

AMENDED IN ASSEMBLY APRIL 1, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2825**

---

---

**Introduced by Assembly Member Carter**  
*(Coauthors: Assembly Members Portantino and Swanson)*  
(Coauthors: Senators Denham and Florez)

February 22, 2008

---

---

An act to amend Sections 9884.8 and 9884.9 of the Business and Professions Code, relating to automotive repair.

LEGISLATIVE COUNSEL'S DIGEST

AB 2825, as amended, Carter. Automotive repair: crash parts.

Existing law, the Automotive Repair Act, establishes the Bureau of Automotive Repair under the supervision and control of the Director of Consumer Affairs. The act provides for the registration and regulation of automotive repair dealers and authorizes the director to adopt regulations to implement its provisions. The act requires all work done by an automotive repair dealer to be recorded on an invoice that describes all service work done and parts supplied *and specifies if any used, rebuilt, or reconditioned parts are supplied*. The act requires the invoice to include a statement indicating whether any crash parts are original equipment manufacturer crash parts or nonoriginal equipment manufacturer aftermarket crash parts. The act also requires this information to be provided to a customer in an itemized written estimate when an automotive repair dealer is doing auto body or collision repairs. *Existing law requires the automotive repair dealer to obtain authorization from the customer before performing work and imposing charges*. A violation of the act is a crime.

This bill would *require the invoice to specify if any used, rebuilt, remanufactured, or reconditioned parts are supplied. The bill would require the first page of the itemized written estimate to include a notice, as specified, stating that providing parts other than those described on the estimate without prior approval from the customer is unlawful. The bill would additionally require an automotive repair dealer, when doing auto body or collision repairs, to provide a specified certification to the customer upon completion of the repairs indicating that the crash parts identified on the written estimate provided to the customer, or pursuant to an approved change to the estimate, were installed on the customer's motor vehicle. The bill would require the certification to be signed by the automotive repair dealer or his or her designee and would require it to appear on the first page of the final invoice.* The bill would authorize the bureau to adopt regulations specifying the form and content of ~~this~~ *the notice and the certification.* The bill would make findings and declarations in this regard.

Because a violation of the bill's provisions would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 ~~(a) California consumers are faced with a complicated,~~
- 4 ~~confusing, and often expensive automotive collision repair process~~
- 5 ~~involving insurers and auto body repair shops.~~
- 6 ~~(b) At least 10 percent of all crashes nationwide occur in~~
- 7 ~~California and there are over one million vehicles involved in~~
- 8 ~~accidents in California every year or nearly 3,000 every single~~
- 9 ~~day.~~
- 10 ~~(c) Auto body repair shop fraud where parts or labor specified~~
- 11 ~~on an estimate or invoice are not used or not installed is virtually~~
- 12 ~~undetectable to the consumer whose vehicle is repaired.~~

1 ~~(d) California law requires auto body repair shops to itemize~~  
2 ~~the parts needed to fix a vehicle in a written estimate given to the~~  
3 ~~consumer but is silent as to whether or not the parts were actually~~  
4 ~~installed on the vehicle.~~

5 ~~(e) In June of 2003 the California Bureau of Automotive Repair~~  
6 ~~completed a study of auto body collision repairs by inspecting~~  
7 ~~vehicles from around California. The bureau inspections showed~~  
8 ~~that 42 percent of the vehicles inspected had parts or labor listed~~  
9 ~~on the invoice that were not actually supplied or performed.~~

10 ~~(f) Fraud levels at 42 percent are simply unacceptable because~~  
11 ~~this fraud causes great economic harm and personal suffering to~~  
12 ~~California consumers. Losses due to auto body fraud in the state~~  
13 ~~exceed \$300 million per year.~~

14 ~~(g) The bureau report shows California law and regulations~~  
15 ~~written in 1997 have not made a dent in the rampant fraud by auto~~  
16 ~~body repair shops.~~

17 ~~(h) In January of 2007 the bureau reopened the Auto Body~~  
18 ~~Inspection Program, but it can only do a limited number of~~  
19 ~~inspections of the more than one million crash repairs done in~~  
20 ~~California each year.~~

