

BUREAU OF AUTOMOTIVE REPAIR  
PROPOSED REGULATION

ELECTRONIC DOCUMENTS AND AUTHORIZATIONS

Legend: Deleted text is indicated by ~~striketrough~~  
Added text is indicated with an underline  
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(1) Amend Section 3303, Article 1, Chapter 1, Division 33, Title 16, California Code of Regulations, as follows:

**Article 1**

**§ 3303. Definitions**

(j) “Authorization” means consent. ~~Authorization shall consist of the customer’s signature on the work order, taken~~ Customer authorization shall occur before repair work begins. Authorization shall ~~be valid without~~ consist of one of the following:

(1) the customer’s signature on the estimate

(2) ~~only when~~ oral or electronic authorization ~~is~~ documented in accordance with applicable sections of these regulations.

(s) “Signature” means an original handwritten signature, either on a written or printed document or captured through electronic means and executed with the intent to represent an original handwritten signature.

(1) Authorization provided in the form of an electronic signature shall only be used for the purpose intended when provided to the dealer.

(2) Any electronic signature shall include an unalterable date indicator, executed by the customer, to show when the signature was obtained.

(2) Amend Sections 3352-3359, Article 7, Chapter 1, Division 33, Title 16, California Code of Regulations, as follows:

## Article 7

Disclosure Requirements for Automotive Repair Dealers

### § 3352. Definitions.

In this article, unless the context otherwise requires:

- (a) ~~“Written Estimate”~~ means a written or electronic document provided to the customer that contains an ~~written~~ estimated price for labor and parts for a specific job.
- (b) “Work order” means a written or electronic document that contains the estimate and memorializes the customer’s authorization for a specific job.
- (c) “Invoice” means a written or electronic document given provided to the customer that meets the invoice requirements of Business and Professions Code Section 9884.8 and California Code of Regulations Section 3356.
- (d) To “tear down” a vehicle component means to disassemble the vehicle component; “teardown” means the act of disassembly for the purpose of preparing an estimate.
- (e) “Written” means the communication of information in handwriting.
- (f) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- (g) “Oral” means the verbal communication of information either in person or telephonically.

AUTHORITY:

Note: Authority cited: Section 9882, Business and Professions Code.

Reference: Sections 9884.8, 9884.9, 9889.50 and 9889.52, Business and Professions Code.

### **§ 3353. ~~Written Estimate Required for Repair or Maintenance; Exceeding Estimate; Authorization Required~~ Estimate/Work Order Requirements.**

No work ~~for compensation~~ shall be commenced and no charges shall accrue without specific authorization ~~from the customer~~ of the estimate in accordance with the following requirements:

- (a) Estimate for Parts and Labor. Every dealer shall give to each customer ~~a written~~ an estimate containing the estimated price for parts and labor for a specific job prior to authorization. All parts included in the estimate shall be considered new unless specifically stated otherwise.

(b) Estimate for Auto Body or Collision Repairs. Every dealer, when doing auto body or collision repairs, shall give to each customer a ~~written~~ an estimate containing the estimated price for parts and labor for a specific job. Parts and labor shall be described separately and each part shall be identified, indicating whether the replacement part is new, used, rebuilt, or reconditioned. The estimate shall also describe replacement crash parts as original equipment manufacturer (OEM) crash parts or non-OEM aftermarket crash parts.

~~(e) Additional Authorization. Except as provided in subsection (f), the dealer shall obtain the customer's authorization before any additional work not estimated is done or parts not estimated are supplied. This authorization shall be in written, oral, or electronic form, and shall describe the additional repairs, parts, labor and the total additional cost.~~

~~(1) If the authorization from the customer for additional repairs, parts, or labor in excess of the written estimated price is obtained orally, the dealer shall also make a notation on the work order and on the invoice of the date, time, name of the person authorizing the additional repairs, and the telephone number called, if any, together with the specification of the additional repairs, parts, labor and the total additional cost.~~

