

AMENDED IN ASSEMBLY APRIL 16, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2505**

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**Introduced by Assembly Member Ma**

February 24, 2012

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An act to amend ~~Section 9875~~ *Sections 9884.8 and 9884.9* of the Business and Professions Code, relating to motor vehicle replacement parts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2505, as amended, Ma. Motor vehicle replacement parts.

Existing law regulates the use of motor vehicle replacement parts, and prohibits an insurer from requiring the use of nonoriginal equipment manufacturer aftermarket crash parts, as defined, in the repair of an insured's motor vehicle, unless the consumer is advised, in a disclosure document *the written estimate and invoice*, of the use of the part. A violation of those provisions ~~subjects an insurer to specified enforcement actions by the Insurance Commissioner~~ *is a crime*.

This bill would ~~define the term "certified aftermarket crash part" for the purposes of these provisions~~ *require that the use of nonoriginal equipment manufacturer certified aftermarket crash parts, including the name of the certifying entity, also be identified on the written estimate and invoice*.

*Because this bill would expand the scope of a crime, it 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: ~~no~~-yes.  
State-mandated local program: ~~no~~-yes.

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

1     *SECTION 1. Section 9884.8 of the Business and Professions*  
2     *Code is amended to read:*

3     9884.8. All work done by an automotive repair dealer, including  
4 all warranty work, shall be recorded on an invoice and shall  
5 describe all service work done and parts supplied. Service work  
6 and parts shall be listed separately on the invoice, which shall also  
7 state separately the subtotal prices for service work and for parts,  
8 not including sales tax, and shall state separately the sales tax, if  
9 any, applicable to each. If any used, rebuilt, or reconditioned parts  
10 are supplied, the invoice shall clearly state that fact. If a part of a  
11 component system is composed of new and used, rebuilt or  
12 reconditioned parts, that invoice shall clearly state that fact. The  
13 invoice shall include a statement indicating whether any crash  
14 parts are original equipment manufacturer crash parts, *nonoriginal*  
15 *equipment manufacturer certified aftermarket crash parts including*  
16 *the name of the certifying entity*, or nonoriginal equipment  
17 manufacturer aftermarket crash parts. One copy of the invoice  
18 shall be given to the customer and one copy shall be retained by  
19 the automotive repair dealer.

20     *SEC. 2. Section 9884.9 of the Business and Professions Code*  
21 *is amended to read:*

22     9884.9. (a) The automotive repair dealer shall give to the  
23 customer a written estimated price for labor and parts necessary  
24 for a specific job. No work shall be done and no charges shall  
25 accrue before authorization to proceed is obtained from the  
26 customer. No charge shall be made for work done or parts supplied  
27 in excess of the estimated price without the oral or written consent  
28 of the customer that shall be obtained at some time after it is  
29 determined that the estimated price is insufficient and before the  
30 work not estimated is done or the parts not estimated are supplied.  
31 Written consent or authorization for an increase in the original  
32 estimated price may be provided by electronic mail or facsimile  
33 transmission from the customer. The bureau may specify in

1 regulation the procedures to be followed by an automotive repair  
 2 dealer if an authorization or consent for an increase in the original  
 3 estimated price is provided by electronic mail or facsimile  
 4 transmission. If that consent is oral, the dealer shall make a notation  
 5 on the work order of the date, time, name of person authorizing  
 6 the additional repairs, and telephone number called, if any, together  
 7 with a specification of the additional parts and labor and the total  
 8 additional cost, and shall do either of the following:

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

11 (2) Upon completion of the repairs, obtain the customer's  
 12 signature or initials to an acknowledgment of notice and consent,  
 13 if there is an oral consent of the customer to additional repairs, in  
 14 the following language:

15  
 16 "I acknowledge notice and oral approval of an increase in the original  
 17 estimated price.

18  
 19 \_\_\_\_\_  
 20 (signature or initials)"

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

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

33 (c) In addition to subdivisions (a) and (b), an automotive repair  
 34 dealer, when doing auto body or collision repairs, shall provide  
 35 an itemized written estimate for all parts and labor to the customer.  
 36 The estimate shall describe labor and parts separately and shall  
 37 identify each part, indicating whether the replacement part is new,  
 38 used, rebuilt, or reconditioned. Each crash part shall be identified  
 39 on the written estimate and the written estimate shall indicate  
 40 whether the crash part is an original equipment manufacturer crash

1 part, a nonoriginal equipment manufacturer certified aftermarket  
2 crash part including the name of the certifying entity, or a  
3 nonoriginal equipment manufacturer aftermarket crash part.

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

15 *SEC. 3. No reimbursement is required by this act pursuant to*  
16 *Section 6 of Article XIII B of the California Constitution because*  
17 *the only costs that may be incurred by a local agency or school*  
18 *district will be incurred because this act creates a new crime or*  
19 *infraction, eliminates a crime or infraction, or changes the penalty*  
20 *for a crime or infraction, within the meaning of Section 17556 of*  
21 *the Government Code, or changes the definition of a crime within*  
22 *the meaning of Section 6 of Article XIII B of the California*  
23 *Constitution.*

24 ~~SECTION 1. Section 9875 of the Business and Professions~~  
25 ~~Code is amended to read:~~

26 ~~9875. As used in this chapter, the following definitions shall~~  
27 ~~apply:~~

28 ~~(a) "Insurer" includes an insurance company and any person~~  
29 ~~authorized to represent the insurer with respect to a claim.~~

30 ~~(b) "Aftermarket crash part" means a replacement for any of~~  
31 ~~the nonmechanical sheet metal or plastic parts which generally~~  
32 ~~constitute the exterior of a motor vehicle, including inner and outer~~  
33 ~~panels.~~

34 ~~(c) "Nonoriginal equipment manufacturer (Non-OEM)~~  
35 ~~aftermarket crash part" means aftermarket crash parts not made~~  
36 ~~for or by the manufacturer of the motor vehicle.~~

37 ~~(d) "Certified aftermarket crash part" means a replacement crash~~  
38 ~~part that meets both of the following requirements:~~

39 ~~(1) The part has been certified by an American National~~  
40 ~~Standards Institute (ANSI) accredited standards developer that~~

- 1 ~~develops and maintains quality standards for competitive crash~~
- 2 ~~repair parts.~~
- 3 ~~(2) The part is identified by a unique serial number affixed to~~
- 4 ~~it that enables its full traceability through the ANSI-certifying~~
- 5 ~~entity.~~