

AMENDED IN ASSEMBLY JUNE 26, 2025

AMENDED IN ASSEMBLY JUNE 13, 2025

AMENDED IN SENATE MAY 23, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE APRIL 10, 2025

## **SENATE BILL**

**No. 766**

**Introduced by Senator Allen  
(Coauthor: Senator Stern)**

February 21, 2025

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An act to add Title 1.5B (commencing with Section 1784.20) to Part 4 of Division 3 of the Civil Code, to amend Section 6012.3 of the Revenue and Taxation Code, and to repeal Section 11713.21 of, and to repeal and add Section 11709.2 of, the Vehicle Code, relating to civil law.

### **LEGISLATIVE COUNSEL'S DIGEST**

SB 766, as amended, Allen. California Combating Auto Retail Scams (CARS) Act.

Existing law governs motor vehicle conditional sale contracts, as defined, and requires a seller, prior to the execution of a conditional sale contract, to make certain disclosures to the buyer, including a description and the price of each item sold if the contract includes a charge for the item, and the sum of all of those charges.

Existing law prohibits a dealer from selling specified used vehicles at retail to an individual for personal, family, or household use without offering the buyer a contract cancellation option agreement that allows the buyer to return the vehicle without cause. Existing law sets forth

certain requirements for the contract cancellation option agreement, including prescribing the purchase price for the contract cancellation option and requiring specified disclosures.

This bill would enact the California Combating Auto Retail Scams (CARS) Act. The bill would make it a violation of the act for a dealer to make any misrepresentation regarding material information about specified matters relating to the vehicle sale, including the costs or terms of purchasing, financing, or leasing a vehicle, the availability of vehicles ~~at an advertised price~~, *a total price communicated by the dealer*, and the remedy available if a dealer fails to sell or lease a vehicle at the total price, as defined. The bill would also make it a violation of the act for a dealer to fail to make certain disclosures clear and conspicuous, including specified information relating to the total price and any add-on products or ~~services~~, *services, and would exempt from that provision a used vehicle sold at an auction, as defined*. The bill would make it a violation of the act for a dealer, in connection with the sale or financing of a vehicle, to charge for certain items, including an add-on product or service if the vehicle purchaser or lessee would not benefit from the add-on product or service. The bill would repeal the above-described contract cancellation option agreement requirement and would instead prohibit a dealer from selling or leasing specified used vehicles without providing the purchaser or lessee a 3-business-day right to cancel the purchase or lease, as provided. The bill would require a dealer to create and retain, for a period of 2 years from the date the record is created, all records necessary to demonstrate compliance with the act, including specified records.

The bill would make related conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Title 1.5B (commencing with Section 1784.20)
- 2 is added to Part 4 of Division 3 of the Civil Code, to read:

1 TITLE 1.5B. CALIFORNIA COMBATING AUTO RETAIL  
2 SCAMS (CARS) ACT

3  
4 CHAPTER 1. GENERAL PROVISIONS  
5

6 1784.20. This title shall be known, and may be cited, as the  
7 California Combating Auto Retail Scams (CARS) Act.

8 1784.21. Any waiver by a consumer of the provisions of this  
9 title is contrary to public policy and is unenforceable and void.

10 1784.22. The provisions of this title are not exclusive. The  
11 remedies provided in this title for a violation of this title or for  
12 conduct proscribed by this title shall be in addition to any other  
13 remedies available under other law. This title does not limit or  
14 alter the remedies and liabilities set forth in other laws that may  
15 apply.

16 1784.23. If any provision of this title or the application of this  
17 title to any person or circumstance is held to be unconstitutional  
18 or otherwise deemed to be invalid, the remainder of the title and  
19 the application of the provision to other persons or circumstances  
20 shall not be affected.

21  
22 CHAPTER 2. CONSTRUCTION AND DEFINITIONS  
23

24 1784.30. This title shall be liberally construed and applied to  
25 promote its underlying purposes, which are to protect purchasers  
26 and lessees of new or used motor vehicles against unfair and  
27 deceptive business practices and to provide efficient and  
28 economical procedures to secure that protection.