~~(2) If the authorization from the customer for additional repairs, parts, or labor in excess of the written estimated price is obtained by facsimile transmission (fax), the dealer shall also attach to the work order and the invoice, a faxed document that is signed and dated by the customer and shows the date and time of transmission and describes the additional repairs, parts, labor and the total additional cost.~~

~~(3) If the authorization from the customer for additional repairs, parts, or labor in excess of the written estimated price is obtained by electronic mail (e-mail), the dealer shall print and attach to the work order and invoice, the e-mail authorization which shows the date and time of transmission and describes the additional repairs, parts, labor and the total additional cost.~~

~~(4) The additional repairs, parts, labor, total additional cost, and a statement that the additional repairs were authorized either orally, or by fax, or by e-mail shall be recorded on the final invoice pursuant to Section 9884.9 of the Business and Professions Code. All documentation must be retained pursuant to Section 9884.11 of the Business and Professions Code.~~

~~(d)(c) Estimated Price to Tear Down, Inspect, Report and Reassemble. For purposes of this article, to "tear down" shall mean to disassemble, and "teardown" shall mean the act of disassembly. If it is necessary to tear down a vehicle component in order to prepare a ~~written~~ an estimated ~~price~~ for required repair, the dealer shall first give the customer a ~~written~~ an estimated ~~price~~ for the teardown. ~~This price~~ The estimate shall include the cost of reassembly of the component. The ~~estimated price~~ estimate shall also include the cost of parts and necessary labor to replace items such as gaskets, seals and O rings that are normally destroyed by teardown of the component. If the act of teardown might prevent the restoration of the component to its former condition, the dealer shall ~~write~~ include that information on the ~~work order containing~~~~

teardown estimate before the ~~work order~~ teardown estimate is ~~signed~~ authorized by the customer. If authorized orally or electronically, the authorization shall be documented in accordance with the procedures described in this chapter.

The repair dealer shall notify the customer orally and conspicuously ~~in writing~~ on the teardown estimate the maximum time it will take the repair dealer to reassemble the vehicle or the vehicle component in the event the customer elects not to proceed with the repair or maintenance of the vehicle, ~~and~~ The repair dealer shall reassemble the vehicle or component within that the time period specified in the teardown estimate if the customer elects not to proceed with the repair or maintenance. The maximum time shall be counted from the date of authorization of teardown.

After the teardown has been performed, the dealer shall prepare ~~a written estimated price~~ an estimate for labor and parts necessary for the required repair. All parts required for such repair shall be listed on the estimate. The dealer shall then obtain the customer's authorization for either repair or reassembly before any further work is done.

~~(e) Revising an Itemized Work Order. If the customer has authorized repairs according to a work order on which parts and labor are itemized, the dealer shall not change the method of repair or parts supplied without the written, oral, or electronic authorization of the customer. The authorization shall be obtained from the customer as provided in subsection (c) and Section 9884.9 of the Business and Professions Code.~~

~~(f) Designation of Person to Authorize Additional Work or Parts. When a customer, pursuant to subdivision (d) of Section 9884.9 of the Business and Professions Code, designates another person to authorize work not estimated or parts not included in the written estimated price given to the customer, all of the following shall apply:~~

~~(1) The designation may be a separate form by itself or may be incorporated into the dealer's work order form described in subsection (b) of Section 3352.~~

~~(2) If a separate form is used for the designation, the form and content of the designation shall be as follows:~~

~~“DESIGNATION OF PERSON TO AUTHORIZE ADDITIONAL WORK OR PARTS~~

~~I hereby designate the individual named below to authorize any additional work not specified or parts not included in the original written estimated price for parts and labor:~~

Name of Designee: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name of Customer: \_\_\_\_\_

Work Order No.: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Customer's Signature)"

~~(3) If the designation is incorporated into a work order form, it need only separately include the designation statement specified in paragraph (2) of this subsection, and the name, phone number, facsimile number and email address of the designee, and the customer's signature, and the date of signing.~~