21 ~~(i) The bureau needs a full complement of tools to stamp out~~  
22 ~~auto body repair fraud.~~

23 ~~(j) The best time to educate consumers about “parts switching”~~  
24 ~~is at the time of collision repair. Consumers deserve assurances~~  
25 ~~that they are getting what their insurance policies specify and what~~  
26 ~~was specified on their estimate.~~

27 ~~(k) The simplest way to educate the consumer and to ensure~~  
28 ~~full disclosure of the parts that were actually used in repair is to~~  
29 ~~require the automotive repair dealer to take the extra step, not now~~  
30 ~~required in California law, to certify to the consumer, in writing,~~  
31 ~~on the front page of the invoice or estimate that parts specified on~~  
32 ~~the estimate were actually installed on the vehicle.~~

33 ~~(a) At least 10 percent of all crashes nationwide occur in~~  
34 ~~California and there are over one million vehicles involved in~~  
35 ~~accidents in California every year or nearly 3,000 every single~~  
36 ~~day.~~

37 ~~(b) Part switching is the practice whereby some auto body repair~~  
38 ~~shops charge the consumer or insurer the cost of a repair part that~~  
39 ~~was not actually installed on a vehicle.~~

1 (c) Part switching is unlawful and is prosecuted by the Bureau  
2 of Automotive Repair (BAR) when uncovered. Auto body repair  
3 shops are required under California statutes and BAR regulations  
4 to install parts specified in an estimate at the time of each collision  
5 repair.

6 (d) In January of 2007, the BAR reopened the Auto Body  
7 Inspection Program but can only do a limited number of  
8 inspections of the over one million crash repairs done in California  
9 each year.

10 (e) In spite of the best efforts by the BAR to enforce car parts  
11 laws and regulations, many consumers may still be victimized by  
12 the illegal practice of “part switching.”

13 (f) Many consumers are unaware of services to combat car part  
14 switching without their prior approval and have insufficient tools  
15 to determine when this unlawful activity occurs.

16 (g) In its 2003 report, BAR recommends that stakeholders  
17 “explore specific methods and strategies to reduce unfair and  
18 illegal practices in the auto collision repair industry.”

19 (h) It is the intent of this legislation to educate, inform, and  
20 empower the consumer to be vigilant when contracting auto repair  
21 services and to not duplicate existing law.

22 (i) The best time to educate consumers about “parts switching”  
23 is at the time of collision repair.

24 (j) Consumers deserve assurances that they are getting what  
25 their insurance policies specify and what was specified on their  
26 estimate. Ensuring that consumers receive accurate information  
27 about repair service for their vehicles will help deter part switching  
28 and solidify a morally and ethically sound relationship between  
29 the customer and auto body repair shops.

30 SEC. 2. Section 9884.8 of the Business and Professions Code  
31 is amended to read:

32 9884.8. All work done by an automotive repair dealer, including  
33 all warranty work, shall be recorded on an invoice and shall  
34 describe all service work done and parts supplied. Service work  
35 and parts shall be listed separately on the invoice, which shall also  
36 state separately the subtotal prices for service work and for parts,  
37 not including sales tax, and shall state separately the sales tax, if  
38 any, applicable to each. If any used, rebuilt, *remanufactured*, or  
39 reconditioned parts are supplied, the invoice shall clearly state that  
40 fact. If a part of a component system is composed of new and used,

1 rebuilt, *remanufactured*, or reconditioned parts, that invoice shall  
2 clearly state that fact. The invoice shall include a statement  
3 indicating whether any crash parts are original equipment  
4 manufacturer crash parts or nonoriginal equipment manufacturer  
5 aftermarket crash parts and a certification with respect to those  
6 crash parts as required under Section 9884.9. One copy of the  
7 invoice shall be given to the customer and one copy shall be  
8 retained by the automotive repair dealer.

