

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 830

Short Title: Auto Repair Work Disclosures.

(Public)

Sponsors: Senators Miller, Ballance; Lucas and Reeves.

Referred to: Commerce.

April 12, 1999

A BILL TO BE ENTITLED

AN ACT TO REGULATE AUTO REPAIRS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 20 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 15B.

"NORTH CAROLINA MOTOR VEHICLE REPAIR ACT.

"§ 20-354. Short title.

This act shall be known and may be cited as the 'North Carolina Motor Vehicle Repair Act.'

"§ 20-354A. Scope and application.

This act shall apply to all motor vehicle repair shops in North Carolina, except:

- (1) Any motor vehicle repair shop of a municipal, county, State, or federal government when carrying out the functions of the government.
- (2) Any person who engages solely in the repair of any of the following:
 - a. Motor vehicles that are owned, maintained, and operated exclusively by that person for that person's own use.
 - b. For-hire vehicles which are rented for periods of 30 days or less.
- (3) Any person who repairs only motor vehicles which are operated principally for agriculture or horticultural pursuits on farms, groves, or

1 orchards and which are operated on the highways of this State only
2 incidentally en route to or from the farms, groves, or orchards.

- 3 (4) Motor vehicle auctions or persons performing motor vehicle repairs
4 solely for motor vehicle auctions.

5 **"§ 20-354B. Definitions.**

6 As used in this act:

- 7 (1) 'Customer' means the person who signs the written repair estimate or
8 any other person whom the person who signs the written repair estimate
9 designates on the written repair estimate as a person who may authorize
10 repair work.

- 11 (2) 'Division' means the Division of Motor Vehicles.

- 12 (3) 'Employee' means an individual who is employed full time or part time
13 by a motor vehicle repair shop and performs motor vehicle repairs.

- 14 (4) 'Final estimate' means the last estimate approved by the customer, either
15 in writing or orally, as evidenced by the written repair estimate.

- 16 (5) 'Minor repair service' includes any of the following:

17 a. Repairing and changing tires.

18 b. Lubricating vehicles.

19 c. Cleaning, adjusting, and replacing spark plugs.

20 d. Changing oil and oil filters.

21 e. Replacing, adjusting, repairing, or servicing hoses and air filters.

22 f. Changing or otherwise servicing any of the following:

23 1. Coolant.

24 2. Automatic door lamp switch.

25 3. Battery, battery ground cable, battery hold-down strap,
26 battery positive cable, and battery-to-starter relay cable.

27 4. Fan and alternator drive belts.

28 5. Fuses.

29 6. Headlamp foot dimmer.

30 7. Horns.

31 8. Ignition coil output wire.

32 9. Light bulbs and headlamps.

33 10. Ornamental accessories.

34 11. Power steering pump belt.

35 12. Wheels, except alignment.

36 13. Windshield washer tank.

37 14. Wiper blades.

38 15. Any other minor service which the Division has
39 designated by rule may be performed by persons without
40 skills and knowledge required of motor vehicle mechanics
41 and helpers. No service shall be considered as minor if
42 the Division finds that the performance of the service

1 requires mechanical expertise or has given rise to a high
2 incidence of fraud or deceptive practices.

3 (6) 'Motor vehicle' means any automobile, truck, bus, recreational vehicle,
4 motorcycle, motor scooter, or other motor powered vehicle, but does not
5 include trailers, mobile homes, travel trailers, or trailer coaches without
6 independent motive power, or watercraft or aircraft.

7 (7) 'Motor vehicle repair' means all maintenance of and modification and
8 repairs to motor vehicles, and the diagnostic work incident to those
9 repairs, including, but not limited to, the rebuilding or restoring of
10 rebuilt vehicles, body work, painting, warranty work, and other work
11 customarily undertaken by motor vehicle repair shops.

12 (8) 'Motor vehicle repair shop' means any person who, for compensation,
13 engages or attempts to engage in the repair of motor vehicles owned by
14 other persons and includes, but is not limited to:

15 a. Mobile motor vehicle repair shops.

16 b. Motor vehicle and recreational vehicle dealers.

17 c. Garages.

18 d. Service stations.

19 e. Self-employed individuals.

20 f. Truck stops.