~~(4) The dealer shall not accept from the customer the designation of any person or entity not eligible to be a designee under subdivision (d) of Section 9884.9 of the Business and Professions Code. The ineligible designees include the automotive repair dealer providing repair services and an insurer involved in a claim that includes the motor vehicle being repaired, and employees and agents and persons acting on behalf of the dealer or insurer.~~

~~(5) The designation form shall be completed in duplicate and shall be distributed as follows:~~

~~(A) The copy of the completed and signed designation form shall be given to the customer with the customer's copy of the work order as required by paragraph (3) of subdivision (a) of Section 9884.7 of the Business and Professions Code.~~

~~(B) The original of the completed and signed designation form shall be attached to the dealer's copy of the work order, if not incorporated therein, and shall be retained pursuant to Section 9884.11 of the Business and Professions Code and Section 3358.~~

~~(6) When authorization for additional work or parts not estimated is obtained from a designee, it shall be obtained and recorded in compliance with subsection (c) of this section before any additional work not estimated is done or parts not estimated are supplied.~~

~~(g)~~(d) Unusual Circumstances; Authorization Required.

When the customer is unable to deliver the motor vehicle to the dealer during business hours or if the motor vehicle is towed to the dealer without the customer during business hours, and the customer has requested the dealer to take possession of the motor vehicle for the purpose of repairing or estimating the cost of repairing the motor vehicle, the dealer shall not undertake the ~~diagnosing or repairing~~ repair of any malfunction of the motor vehicle for compensation unless the dealer has complied with all of the following conditions:

(1) The dealer has prepared ~~a work order stating the written estimated price~~ an estimate for labor and parts, as specified in subsection (a) or (b), necessary to repair the motor vehicle; and

(2) By ~~telephone, fax or e-mail, written or electronic means~~, the customer has been given all of the information on the ~~work order and the customer has approved the work order estimate~~; and

(3) The customer has given ~~oral, written or electronic~~ authorization to the dealer to make the repairs and the dealer has documented the authorization as provided in this subsection (e) and Section 9884.9 of the Business and Professions Code.

(A) The dealer shall record the authorization from the customer for the initial estimate by documenting on the work order and on the invoice the date, time, name of the person authorizing the repairs, and the telephone number called, if any, together with the specification of the repairs, parts, labor, and total cost.

(B) Any records created to obtain the authorization from the customer for the initial estimate shall be retained along with the work order and invoice pursuant to section 9884.11 of the Business and Professions Code and section 3358 of this chapter.

(4) Any charge for parts or labor in excess of the original ~~written~~ estimated price must be separately authorized by the customer and documented by the dealer, as provided in ~~subsection (e)~~ Section 3354(a) of this chapter and Section 9884.9 of the Business and Professions Code.

~~(h) Definitions. As used in this section, "written" shall mean the communication of information in writing, other than by electronic means; "oral" shall mean the oral communication of information either in person or telephonically; "electronic" shall mean the communication of information by facsimile transmission (fax) or electronic mail (e-mail).~~

(e) Sublet disclosure. No automotive repair service that is required to be done will be done by someone other than the dealer or his or her employees without the consent of the customer, unless the customer cannot reasonably be notified. An automotive repair dealer shall include with the estimate a statement of any automotive repair to be done by someone other than the dealer or his or her employees. If requested by the customer, an automotive repair dealer shall disclose and record on the estimate the name and location of the facility at which the sublet repair work will be done.

#### AUTHORITY:

Note: Authority cited: Sections 9882 and 9884.9, Business and Professions Code. Reference: Sections 9884.8, 9884.9, 9889.50 and 9889.52, Business and Professions Code.

~~§ 3354. Unusual Circumstances; Authorization Required.~~

**§ 3354. Exceeding Estimate; Additional Authorization**

No additional work for compensation shall be commenced and no additional charges shall accrue without specific authorization from the customer in accordance with the following requirements:

(a) Additional Authorization. Except as provided in subsection (c), the dealer shall obtain the customer's authorization before any additional work not estimated is done or parts not estimated are supplied.