29 1784.31. The following definitions apply for purposes of this  
30 chapter:

31 (a) “Add-on” or “add-on product or service” means any product  
32 or service not provided to the purchaser or lessee or installed on  
33 the vehicle by the vehicle manufacturer and for which the dealer,  
34 directly or indirectly, charges a purchaser or lessee in connection  
35 with a vehicle sale, lease, or financing transaction.

36 ~~(b) “Clear and conspicuous” or “clearly and conspicuously”~~  
37 ~~means in a manner that is difficult to miss and easily~~  
38 ~~understandable, including in all of the following ways:~~

39 ~~(1) In any communication that is solely visual or solely audible,~~  
40 ~~the disclosure shall be made through the same means through~~

1 which the communication is presented. In any communication  
2 made through both visual and audible means, including a television  
3 advertisement or video, the disclosure shall be presented  
4 simultaneously in both the visual and audible portions of the  
5 communication even if the representation requiring the disclosure  
6 is made through only one means.

7 (2) A visual disclosure, by its size, contrast, location, the length  
8 of time it appears, and other characteristics, shall stand out from  
9 any accompanying text or other visual elements so that it is easily  
10 noticed, read, and understood.

11 (3) An audible disclosure, including by telephone or streaming  
12 video, shall be delivered in a volume, speed, and cadence sufficient  
13 for ordinary consumers to easily hear and understand it.

14 (4) In any communication using an interactive electronic  
15 medium, including the internet or software, the disclosure shall be  
16 unavoidable.

17 (5) The disclosure shall use diction and syntax understandable  
18 to ordinary consumers and shall be provided in each language in  
19 which the representation that requires the disclosure appears.

20 (6) The disclosure shall comply with these requirements in each  
21 medium through which it is received.

22 (7) The disclosure shall not be contradicted or mitigated by, or  
23 inconsistent with, anything else in the communication.

24 (e)

25 (b) “Dealer” means a licensed California motor vehicle dealer  
26 or a dealer as defined in Section 285 of the Vehicle Code.

27 (d)

28 (c) “GAP agreement” means an agreement for either of the  
29 following:

30 (1) To indemnify a vehicle purchaser or lessee for the difference  
31 between the actual cash value of the vehicle in the event of an  
32 unrecovered theft or total loss and the amount owed on the vehicle  
33 pursuant to the terms of a loan, lease agreement, or installment  
34 sales contract used to purchase or lease the vehicle.

35 (2) To waive the unpaid difference between money received  
36 from the purchaser’s or lessee’s vehicle insurer and some or all of  
37 the amount owed on the vehicle at the time of the unrecovered  
38 theft or total loss, including products or services titled “guaranteed  
39 automobile protection agreement,” “guaranteed asset protection  
40 agreement,” “GAP insurance,” or “GAP waiver.”

(e)

(d) “Material” or “materially” means likely to affect a person’s choice of, or conduct regarding, goods or services.

(f)

(e) “Motor vehicle” or “vehicle” means a motor vehicle as defined by Section 415 of the Vehicle Code.

(g)

(f) “Service contract” includes products that provide consumers with some type of benefit or payment for repair, maintenance, or service on the vehicle purchased or leased.

(h)

(g) (1) “Total price” means the total sale price of a vehicle, excluding the taxes, fees, and charges described in subdivision (e) of Section 11713.1 of the Vehicle Code.

(2) “Total price” includes any dealer price adjustment and the cost of any item installed on the vehicle at the time of the advertisement or communication.

(3) “Total price” does not include any deduction for a rebate.

(i)

(h) “Used motor vehicle” or “used vehicle” means a used vehicle as defined in Section 665 of the Vehicle Code.

(i) “Auction” means a sale transaction conducted by means of oral, written, or electronic exchanges whereby offers are solicited from one or more potential purchasers in the form of bids in an effort to advance the amount of the bids to obtain the highest and most favorable offer.

