

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S

2

SENATE BILL 830

Commerce Committee Substitute Adopted 4/28/99

Short Title: Auto Repair Work Disclosures.

(Public)

Sponsors:

Referred to:

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 354F.

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.

- 1           (3) Any person who repairs only motor vehicles which are operated  
2           principally for agriculture or horticultural pursuits on farms, groves, or  
3           orchards and which are operated on the highways of this State only  
4           incidentally en route to or from the farms, groves, or orchards.  
5           (4) Motor vehicle auctions or persons performing motor vehicle repairs  
6           solely for motor vehicle auctions.  
7           (5) Any motor vehicle repair shop when performing only minor repair  
8           services.

9 **"§ 20-354B. Definitions.**

10 As used in this act:

- 11           (1) 'Customer' means the person who signs the written repair estimate or  
12           any other person whom that person designates as a person who may  
13           authorize repair work.  
14           (2) 'Division' means the Division of Motor Vehicles.  
15           (3) 'Employee' means an individual who is employed full time or part time  
16           by a motor vehicle repair shop and performs motor vehicle repairs.  
17           (4) 'Final estimate' means the last estimate approved by the customer, either  
18           in writing or orally, as evidenced by the written repair estimate.  
19           (5) 'Minor repair service' includes any of the following:  
20           a. Repairing and changing tires.  
21           b. Lubricating vehicles.  
22           c. Cleaning, adjusting, and replacing spark plugs.  
23           d. Changing oil and oil filters.  
24           e. Replacing, adjusting, repairing, or servicing hoses and air filters.  
25           f. Changing or otherwise servicing any of the following:  
26               1. Coolant.  
27               2. Automatic door lamp switch.  
28               3. Battery, battery ground cable, battery hold-down strap,  
29               battery positive cable, and battery-to-starter relay cable.  
30               4. Fan and alternator drive belts.  
31               5. Fuses.  
32               6. Headlamp foot dimmer.  
33               7. Horns.  
34               8. Ignition coil output wire.  
35               9. Light bulbs and headlamps.  
36               10. Ornamental accessories.  
37               11. Power steering pump belt.  
38               12. Wheels, except alignment.  
39               13. Windshield washer tank.  
40               14. Wiper blades.  
41               15. Any other minor service which the Division has  
42               designated by rule may be performed by persons without  
43               skills and knowledge required of motor vehicle mechanics

1 and helpers. No service shall be considered as minor if  
2 the Division finds that the performance of the service  
3 requires mechanical expertise or has given rise to a high  
4 incidence of fraud or deceptive practices.

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

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

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

17 a. Mobile motor vehicle repair shops.

18 b. Motor vehicle and recreational vehicle dealers.

19 c. Garages.

20 d. Service stations.

21 e. Self-employed individuals.

22 f. Truck stops.

23 g. Paint and body shops.

24 h. Brake, muffler, or transmission shops.

25 i. Shops doing glasswork.

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

28 **"§ 20-354C. Written motor vehicle repair estimate and disclosure statement**  
29 **required.**

30 (a) When any customer requests a motor vehicle repair shop to perform repair  
31 work on a motor vehicle, the cost of which repair work will exceed one hundred dollars  
32 (\$100.00) to the customer, the shop shall prepare a written repair estimate, which is a  
33 form setting forth the estimated cost of repair work, including diagnostic work, before  
34 effecting any diagnostic work or repair. The written repair estimate shall also include a  
35 statement allowing the customer to indicate whether replaced parts should be saved for  
36 inspection or return and a statement indicating the daily charge for storing the customer's  
37 motor vehicle after the customer has been notified that the repair work has been  
38 completed. However, no storage charges shall accrue or be due and payable for a period  
39 of three working days from the date of the notification.

40 (b) The information required by subsection (a) need not be provided if the  
41 customer waives in writing his or her right to receive a written estimate.

1 (c) Except as provided in subsection (e) of this section, a copy of the written repair  
2 estimate required by subsection (a) of this section shall be given to the customer before  
3 repair work is begun.

4 (d) If the customer leaves his or her motor vehicle at a motor vehicle repair shop  
5 during hours when the shop is not open or if the customer permits the shop or another  
6 person to deliver the motor vehicle to the shop, there shall be an implied partial waiver of  
7 the written estimate; however, upon completion of the diagnostic work necessary to  
8 estimate the cost of repair, the shop shall notify the customer as required by G.S. 20-  
9 354E(a).

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

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

15 (a) Before proceeding with preparing an estimate the shop shall do both of the  
16 following:

17 (1) Disclose to the customer the amount, if any, of the charge for preparing  
18 the estimate.