(1) The document authorized shall describe:

(A) the additional repairs, parts, and labor;

(B) the cost of additional repairs, parts, and labor; and

(C) the total cost

(2) The additional authorization shall be in written or electronic form and documented as follows:

(A) The dealer shall record the additional authorization from the customer for the additional repairs estimated by documenting on the work order and on the invoice the date, time, name of the person authorizing the additional repairs, and the telephone number called, if any, together with the specification of the additional repairs, parts, labor and the total cost.

(B) Any records created to obtain the additional authorization from the customer for the additional repairs estimated shall be retained along with the work order and invoice pursuant to section 9884.11 of the Business and Professions Code and section 3358 of this chapter.

(3) The additional authorization shall be recorded on the final invoice pursuant to section 9884.9 of the Business and Professions Code by either:

(A) recording on the final invoice the additional repairs, parts, and labor; the cost of additional repairs, parts and labor; and the total cost; or

(B) if there is an oral consent of the customer to additional repairs, obtaining the customer's signature or initials on an acknowledgement of notice and consent stated as follows:

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

(4) the final invoice shall also contain a statement indicating whether the additional repairs were authorized either orally or electronically. If authorized electronically, the method of electronic authorization used shall also be recorded on the invoice.

(5) All documentation must be retained pursuant to section 9884.11 of the Business and Professions Code and section 3358 of this chapter.

(b) Revising an Itemized Work Order. If the customer has authorized repairs according to a work order on which parts and labor are itemized, the dealer shall not change the method of repair or parts supplied without written, oral, or electronic authorization from the customer. The authorization shall be obtained from the customer as provided in subsection (a) and section 9884.9 of the Business and Professions Code.

(c) Designation of Person to Authorize Additional Work or Parts. When a customer, pursuant to subdivision (d) of section 9884.9 of the Business and Professions Code, designates another person to authorize work not estimated or parts not included in the estimate given to the customer, all of the following shall apply:

(1) The designation may be a separate form by itself or may be incorporated into the dealer's work order form described in subsection (b) of section 3352 and must include, at a minimum, the following:

(A) The statement below:

“DESIGNATION OF PERSON TO AUTHORIZE ADDITIONAL WORK OR PARTS

I hereby designate the individual named below to authorize any additional work not specified or parts not included in the original estimate for parts and labor.”

(B) The name of the designee

(C) The contact information for the designee

(D) The customer's signature

(E) The date of signing

(F) The work order number

(2) The dealer shall not accept from the customer the designation of any person or entity not eligible to be a designee under subdivision (d) of section 9884.9 of the Business and Professions Code. The ineligible designees include the automotive repair dealer providing repair services and an insurer involved in a claim that includes the motor vehicle being repaired, and employees and agents and persons acting on behalf of the dealer or insurer.

(3) The completed and signed designation form shall be distributed as follows:

(A) A copy of the form shall be given to the customer with the customer's copy of the work order as required by paragraph (3) of subdivision (a) of section 9884.7 of the Business and Professions Code.

(B) The original shall be attached to the dealer's copy of the work order, if not incorporated therein, and shall be retained pursuant to section 9884.11 of the Business and Professions Code and section 3358.

(4) When authorization for additional work or parts not estimated is obtained from a designee, it shall be obtained and recorded in compliance with subsection (a) of this section before any additional work not estimated is done or parts not estimated are supplied.

(5) A dealer may accept authorization for additional work from either the customer or the customer's designee.

### **§ 3355. Replaced Parts That Are Not Returnable.**

If the customer has requested the return of parts pursuant to the provisions of Section 9884.10 of the Business and Professions Code, †those parts and components that are replaced and that are sold on an exchange basis are exempt from the provisions of Section 9884.10 of the Act requiring the return of replaced parts to the customer that section, provided the customer is informed that said parts are not returnable orally and by written record and conspicuously on the work order and invoice. When a request is made before the work is started, ‡The dealer shall provide a reasonable opportunity to the customer to inspect the part.

AUTHORITY:

Note: Authority cited: Section 9882, Business and Professions Code.

Reference: Section 9884.10, Business and Professions Code.

