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# AUTOMOTIVE REPAIR TRANSACTION REQUIREMENTS



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PUBLIC WORKSHOP  
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# DEFINING THE CUSTOMER

- **Customer** is the person presenting a motor vehicle for repair and authorizing the repairs to that motor vehicle. [*BPC*<sup>1</sup> §9880.1(f)]
  - It does not have to be the registered owner of the vehicle being presented for repairs.
- The customer may designate, in writing, another person to authorize additional repairs at the time the initial authorization to proceed is signed. However, that person shall not be the automotive repair dealer (ARD) or insurer involved in a claim for auto body repairs. [*BPC* §9884.9(d), *CCR*<sup>2</sup> §3354(c)]

1. Business and Professions Code
2. Title 16, California Code of Regulations

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# DESIGNATION FORM REQUIREMENTS AND USE (1 OF 2)

- A designation form designates another person to authorize additional repairs not estimated or parts not included in the initial estimate. The designation may be either a separate form or incorporated into the ARD's work order. [CCR §3354(c)(1)]
- A designation form is needed when the individual presenting the vehicle for repairs is only authorizing the initial estimate of repair and when the additional repairs or approvals are being authorized by another individual.

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# DESIGNATION FORM REQUIREMENTS AND USE (1 OF 2)

- The following information must be listed on the designation form:
  - ***The name of the designated person***
  - ***The designated person's contact information***
  - ***The customer's signature***
  - ***The date of signing***
  - ***The work order number***
- Designation cannot be the ARD providing repair services, the insurer involved in a claim on the vehicle being repaired, or any employee, agent, or person(s) acting on behalf of the ARD or insurer. [CCR §3354(c)(2)]

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# ESTIMATES

- ***Estimate*** is a paper or electronic document provided to the customer that contains an estimated price for parts and labor for a specific job. [BPC §9884.9, CCR §3352(a)]

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# ESTIMATE REQUIREMENTS

- An estimate must contain a description of the specific job and the estimated price for all parts and labor. [CCR §3353(a)]
- An auto body or collision repair estimate must be ***itemized*** and contain the same information that is required in a standard estimate. [CCR §3353(b)]
- The estimate also must include:
  - Any charges associated with the handling, management, and disposal costs of toxic or hazardous waste related to the repair. [CCR §3357]
  - Whether any parts replaced are to be returned to the customer (if requested by the customer at the time the estimate is authorized). [BPC §9884.10, CCR §3355]

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# PARTS DESCRIPTIONS

- Each part listed in the estimate shall be new unless specifically identified as a used, rebuilt or reconditioned part. [*BPC §9884.9(c), CCR §3353(a)*]
- Replacement Crash Parts – each new replacement crash part listed in an auto body or collision repair estimate must be an Original Equipment Manufacturer (OEM) crash part unless specifically identified as a non-OEM aftermarket crash part. [*BPC §9884.9(c), CCR §3353(b)*]
- Part descriptions such as LKQ, QRP, OPT-OEM, ALT-OEM, and the like are not defined in statute or regulation and cannot be used when describing parts on an estimate or invoice. [*BPC §9884.9(c), CCR §3353(b)*]



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# TEARDOWN ESTIMATES (1 OF 3)

- If it is necessary to tear down a vehicle or vehicle component in order to diagnose, the ARD shall do all of the following:
  - Estimate of Teardown: The ARD shall first give the customer an estimate for the teardown and obtain authorization for the teardown. The estimate shall include the following:
    - The cost of reassembling the vehicle or component.
    - The cost of all parts and labor necessary to replace items that are normally destroyed by teardown of the vehicle or component such as gaskets, seals and O rings.

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## TEARDOWN ESTIMATES (2 OF 3)

- If applicable, notification that the act of teardown might prevent the restoration of the vehicle or component to the condition in which it was provided by the customer.
- The maximum time it will take the ARD to reassemble the vehicle or component in the event the customer elects not to proceed with the repair or maintenance of the vehicle. The ARD shall reassemble the vehicle or component within the time period specified in the teardown estimate. The maximum time shall be counted from the date of authorization of the teardown.

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# TEARDOWN ESTIMATES (3 OF 3)

- Itemized Estimate for Repair after Teardown: Upon completion of the teardown, the ARD shall give the customer an itemized estimate for labor and parts necessary for the required repair. The ARD shall then obtain the customer's authorization for either repair or reassembly before any further diagnosis or repair is done or charges accrue.
- Documentation for Declined Repair/Reassembly: If, after teardown, a customer declines repair or reassembly, the ARD shall, as applicable, document on the teardown invoice that the customer declined repair or reassembly.  
[CCR §3353(c)]

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# AUTHORIZATION (1 OF 2)

- **Authorization** is the customer's consent for a specific job, expressed as either:
  1. *A written signature on the estimate authorizing a specific job. [CCR §3352(e)(1)]*
  2. *A statement communicated either orally or electronically to the automotive repair dealer and documented on the estimate authorizing a specific job. [CCR §3352(e)(2)]*

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## AUTHORIZATION (2 OF 2)

- **Electronic** – relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
  - Examples include fax, email, or text.
- **Oral** – voice communication, whether in person, by telephone, or by any electronic manner where voice can be heard.