### CHAPTER 3. PROHIBITED CONDUCT AND CONSUMER RIGHTS

1784.40. It is a violation of this title for any dealer to make any ~~misrepresentation, expressly or by implication,~~ *misrepresentation* regarding material information about any of the following:

(a) The costs or terms of purchasing, financing, or leasing a vehicle.

(b) Any costs, limitation, benefit, or any other aspect of an add-on product or service.

(c) Whether the terms are, or transaction is, for a purchase or a lease.

1     ~~(d) The availability of any rebates or discounts that are factored~~  
2     ~~into the advertised price but are not available to all car buyers or~~  
3     ~~lessees.~~

4     ~~(e)~~

5     ~~(d) The availability of vehicles at an advertised price; a total~~  
6     ~~price communicated by the dealer. A dealer is not in violation of~~  
7     ~~this subdivision if the advertisement in question is withdrawn~~  
8     ~~following the sale of the vehicle in compliance with subdivision~~  
9     ~~(c) of Section 11713 of the Vehicle Code.~~

10    ~~(f)~~

11    ~~(e) Whether any consumer has been or will be preapproved or~~  
12    ~~guaranteed for any product, service, or term.~~

13    ~~(g)~~

14    ~~(f) Information on or about a consumer's application for~~  
15    ~~financing.~~

16    ~~(h)~~

17    ~~(g) The time at which the transaction is final or binding on all~~  
18    ~~parties.~~

19    ~~(i)~~

20    ~~(h) Whether the dealer will keep cash downpayments or trade-in~~  
21    ~~vehicles, charge fees, or initiate legal process, or any action if a~~  
22    ~~transaction is not finalized or if the consumer does not go forward~~  
23    ~~with the transaction.~~

24    ~~(j)~~

25    ~~(i) Whether, and if so, when, a dealer will pay off some or all~~  
26    ~~of the financing or a lease on a consumer's trade-in vehicle, and~~  
27    ~~what happens if a dealer fails to pay off the trade-in vehicle within~~  
28    ~~the time period required by Section 11709.4 of the Vehicle Code.~~

29    ~~(k)~~

30    ~~(j) The remedy available if a dealer fails to sell or lease a vehicle~~  
31    ~~at the total price.~~

32    ~~(l)~~

33    ~~(k) Whether the dealer or any of the dealer's personnel or~~  
34    ~~products or services is or was affiliated with, endorsed or approved~~  
35    ~~by, or otherwise associated with the United States government or~~  
36    ~~any federal, state, or local governmental agency, unit, or~~  
37    ~~department, including the United States Department of Defense~~  
38    ~~or its military departments.~~

39    ~~(m)~~

1 (l) Whether, or under what circumstances, a vehicle may be  
2 repossessed.

3 ~~(n) Whether, or under what circumstances, a vehicle may be~~  
4 ~~moved, including across state lines or out of the country.~~

5 (m) *Whether a vehicle can be moved outside of California or*  
6 *outside of the United States.*

7 ~~(o)~~

8 (n) Any of the required disclosures identified in this title.

9 1784.41. It is a violation of this title for any dealer to fail to  
10 make any disclosure required by this ~~section~~, *section* clearly and  
11 conspicuously.

12 (a) In connection with the sale or financing of a vehicle, a  
13 vehicle's total price shall be disclosed as follows:

14 (1) In any advertisement that ~~references, expressly or by~~  
15 ~~implication, references~~ a specific vehicle for sale.

16 (2) In any advertisement that ~~represents, expressly or by~~  
17 ~~implication, represents~~ any monetary amount or financing term  
18 ~~for any a specific vehicle.~~

19 (3) In the first *written* communication with a consumer that  
20 includes a ~~reference, expressly or by implication, reference~~  
21 regarding a specific vehicle for sale, or any monetary amount or  
22 financing term for any vehicle. With respect to ~~these~~  
23 ~~communications the first written communication~~, both of the  
24 following apply:

25 (A) The total price for the vehicle shall be disclosed at least  
26 once in the dealer's first response regarding that specific vehicle  
27 to the consumer.

