit, we recommend the Legislature set a high bar for considering approval of any proposals that create additional MVA cost pressures and accelerate the risk of insolvency."

**COMMENTS:**

State law authorizes DMV to join with qualified private industry partners to provide services that include processing and payment programs for vehicle registration and titling transactions. DMV has several thousand such private industry partners today. Unlike its industry partners, DMV does not charge fees for these services.

Current law (see Vehicle Code section 1685) authorizes DMV to cap the fees charged by its industry partners, and DMV limits by regulation the fees that a DMV business partner may charge a new car dealer to register a vehicle on a customer's behalf. Currently, DMV limits such a registration fee to \$30, though the fee is adjusted annually to account for inflation. However, DMV has not capped the fees its industry partners may charge a customer directly for registration services.

The author describes this bill as targeting “deceptive fees” that “too many” Californians have been “tricked” into paying, and describes those fees as, in some cases, “exorbitant” and “gouging.” While the bill does not target deceptive practices, it, instead, limits fees. According to the author:

AB 2629 will prohibit business partners that provide online vehicle registration services from charging excessive fees for the same services offered directly by the DMV by establishing a reasonable cap to prevent Californians from being price gouged. Too many Californians have been unknowingly tricked into paying exorbitant fees for the same service that is currently provided by the DMV at no additional cost. This bill strengthens consumer protections by ensuring Californians are not subjected to deceptive fees when accessing basic vehicle registration services.

The bill achieves the author's goal by capping the additional fee charged by a registration service at 5% above the fee that DMV charges to consumers when providing that service directly through the DMV website. So, if DMV charges a customer a \$0 fee for vehicle registration services through its website, then a private registration service, under this bill, could charge up to \$0 ( $5\% \times \$0 = \$0$ ) for the same service.

This bill is sponsored by the Consumer Federation of California, which, similar to the author, describes the bill as addressing “scams” and “deceptive websites” and describes the bill as “imposing reasonable limits on what online businesses can charge for their registration services.” It seems the outcome of this bill—in effect, prohibiting registration service fees—is not the effect intended by either the author or the sponsor.

According to the author, the author's intent is to limit the fees charged to a customer to, for example, the dollar amount DMV collects when a customer renews their vehicle registration. As a more specific example, according to the author, if a customer is required to pay \$324 to renew the customer's vehicle registration, which DMV collects, the author intends this bill to limit to \$16.20 (5% of \$324) the service fee a registration service may charge to the customer for the registration service. However, according to DMV, DMV does not charge customers service fees for the services it provides. Rather, it collects fees due on behalf of the state of California as directed by state law. The author may want to consider amendments to the bill to ensure it achieves the author's desired outcome.

This bill is opposed by private registration services that operate, primarily or exclusively, online. One such entity that provides these services, Samba Safety, opposes the bill and describes the fee cap as “not economically viable.”