

Date of Hearing: April 6, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

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

**SUBJECT:** Vehicles: registration services

**SUMMARY:** Prohibits a registration service from charging a fee that exceeds 5% of the fee that the Department of Motor Vehicles (DMV) charges consumers when providing the service directly through the department's internet website or field office.

**EXISTING LAW:**

- 1) Authorizes DMV to establish contracts for electronic programs that allow qualified private industry partners to join the DMV in providing services that include processing and payment programs for vehicle registration and titling transactions, and services related to reporting vehicle sales and producing temporary license plates. (Vehicle Code section (VEH) 1685)
- 2) Defines "registration service" as a person engaged in the business of soliciting or receiving any application for the registration, renewal of registration, or transfer of registration or ownership, of any vehicle of a type subject to registration under this code, or of soliciting or receiving an application for a motor carrier permit or of transmitting or presenting any of those documents to the department, when any compensation is solicited or received for the service. "Registration service" includes, but is not limited to, a person who, for compensation, processes registration documents, conducts lien sales, or processes vehicle dismantling documents. (VEH 505.2)
- 3) Provides that a registration service is not a person performing registration service on a vehicle acquired by that person for his or her own personal use or for use in the regular course of that person's business, a person who solicits applications for or sells, for compensation, nonresident permits for the operation of vehicles within the state, an employee of one or more dealers or dismantlers, who performs registration services for vehicles acquired by, consigned to, or sold by the employing dealers or dismantlers, a motor club, or a common carrier acting in the regular course of its business in transmitting applications.
- 4) Defines a "first line business partner" as an industry partner that receives data directly from DMV and uses it to complete registration and titling activities for that partner's own business. (VEH 1685)
- 5) A second-line business partner is a partner that receives information from a first-line business partner. (VEH 1685)
- 6) Authorizes the DMV director to establish, through the adoption of regulations, the maximum amount that a qualified private industry partner may charge its customers. (VEH 1685)
- 7) Requires DMV to adjust the amount determined to the California Consumer Price Index and to round the amount to the nearest dollar. (VEH 1685)

- 8) Authorizes DMV to charge a \$3 transaction fee for the information and services provided and authorizes the private industry partner to pass the transaction fee to the customer. (VEH 1685)
- 9) Prohibits a person from acting as a registration service, engaging in the business of soliciting or receiving any application for the registration, renewal, or transfer of registration without a license or temporary permit issued by DMV (VEH 11400)

**FISCAL EFFECT:** Unknown

**COMMENTS:** The DMV is authorized to partner with qualified private businesses to provide vehicle registration and titling services, including processing and payment programs. Private industry partners support the DMV in several ways:

- Provide nightly updates to the DMV database with new vehicle owner information.
- Allow faster issuance of license plates to car buyers.
- Offer alternative options for DMV services.
- Reduce workload at DMV field offices.
- Eliminate state costs related to failed payments (partners assume this risk).
- Enable the DMV to collect interest sooner on electronic fund transfers.

A registration service is a business that, for compensation, processes vehicle registration and related documents, including transmitting them to DMV. DMV licenses and regulates vehicle registration services. For a business to act as a registration service, it must obtain a license or temporary permit from DMV by filing an application, submitting to a background check and inspection of its place of business, posting a surety bond, and paying a one-time fee to DMV.

A registration service is not an individual handling their own personal or business vehicles, nor is it a person who solely sells nonresident permits. It also excludes employees of auto dealers or dismantlers who process paperwork for their employer's inventory, as well as motor clubs (like AAA) and common carriers (like shipping companies) performing these tasks as part of their standard business operations.

As of June 2024, the DMV had one first-line business partner, seven first-line service providers and 6,429 second-line business partners. A second-line business partner receives information from a first-line service provider. This includes but is not limited to websites other than the DMV website that provide registration services, car dealers, and payday lenders. In fiscal year 2023–2024, these partners completed 7.5 million transactions and collected \$3.4 billion on the DMV's behalf. About one-third of that revenue came from new car registrations; the rest came from title transfers and registration renewals.

The Director of the DMV has the authority to cap transaction fees charged by private partners. Currently, licensed vehicle dealers and dismantlers are limited to charging consumers \$29 per transaction. This transaction cap is adjusted annually for inflation. The DMV has not imposed a fee cap on its other partners.

The Legislature has expressed skepticism of online registration services, particularly now that all of these functions are offered at the DMV website at no cost to the consumer. AB 1627 (Gomez) Chapter 128, Statutes of 2014, required registration services to provide a disclosure to each customer that the DMV also provides the same services without an additional fee.

Even with this disclosure, constituents have continued to use registration service websites without understanding they are not, in fact, the DMV. In November 2024, a Bay Area news outlet reported on a DMV business partner charging an extra \$72 for vehicle registration. The company's website closely mimicked the DMV's official site and appeared at the top of search results for registration payments.

*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 sponsor of this bill*, the Consumer Federation of California, argues "Many Californians are being scammed and overcharged by unregulated, deceptive websites, some of which impersonate or "spoof" the look and feel of the DMV's website, and shockingly some of these websites are literally "partners" of the DMV, a status some abuse when interacting with consumers.. These businesses intentionally mislead consumers, making them believe they are either on the DMV website or, more confusingly, having consumers pay the same DMV fees when, in reality, consumers are being hit with hidden, excessive charges—sometimes double or triple the DMV's cost to consumers who go directly to the California DMV's website. The worst-hit victims are seniors, families, low-income individuals, and communities of color who unknowingly fall into these predatory traps. Some of these "trusted partners" are actually predatory payday lenders who in 2023 and 2024 were found to have charged consumers up to a 460% annual percentage rate for single-payment payday loans.

AB 2629 shuts down these exploitative practices by imposing reasonable limits on what online businesses can charge for their registration services, capping fees at just 5% above DMV's standard rates. This ensures that Californians are no longer gouged by deceptive websites masquerading as official DMV services or abusing their "partner" status to mislead consumers."

*Previous legislation.* AB 1627 (Gomez) Chapter 128, Statutes of 2014, required registration services required to provide a disclosure to each customer that the services they provide may be provided by DMV without an additional fee.

AB 1190 (Haney) of 2025 would have required the Department of Motor Vehicles (DMV) to limit the amount any qualified second-line business partner may charge their customers to no more than the maximum amount a first-line service provider may charge its customers. This bill also strengthens disclosure requirements on all qualified second-line business partners' internet websites. That bill died in Senate Appropriations Committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Consumer Federation of California (sponsor)

**Opposition**

CarRegistration, Inc.

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