28 ~~(B) If the communication or response is in writing, the total~~  
29 ~~price shall be disclosed in writing.~~

30 (B) *A dealer shall retain a copy of the communication identified*  
31 *by this paragraph for at least two years and shall provide a copy*  
32 *of the communication to the customer upon written request.*

33 (b) When making any ~~representation, expressly or by~~  
34 ~~implication, directly or indirectly, written representation during~~  
35 *the negotiation to purchase or lease a specific vehicle* about an  
36 add-on product or service, the dealer shall disclose at least once  
37 that the add-on is not required and the consumer can purchase or  
38 lease the vehicle without the add-on. This disclosure shall be in  
39 writing and shall be clear and ~~conspicuous, and in the same~~  
40 ~~language in which the contract was negotiated.~~ *conspicuous. If the*

1 *transaction is negotiated primarily in a language identified by*  
2 *subdivision (b) of Section 1632, the disclosure required by this*  
3 *paragraph shall also be provided in that language.*

4 (c) (1) ~~When making any representation, expressly or by~~  
5 ~~implication, directly or indirectly, written representation during~~  
6 ~~the negotiation to purchase or lease a specific vehicle about a~~  
7 ~~monthly payment for any vehicle, the dealer shall disclose at least~~  
8 ~~once, clearly and conspicuously and in writing, the total amount~~  
9 ~~the consumer will pay to purchase or lease the vehicle at that~~  
10 ~~monthly payment after making all payments as scheduled.~~

11 (2) If the total amount disclosed assumes the consumer will  
12 provide consideration, including in the form of a cash  
13 downpayment or trade-in valuation, the dealer shall disclose the  
14 amount of consideration to be provided by the consumer. This  
15 disclosure shall be in writing and shall be clear and ~~conspicuous~~  
16 ~~and in the same language in which the contract was negotiated.~~  
17 *conspicuous. If the transaction is negotiated primarily in a*  
18 *language identified by subdivision (b) of Section 1632, the*  
19 *disclosure required by this paragraph shall also be provided in*  
20 *that language.*

21 (d) If the dealer makes any *written* comparison between payment  
22 ~~options, expressly or by implication, directly or indirectly, options~~  
23 ~~during the negotiation to purchase or lease a specific vehicle that~~  
24 ~~includes discussion of a lower monthly payment, the dealer shall~~  
25 ~~disclose that the lower monthly payment will increase the total~~  
26 ~~amount the consumer will pay to purchase or lease the vehicle, if~~  
27 ~~true. If the representation is in writing, the disclosure must be in~~  
28 ~~writing. Use of an internet-based tool that allows consumers to~~  
29 ~~adjust financing parameters shall not constitute a violation of this~~  
30 ~~section.~~

31 (e) *The disclosures required by subdivisions (b), (c), and (d)*  
32 *may be incorporated into a document that includes the written*  
33 *disclosures required by Section 2982.2.*

34 (f) *Subdivision (a) shall not be construed to modify vehicle*  
35 *advertising requirements in Section 11713.1 or Section 11713.16*  
36 *of the Vehicle Code. This includes, but is not limited to, the*  
37 *advertisement or communication of rebates and incentives that*  
38 *are disclosed separately from a vehicle's total price.*

39 (g) *This section shall not apply to a used vehicle sold at an*  
40 *auction.*



1 1784.42. It is a violation of this title for any dealer, in  
2 connection with the sale or financing of vehicles, to charge for any  
3 of the following.

4 (a) A dealer may not charge for an add-on product or service if  
5 the vehicle purchaser or lessee would not benefit from the add-on  
6 product or service, including, as applicable, any of the following:

7 (1) Nitrogen-filled tire-related products or services that contain  
8 less than 95-percent nitrogen purity.