19 (2) Obtains a written authorization to prepare an estimate if there is a  
20 charge for that estimate. No motor vehicle repair shop shall impose or  
21 threaten to impose any charge which is clearly excessive in relation to  
22 the work involved in making the price estimate.

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

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

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

31 (1) The written repair estimate contains only an estimate for diagnostic  
32 work necessary to estimate the cost of repair and such diagnostic work  
33 has been completed.

34 (2) A determination is made by a motor vehicle repair shop that the actual  
35 charges for the repair work will exceed the written estimate by more  
36 than ten percent (10%).

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 percent (10%), unless the motor vehicle repair shop has obtained  
11 authorization to exceed the written estimate in accordance with subsection (a) of this  
12 section.

13 (d) It shall be unlawful for any motor vehicle repair shop to fail to return any  
14 customer's motor vehicle because the customer has refused to pay for repair charges that  
15 exceed a written estimate by more than ten percent (10%), provided that the customer has  
16 paid the motor vehicle repair shop the amount of the estimate plus the ten percent (10%).

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

21 **"§ 20-354F. Invoice required of motor vehicle repair shop.**

22 The motor vehicle repair shop shall provide each customer, upon completion of any  
23 repair, with a legible copy of an invoice for such repair. The invoice shall include the  
24 following information:

25 (1) A statement indicating what was done to correct the problem or a  
26 description of the service provided.

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

31 (3) A statement identifying any replacement part as being used, rebuilt, or  
32 reconditioned, as the case may be.

33 **"§ 20-354G. Required disclosure; signs; notice to customers.**

34 A sign, at least 24 inches on each side, shall be posted in a manner conspicuous to the  
35 public. The sign shall contain:

36 (1) That if the cost of repairs will exceed one hundred dollars (\$100.00) that  
37 the consumer has a right to a written estimate and may waive the right  
38 to the written estimate.

39 (2) The toll-free telephone number of the Division for consumer  
40 information and assistance.

41 (3) That the consumer may request, at the time the work order is taken, the  
42 return or inspection of all parts that have been replaced during the motor  
43 vehicle repair.

1 **"§ 20-354H. Unlawful acts and practices.**

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

- 4 (1) Make or charge for repairs which have not been expressly or impliedly  
5 authorized by the customer.
- 6 (2) Misrepresent that repairs have been made to a motor vehicle.
- 7 (3) Misrepresent that certain parts and repairs are necessary to repair a  
8 vehicle.
- 9 (4) Misrepresent that the vehicle being inspected or diagnosed is in a  
10 dangerous condition or that the customer's continued use of the vehicle  
11 may be harmful or cause great damage to the vehicle.
- 12 (5) Fraudulently alter any customer contract, estimate, invoice, or other  
13 document.
- 14 (6) Fraudulently misuse any customer's credit card.
- 15 (7) Make or authorize in any manner or by any means whatever any written  
16 or oral statement which is untrue, deceptive, or misleading, and which is  
17 known, or which by the exercise of reasonable care should be known, to  
18 be untrue, deceptive, or misleading.
- 19 (8) Make fraudulent promises of a character likely to influence, persuade,  
20 or induce a customer to authorize the repair, service, or maintenance of  
21 a motor vehicle.
- 22 (9) Substitute used, rebuilt, salvaged, or straightened parts for new  
23 replacement parts without notice to the motor vehicle owner and to his  
24 or her insurer if the cost of repair is to be paid pursuant to an insurance  
25 policy and the identity of the insurer or its claims adjuster is disclosed to  
26 the motor vehicle repair shop.
- 27 (10) Cause or allow a customer to sign any work order that does not state the  
28 repairs requested by the customer or the automobile's odometer reading  
29 at the time of repair.
- 30 (11) Fail or refuse to give to a customer a copy of any document requiring  
31 the customer's signature upon completion or cancellation of the repair  
32 work.
- 33 (12) Willfully depart from or disregard accepted practices and professional  
34 standards.
- 35 (13) Have repair work subcontracted without the knowledge or consent of  
36 the customer unless the motor vehicle repair shop or employee  
37 demonstrates that the customer could not reasonably have been notified.
- 38 (14) Rebuild or restore a rebuilt vehicle without the knowledge of the owner  
39 in a manner that does not conform to the original vehicle manufacturer's  
40 established repair procedures or specifications and allowable tolerances  
41 for the particular model and year.
- 42 (15) Perform any other act that is a violation of this Article or that constitutes  
43 fraud or misrepresentation.

1 **"§ 20-354I. Remedies.**

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

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