21 g. Paint and body shops.

22 h. Brake, muffler, or transmission shops.

23 i. Shops doing glasswork.

24 Any person who engages solely in the maintenance or repair of the coach portion of a
25 recreational vehicle is not a motor vehicle repair shop.

26 **"§ 20-354C. Written motor vehicle repair estimate and disclosure statement**
27 **required.**

28 (a) When any customer requests a motor vehicle repair shop to perform repair
29 work on a motor vehicle, the cost of which repair work will exceed one hundred dollars
30 (\$100.00) to the customer, the shop shall prepare a written repair estimate, which is a
31 form setting forth the estimated cost of repair work, including diagnostic work, before
32 effecting any diagnostic work or repair. The written repair estimate shall also include the
33 following items:

34 (1) The name, address, and telephone number of the motor vehicle repair
35 shop.

36 (2) The name, address, and telephone number of the customer.

37 (3) The date and time of the written repair estimate.

38 (4) The year, make, model, odometer reading, and registration tag number
39 of the motor vehicle.

40 (5) The proposed work completion date.

41 (6) A general description of the customer's problem or request for repair
42 work or service relating to the motor vehicle.

- 1 (7) A statement as to whether the customer is being charged according to a
- 2 flat rate or an hourly rate, or both.
- 3 (8) The estimated cost of repair.
- 4 (9) The charge for making a repair price estimate or, if the charge cannot be
- 5 predetermined, the basis on which the charge will be calculated.
- 6 (10) The customer's intended method of payment.
- 7 (11) The name and telephone number of another person who may authorize
- 8 repair work, if the customer desires to designate another person.
- 9 (12) A statement indicating what, if anything, is guaranteed in connection
- 10 with the repair work and the time and mileage period for which the
- 11 guarantee is effective.
- 12 (13) A statement allowing the customer to indicate whether replaced parts
- 13 should be saved for inspection or return.
- 14 (14) A statement indicating the daily charge for storing the customer's motor
- 15 vehicle after the customer has been notified that the repair work has
- 16 been completed. However, no storage charges shall accrue or be due
- 17 and payable for a period of three working days from the date of the
- 18 notification.

19 (b) If the cost of repair work will exceed one hundred dollars (\$100.00), the shop
 20 shall present to the customer a written notice conspicuously disclosing, in a separate,
 21 blocked section, only the following statement, in capital letters of at least 12-point type:

22
 23 'PLEASE READ CAREFULLY, CHECK ONE OF THE STATEMENTS BELOW,
 24 AND SIGN:

25
 26 I UNDERSTAND THAT, UNDER STATE LAW, I AM ENTITLED TO A WRITTEN
 27 ESTIMATE IF MY FINAL BILL WILL EXCEED \$100.00.

28
 29 _____ I REQUEST A WRITTEN ESTIMATE.

30
 31 _____ I DO NOT REQUEST A WRITTEN ESTIMATE AS LONG AS THE
 32 REPAIR COSTS DO NOT EXCEED \$ _____ . THE SHOP MAY NOT EXCEED
 33 THIS AMOUNT WITHOUT MY WRITTEN OR ORAL APPROVAL.

34
 35 _____ I DO NOT REQUEST A WRITTEN ESTIMATE.

36
 37 SIGNED _____ DATE _____'

38 (c) The information required by subdivisions (a)(8) and (9) need not be provided if
 39 the customer waives in writing his or her right to receive a written estimate.

40 (d) Except as provided in subsection (e) of this section, a copy of the written repair
 41 estimate required by subsection (a) of this section and the disclosure statement required
 42 by subsection (b) of this section shall be given to the customer before repair work is

1 begun. The disclosure statement may be provided on the same form as the written repair
2 estimate.

3 (e) If the customer leaves his or her motor vehicle at a motor vehicle repair shop
4 during hours when the shop is not open or if the customer permits the shop or another
5 person to deliver the motor vehicle to the shop, there shall be an implied partial waiver of
6 the written estimate; however, upon completion of the diagnostic work necessary to
7 estimate the cost of repair, the shop shall notify the customer as required by G.S. 20-
8 354E(a).