9 (2) Products or services that do not provide coverage for the  
10 vehicle, the consumer, or the ~~transaction, or that are duplicative~~  
11 ~~of warranty coverage for the vehicle.~~ *transaction.*

12 (3) A GAP agreement that is not in compliance with Section  
13 2982, 2982.2, or 2982.12.

14 (4) A service contract ~~if the service contract includes a limit~~  
15 ~~that would not cover the market value price for the repair of a~~  
16 ~~covered item under the service contract, if the service contract is~~  
17 ~~void due to preexisting conditions, including prior damage from~~  
18 ~~a crash or flood or preexisting mechanical conditions, or if the~~  
19 ~~service contract does not cover the reasonable costs of repair.~~  
20 *conditions.*

21 (5) Oil changes for electric vehicles.

22 ~~(6) Duplicative service contracts that cover the same time period~~  
23 ~~as the manufacturer's warranty for another service contract.~~

24 ~~(7)~~

25 (6) Catalytic converter markings for a vehicle that does not have  
26 a catalytic converter.

27 ~~(8)~~

28 (7) Surface protection product that renders the manufacturer's  
29 warranty for the paint job void.

30 (b) A dealer ~~may not fail to~~ *shall* pay the person or entity who  
31 is supposed to provide the benefit of the add-on within 10 days of  
32 the date when the car buyer or lessee signs the purchase or ~~lease.~~  
33 *lease, unless the dealer has an agreement with the person or entity*  
34 *that provides for payment at a later date and the buyer's or lessee's*  
35 *coverage is not impacted by the later payment.*

36 (c) This section does not prohibit a dealer from charging for an  
37 add-on product or service, such as a service contract, if the add-on  
38 product or service is selected by, and would benefit, the vehicle  
39 purchaser or lessee, even if the vehicle purchaser or lessee  
40 ultimately does not choose to use the add-on product or ~~service.~~

1 *service, and even if the vehicle purchaser or lessee does not use*  
2 *the add-on product or service because a coverage event does not*  
3 *occur.*

4 1784.43. (a) A dealer shall not sell or lease a used vehicle at  
5 retail at a price equal to or less than forty-eight thousand dollars  
6 (\$48,000), as adjusted pursuant to subdivision (f), to an entity or  
7 individual without providing the purchaser or lessee with a  
8 three-business-day right to cancel the purchase or lease.

9 (b) To comply with subdivision (a), and notwithstanding Section  
10 2981.9 of the Civil Code, a dealer shall provide the purchaser or  
11 lessee a copy of a disclosure titled “3-Business-Day Right to Cancel  
12 Used Car Purchase or Lease” on a separate document that shall  
13 set forth this right clearly and conspicuously and that shall contain  
14 all of the following:

15 (1) The name of the seller and the purchaser or lessee.

16 (2) A description and the vehicle identification number of the  
17 vehicle purchased.

18 (3) A statement specifying the time within which the buyer shall  
19 exercise the right to cancel the purchase under the contract  
20 cancellation option and return the vehicle to the dealer. The dealer  
21 shall not specify a time that is earlier than the dealer’s close of  
22 business on the third business day following the day on which the  
23 purchase or lease agreement was signed, and the vehicle was  
24 originally delivered to the purchaser or lessee by the dealer.

25 (4) A statement that clearly and conspicuously discloses that  
26 the dealer cannot charge the purchaser or lessee for the right to  
27 cancel the purchase or lease.

28 (5) A statement that clearly and conspicuously discloses that  
29 the dealer may charge the purchaser or lessee a restocking fee only  
30 if the purchaser or lessee exercises the right to cancel and that the  
31 fee will be determined by multiplying the cash price of the vehicle  
32 on the purchase contract or the agreed-upon value for the vehicle  
33 on the lease agreement by the number of miles the vehicle was  
34 driven since the purchase or lease and divide that number by  
35 150,000. In addition to any restocking fee, a dealer may charge a  
36 daily use fee of not more than sixty dollars (\$60) for each day that  
37 the vehicle was in the customer’s possession.