9 SEC. 3. Section 9884.9 of the Business and Professions Code  
10 is amended to read:

11 9884.9. (a) The automotive repair dealer shall give to the  
12 customer a written estimated price for labor and parts necessary  
13 for a specific job. No work shall be done and no charges shall  
14 accrue before authorization to proceed is obtained from the  
15 customer. No charge shall be made for work done or parts supplied  
16 in excess of the estimated price without the oral or written consent  
17 of the customer that shall be obtained at some time after it is  
18 determined that the estimated price is insufficient and before the  
19 work not estimated is done or the parts not estimated are supplied.  
20 Written consent or authorization for an increase in the original  
21 estimated price may be provided by electronic mail or facsimile  
22 transmission from the customer. The bureau may specify in  
23 regulation the procedures to be followed by an automotive repair  
24 dealer if an authorization or consent for an increase in the original  
25 estimated price is provided by electronic mail or facsimile  
26 transmission. If that consent is oral, the dealer shall make a notation  
27 on the work order of the date, time, name of person authorizing  
28 the additional repairs, and telephone number called, if any, together  
29 with a specification of the additional parts and labor and the total  
30 additional cost, and shall do either of the following:

31 (1) Make a notation on the invoice of the same facts set forth  
32 in the notation on the work order.

33 (2) Upon completion of the repairs, obtain the customer's  
34 signature or initials to an acknowledgment of notice and consent,  
35 if there is an oral consent of the customer to additional repairs, in  
36 the following language:

37  
38 "I acknowledge notice and oral approval of an increase in the  
39 original estimated price.  
40

---

(signature or initials)”

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

Nothing in this section shall be construed as requiring an automotive repair dealer to give a written estimated price if the dealer does not agree to perform the requested repair.

(b) The automotive repair dealer shall include with the written estimated price a statement of any automotive repair service that, if required to be done, will be done by someone other than the dealer or his or her employees. No service shall be done by *someone* other than the dealer or his or her employees without the consent of the customer, unless the customer cannot reasonably be notified. The dealer shall be responsible, in any case, for any service in the same manner as if the dealer or his or her employees had done the service.

(c) In addition to subdivisions (a) and (b), an automotive repair dealer, when doing auto body or collision repairs, shall do both of the following:

(1) Provide an itemized written estimate for all parts and labor to the customer. The *written* estimate shall describe labor and parts separately and shall identify each part, indicating whether the replacement part is new, used, rebuilt, *remanufactured*, or reconditioned. Each crash part shall be identified on the written estimate and the written estimate shall indicate whether the crash part is an original equipment manufacturer crash part or a nonoriginal equipment manufacturer aftermarket crash part. *The first page of the written estimate shall include a notice that providing a part, other than a part described on the written estimate, without prior approval from the customer, is unlawful and the notice shall also include a toll-free telephone number for the bureau. The bureau may specify in regulation the form and content of the notice.*

(2) Upon completion of the repairs, provide a written certification to the customer that the crash parts identified on the itemized written estimate, or pursuant to an approved change to the written estimate, have been installed on the motor vehicle. *The certification shall be signed by the automotive repair dealer or his or her designee and it shall appear on the first page of the final invoice given to the customer.* The bureau may specify in regulation the form and content of the certification.

1 (d) A customer may designate another person to authorize work  
2 or parts supplied in excess of the estimated price, if the designation  
3 is made in writing at the time that the initial authorization to  
4 proceed is signed by the customer. The bureau may specify in  
5 regulation the form and content of a designation and the procedures  
6 to be followed by the automotive repair dealer in recording the  
7 designation. For the purposes of this section, a designee shall not  
8 be the automotive repair dealer providing repair services or an  
9 insurer involved in a claim that includes the motor vehicle being  
10 repaired, or an employee or agent or a person acting on behalf of  
11 the dealer or insurer.

12 SEC. 4. No reimbursement is required by this act pursuant to  
13 Section 6 of Article XIII B of the California Constitution because  
14 the only costs that may be incurred by a local agency or school  
15 district will be incurred because this act creates a new crime or  
16 infraction, eliminates a crime or infraction, or changes the penalty  
17 for a crime or infraction, within the meaning of Section 17556 of  
18 the Government Code, or changes the definition of a crime within  
19 the meaning of Section 6 of Article XIII B of the California  
20 Constitution.