9 (f) Nothing in this section shall be construed to require a motor vehicle repair
10 shop to give a written estimate price if the motor vehicle repair shop does not agree to
11 perform the requested repair.

12 **"§ 20-354D. Charges for motor vehicle repair estimate; requirement of waiver of**
13 **rights prohibited.**

14 (a) No motor vehicle repair shop shall charge for making a repair price estimate
15 unless, prior to making the price estimate, the shop does both of the following:

- 16 (1) Disclose to the customer the amount of the charge or, if the amount
17 cannot be determined, the basis on which the charge will be calculated.
18 (2) Obtains authorization on the written repair estimate to prepare an
19 estimate. No motor vehicle repair shop shall impose or threaten to
20 impose any charge which is clearly excessive in relation to the work
21 involved in making the price estimate.

22 (b) It shall be unlawful for any motor vehicle repair shop to require that any person
23 waive his or her rights provided in this Article as a precondition to the repair of his or her
24 vehicle by the shop.

25 **"§ 20-354E. Notification of charges in excess of repair estimate; unlawful charges;**
26 **refusal to return vehicle prohibited; inspection of parts.**

27 (a) In the event that any of the following apply, the customer shall be promptly
28 notified by telephone, telegraph, mail, or other means of the additional repair work and
29 estimated cost of the additional repair work:

- 30 (1) The written repair estimate contains only an estimate for diagnostic
31 work necessary to estimate the cost of repair and such diagnostic work
32 has been completed.
33 (2) A determination is made by a motor vehicle repair shop that the actual
34 charges for the repair work will exceed the written estimate by more
35 than ten dollars (\$10.00) or ten percent (10%), whichever is greater, but
36 not to exceed fifty dollars (\$50.00).
37 (3) An implied partial waiver exists for diagnostic work and the diagnostic
38 work has been completed.

39 When a customer is notified, he or she shall, orally or in writing, authorize, modify, or
40 cancel the order for repair.

41 (b) If a customer cancels the order for repair after being advised that a repair
42 which he or she has authorized cannot be accomplished within the previously authorized
43 estimate, the shop shall expeditiously reassemble the motor vehicle in a condition

1 reasonably similar to the condition in which it was received unless either of the following
2 apply:

3 (1) The customer waives reassembly.

4 (2) The reassembled vehicle would be unsafe.

5 After cancellation of the repair order, the shop may charge for the cost of teardown,
6 the cost of parts and labor to replace items that were destroyed by teardown, and the cost
7 to reassemble the component or the vehicle, provided the customer was notified of these
8 possible costs in the estimate prior to commencement of the diagnostic work.

9 (c) It shall be unlawful for a motor vehicle repair shop to charge more than the
10 written estimate plus ten dollars (\$10.00) or ten percent (10%), whichever is greater, but
11 not to exceed fifty dollars (\$50.00), unless the motor vehicle repair shop has obtained
12 authorization to exceed the written estimate in accordance with subsection (a) of this
13 section.

14 (d) It shall be unlawful for any motor vehicle repair shop to fail to return any
15 customer's motor vehicle because the customer has refused to pay for unauthorized
16 repairs or because the customer has refused to pay for repair charges in excess of the final
17 estimate in violation of this section.

18 (e) Upon request made at the time the repair work is authorized by the customer,
19 the customer is entitled to inspect parts removed from his or her vehicle or, if the shop
20 has no warranty arrangement or exchange parts program with a manufacturer, supplier, or
21 distributor, have them returned to him or her.

22 **"§ 20-354F. Invoice required of motor vehicle repair shop.**

23 The motor vehicle repair shop shall provide each customer, upon completion of any
24 repair, with a legible copy of an invoice for such repair. The invoice may be provided on
25 the same form as the written repair estimate and shall include the following information:

26 (1) The current date and odometer reading of the motor vehicle.

27 (2) A statement indicating what was done to correct the problem or a
28 description of the service provided.

29 (3) An itemized description of all labor, parts, and merchandise supplied
30 and the costs thereof, indicating what is supplied to the customer
31 without cost or at a reduced cost because of a shop or manufacturer's
32 warranty.

33 (4) A statement identifying any replacement part as being used, rebuilt, or
34 reconditioned, as the case may be.