38 (6) A statement that clearly and conspicuously discloses that  
39 the purchaser or lessee cannot exercise the option if the vehicle  
40 has been driven more than 400 miles.

1 (7) A statement that clearly and conspicuously discloses that  
2 the dealer can charge the purchaser or lessee for damage to the  
3 vehicle beyond reasonable wear and tear, the dealer will have the  
4 burden of proving the damage is beyond reasonable wear and tear,  
5 and the dealer cannot withhold any portion of the purchaser's or  
6 lessee's downpayment, or their trade-in vehicle to pay for or to  
7 get the purchaser or lessee to pay what the dealer claims is damage  
8 beyond reasonable wear and tear.

9 (8) A statement that clearly and conspicuously discloses that  
10 the dealer cannot prevent the customer from exercising the right  
11 to cancel because they do not have the money to pay for the  
12 restocking fee or for damage the dealer claims is beyond reasonable  
13 wear and tear.

14 (9) A statement that clearly and conspicuously discloses that if  
15 the dealer has sold the purchaser's or lessee's trade-in vehicle, the  
16 dealer shall pay the purchaser or lessee the greater amount of the  
17 agreed-upon value of the trade-in vehicle on the purchase or lease  
18 agreement, the fair market value of the vehicle at the time when  
19 it was traded in, or the amount at which the dealer sold the trade-in  
20 vehicle.

21 (10) A statement that clearly and conspicuously discloses that  
22 if the dealer represents to the purchaser or lessee that it sold the  
23 trade-in vehicle, it must provide the purchaser or lessee a copy of  
24 the document showing the sale of the trade-in vehicle. The dealer  
25 shall redact the personal information of the person or entity to  
26 whom the trade-in vehicle was sold.

27 (c) It is a violation of this title for any dealer, in connection with  
28 a purchaser or lessee exercising the right to cancel, to do any of  
29 the following:

30 (1) To do or say anything to impede a purchaser or lessee from  
31 exercising the right to cancel the purchase or lease of a vehicle as  
32 provided in this title.

33 (2) To overcharge the purchaser or lessee for the restocking fee.

34 (3) To withhold the purchaser's or lessee's downpayment or  
35 trade-in vehicle after the right to cancel has been exercised.

36 (4) To fail to timely refund the purchaser's or lessee's  
37 downpayment after the right to cancel has been exercised.

38 (5) To fail to refund the amount owed for the purchaser's or  
39 lessee's trade-in vehicle if the trade-in vehicle has been sold.

1 (6) To fail to provide the purchaser or lessee the receipt or  
2 contract for the sale of the purchaser's or lessee's trade-in vehicle.

3 (7) To claim damage to the vehicle in excess of reasonable wear  
4 and tear without reasonable basis.

5 (8) To claim the person authorized to return the purchaser's or  
6 lessee's downpayment or trade-in vehicle is not available.

7 (d) The dealer will clearly and conspicuously disclose on the  
8 first page of the purchase or lease agreement the following:

9  
10 "CALIFORNIA DOES NOT HAVE A COOLING-OFF  
11 PERIOD FOR NEW VEHICLES. HOWEVER, IF YOU  
12 PURCHASED OR LEASED A USED VEHICLE, YOU HAVE  
13 3 BUSINESS DAYS TO CANCEL THIS CONTRACT FOR ANY  
14 REASON.

15 You have up to 3 business days to return the vehicle to the dealer  
16 and cancel this contract and obtain a refund. Please review the  
17 disclosure, which the dealer is required by law to provide, for the  
18 details about this right and how to exercise it."

19  
20 (e) This section does not affect the ability of a buyer to rescind  
21 the contract or revoke acceptance under any other law.

22 (f) This section does not apply to a used vehicle with a purchase  
23 price greater than forty-eight thousand dollars (\$48,000), as  
24 adjusted June 1, 2027, and every June 1 thereafter, by the  
25 percentage change in the cost of living, as defined in Section 2212  
26 of the Revenue and Taxation Code.

