

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 830
Commerce Committee Substitute Adopted 4/28/99
Third Edition Engrossed 4/29/99

Short Title: Auto Repair Work Disclosures.

(Public)

Sponsors:

Referred to:

April 12, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE AUTO REPAIRS.

3 The General Assembly of North Carolina enacts:

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

6 **"ARTICLE 15B.**

7 **"NORTH CAROLINA MOTOR VEHICLE REPAIR ACT.**

8 **"§ 20-354. Short title.**

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

11 **"§ 20-354A. Scope and application.**

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

13 (1) Any motor vehicle repair shop of a municipal, county, State, or federal
14 government when carrying out the functions of the government.

15 (2) Any person who engages solely in the repair of any of the following:

16 a. Motor vehicles that are owned, maintained, and operated
17 exclusively by that person for that person's own use.

18 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 (6) Any person or motor vehicle repair shop performing repairs on
10 commercial construction equipment.

11 **"§ 20-354B. Definitions.**

12 As used in this act:

- 13 (1) 'Customer' means the person who signs the written repair estimate or
14 any other person whom that person designates as a person who may
15 authorize repair work.
16 (2) 'Division' means the Division of Motor Vehicles.
17 (3) 'Employee' means an individual who is employed full time or part time
18 by a motor vehicle repair shop and performs motor vehicle repairs.
19 (4) 'Final estimate' means the last estimate approved by the customer, either
20 in writing or orally, as evidenced by the written repair estimate.
21 (5) 'Minor repair service' includes any of the following:
22 a. Repairing and changing tires.
23 b. Lubricating vehicles.
24 c. Cleaning, adjusting, and replacing spark plugs.
25 d. Changing oil and oil filters.
26 e. Replacing, adjusting, repairing, or servicing hoses and air filters.
27 f. Changing or otherwise servicing any of the following:
28 1. Coolant.
29 2. Automatic door lamp switch.
30 3. Battery, battery ground cable, battery hold-down strap,
31 battery positive cable, and battery-to-starter relay cable.
32 4. Fan and alternator drive belts.
33 5. Fuses.
34 6. Headlamp foot dimmer.
35 7. Horns.
36 8. Ignition coil output wire.
37 9. Light bulbs and headlamps.
38 10. Ornamental accessories.
39 11. Power steering pump belt.
40 12. Wheels, except alignment.
41 13. Windshield washer tank.
42 14. Wiper blades.

1 15. Any other minor service which the Division has
2 designated by rule may be performed by persons without
3 skills and knowledge required of motor vehicle mechanics
4 and helpers. No service shall be considered as minor if
5 the Division finds that the performance of the service
6 requires mechanical expertise or has given rise to a high
7 incidence of fraud or deceptive practices.

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

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

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

20 a. Mobile motor vehicle repair shops.

21 b. Motor vehicle and recreational vehicle dealers.

22 c. Garages.

23 d. Service stations.

24 e. Self-employed individuals.

25 f. Truck stops.

26 g. Paint and body shops.

27 h. Brake, muffler, or transmission shops.

28 i. Shops doing glasswork.

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

31 **§ 20-354C. Written motor vehicle repair estimate and disclosure statement**
32 **required.**

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

1 (b) The information required by subsection (a) need not be provided if the
2 customer waives in writing his or her right to receive a written estimate. A customer may
3 waive his or her right to receive any written estimates from a motor vehicle repair shop
4 for a period of time specified by the customer in the waiver.

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

8 (d) If the customer leaves his or her motor vehicle at a motor vehicle repair shop
9 during hours when the shop is not open or if the customer permits the shop or another
10 person to deliver the motor vehicle to the shop, there shall be an implied partial waiver of
11 the written estimate; however, upon completion of the diagnostic work necessary to
12 estimate the cost of repair, the shop shall notify the customer as required by G.S. 20-
13 354E(a).

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

17 **"§ 20-354D. Charges for motor vehicle repair estimate; requirement of waiver of**
18 **rights prohibited.**

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

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

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

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

30 **"§ 20-354E. Notification of charges in excess of repair estimate; unlawful charges;**
31 **refusal to return vehicle prohibited; inspection of parts.**

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

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

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

41 (3) An implied partial waiver exists for diagnostic work and the diagnostic
42 work has been completed.

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

3 (b) If a customer cancels the order for repair after being advised that a repair
4 which he or she has authorized cannot be accomplished within the previously authorized
5 estimate, the shop shall expeditiously reassemble the motor vehicle in a condition
6 reasonably similar to the condition in which it was received unless either of the following
7 apply:

8 (1) The customer waives reassembly.

9 (2) The reassembled vehicle would be unsafe.

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

14 (c) It shall be unlawful for a motor vehicle repair shop to charge more than the
15 written estimate plus ten percent (10%), unless the motor vehicle repair shop has obtained
16 authorization to exceed the written estimate in accordance with subsection (a) of this
17 section.

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

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

26 **"§ 20-354F. Invoice required of motor vehicle repair shop.**

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

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

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

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

38 **"§ 20-354G. Required disclosure; signs; notice to customers.**

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

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

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

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

6 **"§ 20-354H. Unlawful acts and practices.**

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

9 (1) Make or charge for repairs which have not been expressly or impliedly
10 authorized by the customer.

11 (2) Misrepresent that repairs have been made to a motor vehicle.

12 (3) Misrepresent that certain parts and repairs are necessary to repair a
13 vehicle.

14 (4) Misrepresent that the vehicle being inspected or diagnosed is in a
15 dangerous condition or that the customer's continued use of the vehicle
16 may be harmful or cause great damage to the vehicle.

17 (5) Fraudulently alter any customer contract, estimate, invoice, or other
18 document.

19 (6) Fraudulently misuse any customer's credit card.

20 (7) Make or authorize in any manner or by any means whatever any written
21 or oral statement which is untrue, deceptive, or misleading, and which is
22 known, or which by the exercise of reasonable care should be known, to
23 be untrue, deceptive, or misleading.

24 (8) Make fraudulent promises of a character likely to influence, persuade,
25 or induce a customer to authorize the repair, service, or maintenance of
26 a motor vehicle.

27 (9) Substitute used, rebuilt, salvaged, or straightened parts for new
28 replacement parts without notice to the motor vehicle owner and to his
29 or her insurer if the cost of repair is to be paid pursuant to an insurance
30 policy and the identity of the insurer or its claims adjuster is disclosed to
31 the motor vehicle repair shop.

32 (10) Cause or allow a customer to sign any work order that does not state the
33 repairs requested by the customer or the automobile's odometer reading
34 at the time of repair.

35 (11) Fail or refuse to give to a customer a copy of any document requiring
36 the customer's signature upon completion or cancellation of the repair
37 work.

38 (12) Willfully depart from or disregard accepted practices and professional
39 standards.

40 (13) Have repair work subcontracted without the knowledge or consent of
41 the customer unless the motor vehicle repair shop or employee
42 demonstrates that the customer could not reasonably have been notified.

1 (14) Rebuild or restore a rebuilt vehicle without the knowledge of the owner
2 in a manner that does not conform to the original vehicle manufacturer's
3 established repair procedures or specifications and allowable tolerances
4 for the particular model and year.

5 (15) Perform any other act that is a violation of this Article or that constitutes
6 fraud or misrepresentation.

7 **"§ 20-354I. Remedies.**

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

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