35 (5) A statement indicating what, if anything, is guaranteed in connection
36 with the repair work and the time and mileage period for which the
37 guarantee is effective.

38 (6) The registration number from the certificate issued by the Division
39 pursuant to this Article.

40 **"§ 20-354G. Motor vehicle repair shop records.**

41 (a) Each motor vehicle repair shop shall maintain repair records which shall
42 include written repair estimates and repair invoices. A customer's records shall be
43 available to the customer for inspection and copying for a period of at least 12 months. A

1 reasonable charge may be made for copying if copying facilities are available. The
2 customer may not remove the original records from the premises.

3 (b) Motor vehicle repair shops shall allow Division personnel to inspect or copy
4 these records during regular business hours.

5 **"§ 20-354H. Required disclosure; signs; notice to customers.**

6 (a) The Division shall prescribe, by rule, the specifications for a sign to be posted
7 by all motor vehicle repair shops in a manner conspicuous to the public. The sign shall
8 contain the toll-free telephone number of the Division for consumer information and
9 assistance and shall inform customers that they may request, at the time the work order is
10 taken, the return or inspection of all parts that have been replaced during the motor
11 vehicle repair.

12 (b) All motor vehicle repair shops required to register under the provisions of this
13 Article shall include the registration number from the certificate issued by the Division in
14 any advertisements, announcements, or listings relating to motor vehicle repair which are
15 placed in a newspaper, magazine, or directory.

16 **"§ 20-354I. Unlawful acts and practices.**

17 It shall be a violation of this Article for any motor vehicle repair shop or employee of
18 a motor vehicle repair shop to do any of the following:

- 19 (1) Make or charge for repairs which have not been expressly or impliedly
20 authorized by the customer.
- 21 (2) Misrepresent that repairs have been made to a motor vehicle.
- 22 (3) Misrepresent that certain parts and repairs are necessary to repair a
23 vehicle.
- 24 (4) Misrepresent that the vehicle being inspected or diagnosed is in a
25 dangerous condition or that the customer's continued use of the vehicle
26 may be harmful or cause great damage to the vehicle.
- 27 (5) Fraudulently alter any customer contract, estimate, invoice, or other
28 document.
- 29 (6) Fraudulently misuse any customer's credit card.
- 30 (7) Make or authorize in any manner or by any means whatever any written
31 or oral statement which is untrue, deceptive, or misleading, and which is
32 known, or which by the exercise of reasonable care should be known, to
33 be untrue, deceptive, or misleading.
- 34 (8) Make false promises of a character likely to influence, persuade, or
35 induce a customer to authorize the repair, service, or maintenance of a
36 motor vehicle.
- 37 (9) Substitute used, rebuilt, salvaged, or straightened parts for new
38 replacement parts without notice to the motor vehicle owner and to his
39 or her insurer if the cost of repair is to be paid pursuant to an insurance
40 policy and the identity of the insurer or its claims adjuster is disclosed to
41 the motor vehicle repair shop.

- 1 (10) Cause or allow a customer to sign any work order that does not state the
2 repairs requested by the customer or the automobile's odometer reading
3 at the time of repair.
- 4 (11) Fail or refuse to give to a customer a copy of any document requiring
5 the customer's signature upon completion or cancellation of the repair
6 work.
- 7 (12) Willfully depart from or disregard accepted practices and professional
8 standards.
- 9 (13) Have repair work subcontracted without the knowledge or consent of
10 the customer unless the motor vehicle repair shop or employee
11 demonstrates that the customer could not reasonably have been notified.
- 12 (14) Rebuild or restore a rebuilt vehicle without the knowledge of the owner
13 in a manner that does not conform to the original vehicle manufacturer's
14 established repair procedures or specifications and allowable tolerances
15 for the particular model and year.
- 16 (15) Perform any other act that is a violation of this Article or that constitutes
17 fraud or misrepresentation.

18 **"§ 20-354J. Remedies.**

19 Any customer injured by a violation of this Article may bring an action in the
20 appropriate court for relief. The prevailing party in that action may be entitled to
21 damages plus court costs and reasonable attorneys' fees. The customer may also bring an
22 action for injunctive relief in the appropriate court."

23 Section 2. This act is effective when it becomes law.