27 1784.44. (a) A dealer subject to this title shall create and retain,  
28 for a period of two years from the date the record is created, all  
29 records necessary to demonstrate compliance with this title,  
30 including the following records:

31 (1) Copies of all materially different advertisements and  
32 marketing materials regarding the price, financing, or lease of a  
33 vehicle, that the dealer disseminated during the relevant time  
34 period. A typical example of a credit or lease advertisement may  
35 be retained for advertisements that include different vehicles, or  
36 different amounts for the same credit or lease terms, if the  
37 advertisements are otherwise not materially different.

38 (2) Copies of all purchase orders, financing and lease documents  
39 with the dealer signed by the consumer, whether or not final  
40 approval or assignment of the contract is received from a financing

1 or lease transaction, and all written communications relating to  
2 sales, financing, or leasing between the dealer and any car buyer  
3 or lessee who signs a purchase order or financing or lease contract  
4 with the dealer.

5 (3) Records demonstrating that add-ons in a consumer's contract  
6 meet the requirements of Section 1784.42, including copies of all  
7 service contracts, GAP agreements, proof of timely payment for  
8 add-ons, and calculations of loan-to-value ratios in contracts  
9 including GAP agreements.

10 (4) Copies of all cancellation requests, proof of refunds of  
11 downpayments or other consideration provided in the purchase of  
12 a vehicle, and proof of return of trade-in vehicles.

13 (5) Copies of all written complaints from car buyers or lessees  
14 received by the dealer relating to sales, financing, leasing, or  
15 cancellation requests under Section 1784.43, inquiries related to  
16 add-ons, and inquiries and responses about vehicles referenced in  
17 Section 1784.41.

18 (b) A dealer subject to this part may keep the records required  
19 by subdivision (a) in any legible form, and in the same manner,  
20 format, or place as they already keep records in the ordinary course  
21 of business. Failure to keep all records required under subdivision  
22 (a) is a violation of this title.

23 (c) This section does not limit the requirements imposed by  
24 Section 2984.5.

25 SEC. 2. Section 6012.3 of the Revenue and Taxation Code is  
26 amended to read:

27 6012.3. For purposes of this part, "gross receipts" and "sales  
28 price" do not include that portion of the sales price returned to the  
29 purchaser of a used motor vehicle pursuant to Section 1784.43 of  
30 the Civil Code.

31 SEC. 3. Section 11709.2 of the Vehicle Code is repealed.

32 SEC. 4. Section 11709.2 is added to the Vehicle Code, to read:

33 11709.2. (a) Every dealer shall conspicuously display a notice,  
34 not less than three feet high and three feet wide, in each sales office  
35 and sales cubicle of a dealer's established place of business where  
36 written terms of specific sale or lease transactions are discussed  
37 with prospective purchasers or lessees, and in each room of a  
38 dealer's established place of business where sale and lease contracts  
39 are regularly executed that states the following:

1 “CALIFORNIA DOES NOT HAVE A COOLING-OFF  
2 PERIOD FOR NEW VEHICLES. BUT IF YOU PURCHASED  
3 OR LEASED A USED VEHICLE FOR \$\_\_\_\_OR LESS, YOU  
4 HAVE 3 BUSINESS DAYS TO CANCEL THIS CONTRACT  
5 FOR ANY REASON.  
6

7 This cooling-off period also does not apply to the sale of a  
8 motorcycle or an off-highway motor vehicle subject to registration  
9 under California law. See the vehicle contract for details.”

10 (b) A dealer shall fill in the blank in each notice required by  
11 subdivision (a) with the dollar amount described in subdivision  
12 (f) of Section 1784.43 of the Civil Code and shall update the  
13 amount on or before June 1, 2027, and every June 1 thereafter.

14 SEC. 5. Section 11713.21 of the Vehicle Code is repealed.