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# OBTAINING ADDITIONAL AUTHORIZATION(S)

- Prepare a revised work order that describes all additional parts and labor. Contact the customer by phone, email, text, or other electronic means. Properly document the customer's authorization on both the work order and invoice to include:

1. *Date and time of the additional authorization;*
2. *Name of the person who authorized the additional repairs;*
3. *Telephone number or email address contacted;*
4. *Description of all additional parts and labor;*
5. *Cost for additional parts and labor; and*
6. *Total price for all repairs (excluding tax).*

[BPC §9884.9(a), CCR §3354(a)]

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# SUBLET WORK REQUIREMENTS AND RESPONSIBILITIES

- Sublet repairs can be performed with the consent of the customer.
- The ARD must include with the estimate a statement of any sublet repair to be performed on the vehicle.
- The ARD is responsible for all sublet repairs in the same manner as if it had performed the repairs.
- At the request of the customer, the name and location of the facility performing the sublet repairs must be disclosed.

[BPC [BPC §9884.7(a)(9) and §9884.9(b), CCR §3353(d)]

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# WORK ORDERS

- **Work Order** is a paper or electronic document that contains the authorized estimate for a specific job, the repairs requested by the customer, and the vehicle's odometer reading. [BPC §9884.7(a)(2), CCR §3352(b)]



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# INVOICES

- ***Invoice*** is a paper or electronic document provided to the customer upon completion of all repairs that contains the final price for parts and labor for a specific job. [BPC §9884.8, CCR §3352(c)]

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# INVOICE REQUIREMENTS (1 OF 3)

- ARD registration number and corresponding business name and address as shown in Bureau records. [CCR §3356(b)]
- Separately list, describe and identify all of the following:
  - All services and repairs performed, including diagnosis or warranty repairs, and the prices for each;
  - Each part supplied, in such a manner that the consumer can understand what was purchased, and the price for each part;
    - Parts description requirements are the same as with Estimates.

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# INVOICE REQUIREMENTS (2 OF 3)

- The subtotal price for all service and repair work (labor);
- The subtotal price for all parts supplied excluding sales tax;
- The applicable sales tax; and
- The total cost for all labor, parts, and applicable sales tax.

[CCR §3356(c)]

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# INVOICE REQUIREMENTS (3 OF 3)

- Separate billing in an invoice for items generically noted as shop supplies, miscellaneous parts, fees for electronic communication with the Smog Check database, and the like is prohibited. [CCR §3356(g)]
- A customer's declination of repair or reassembly after teardown shall be documented by an ARD on the teardown invoice. [CCR §3356(h)]
- Replaced parts that cannot be returned to a customer shall be documented by an ARD on the invoice per CCR §3355. [CCR §3356(i)]
- The ARD shall give the customer a legible copy of the invoice [CCR §3356(j)]

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# ADDITIONAL INVOICE REQUIREMENTS (1 OF 3)

- Unusual Circumstances: If a vehicle was dropped off under “unusual circumstances” per CCR section 3353.2 (*before/after business hours or towed to shop without customer during business hours*), the ARD shall record the following additional information on the invoice:
  - The date and time of the authorization of the estimate;
  - The name of the person who gave the authorization; and
  - The telephone number or electronic mail address contacted, if any, to obtain the authorization. [CCR §3356(d)]

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## ADDITIONAL INVOICE REQUIREMENTS (2 OF 3)

- Exceeding Original Estimate:
  - If additional authorization was obtained per CCR section 3354(a) (*exceeding original estimate*), and the authorization was provided orally or electronically, the ARD shall record the following additional information on the invoice:
    - The date and time of the additional authorization;
    - The name of the person who authorized the additional repairs;
    - The telephone number or electronic mail address contacted, if any, to obtain the additional authorization; and
    - A description of all additional parts and labor, the cost for the additional parts and labor and the total price for all repairs. [CCR §3356(e)(1)]

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## ADDITIONAL INVOICE REQUIREMENTS (2 OF 3)

- If the customer provided additional authorization orally, the ARD may, instead of documenting the information described in CCR §3356(e)(1), obtain the customer's signature or initials on a statement acknowledging notice of and consent to the additional repairs, parts, and labor, and total revised cost.

- The statement shall be as follows:

***“I acknowledge notice and oral approval of an increase in the original estimated price.***

***\_\_\_\_\_ (signature or initials)” [CCR §3356(e)(2)]***

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# RECORDS RETENTION REQUIREMENTS

## (1 OF 2)

- The following records must be maintained in either written or electronic form:
  - All invoices [BPC §9884.11, CCR §3358(a)]
  - All estimates, including all records, such as emails or texts, created to obtain the customer's authorization. [BPC §9884.11, CCR §3358(b)]
  - All work orders, including all records supplementing the work order created to obtain additional authorization from the customer. [BPC §9884.11, CCR §3358(c)]



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# RECORDS RETENTION REQUIREMENTS

- Records must be maintained for at least three years and shall be open for reasonable inspection and/or reproduction by BAR during normal business hours.  
[BPC §9884.11, CCR §3340.15(e) and §3358(d)]
- All records associated with a specific job must have a unique identifier linking the records to that specific job.  
[CCR §3358(e)]

# WRITE IT RIGHT GUIDE

The information presented herein is contained within the [Bureau's Write it Right Guide](#) available on the BAR website.



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# QUESTIONS AND COMMENTS

Submit questions and/or comments to:

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