### **§ 3356. Invoice Requirements.**

(a) All invoices for service and repair work performed, and parts supplied, as provided for in Section 9884.8 of the Business and Professions Code, shall comply with the following:

(1) The invoice shall show the automotive repair dealer's registration number and the corresponding business name and address as shown in the Bureau's records. If the automotive repair dealer's telephone number is shown, it shall comply with the requirements of subsection (b) of Section 3371 of this chapter.

(2) The invoice shall separately list, describe and identify all of the following:

(A) All service and repair work performed, including all diagnostic and warranty work, and the price for each described service and repair.

(B) Each part supplied, in such a manner that the customer can understand what was purchased, and the price for each described part. The description of each part shall state whether the part was new, used, reconditioned, rebuilt, or an OEM crash part, or a non-OEM aftermarket crash

part. Prepackaged part kits containing several part components may be listed as a single part on the invoice and identified by brand name and corresponding part number or similar designation.

(C) The subtotal price for all service and repair work performed.

(D) The subtotal price for all parts supplied, not including sales tax.

(E) The applicable sales tax, if any.

(b) If a customer is to be charged for a part, that part shall be specifically listed as an item in the invoice, as provided in subparagraph (B) of paragraph (2) of subsection (a) above. If that item is not listed in the invoice, it shall not be regarded as a part, and a separate charge may not be made for it.

(c) Separate billing in an invoice for items generically noted as shop supplies, miscellaneous parts, or the like, is prohibited.

(d) The automotive repair dealer shall give the customer a legible copy of the invoice and shall retain a legible copy as part of the automotive repair dealer's records pursuant to Section 9884.11 of the Business and Professions Code and Section 3358 of this article.

**AUTHORITY:**

Note: Authority cited: Sections 137 and 9882, Business and Professions Code. Reference: Sections 9884.8, 9889.50 and 9889.52, Business and Professions Code; and Sections 12000 and 12001, Vehicle Code.

**§ ~~3356.13357~~. Toxic Waste Disposal Costs.**

An automotive repair dealer may charge a customer for costs associated with the handling, management and disposal of toxic wastes or hazardous substances under California or federal law which directly relate to the servicing or repair of the customer's vehicle. Such charge must be disclosed to the customer by being separately itemized on the estimate prepared pursuant to Section 9884.9(a) of the Business and Professions Code and on the invoice prepared pursuant to Section 9884.8 of the Business and Professions Code. In order to assess this charge, the automotive repair dealer must note on the estimate and invoice the station's Environmental Protection Agency identification number required by Section 262.12 of Title 40 of the Code of Federal Regulations.

**AUTHORITY:**

Note: Authority cited: Section 9882, Business and Professions Code. Reference: Sections 9882, 9884.8, and 9884.9(a), Business and Professions Code.

~~§ 3357. Denial, Suspension, and Revocation Substantial Relation Criteria.~~

**AUTHORITY:**

~~Note: Authority cited: Sections 9882 and 9884.19, Business and Professions Code. Reference: Sections 475 et seq. of Division 1.5, Business and Professions Code.~~

**§ 3358. Maintenance of Records.**

Each automotive repair dealer shall maintain, in either written or electronic form, legible copies of the following records for not less than three years:

(a) All invoices relating to automotive repair including invoices received from other sources for parts and/or labor.

(b) All ~~written~~ estimates pertaining to work performed.

(c) All work orders and/or contracts for repairs, parts and labor.

(d) All such records shall be open for reasonable inspection and/or reproduction by the bureau or other law enforcement officials during normal business hours.

(e) All records associated with an individual transaction, as specified in this section, shall have a unique identifier linking the records to that specific transaction.

**AUTHORITY:**

Note: Authority cited: Sections 9882 and 9884.11, Business and Professions Code. Reference: Section 9884.11, Business and Professions Code.

~~§ 3359. Sublet Disclosure.~~

~~Upon the request of a customer, an automotive repair dealer shall disclose the location at which any repair work will be done other than repair work to be done at the dealer's location and by the dealer or his/her employees~~

**AUTHORITY:**

~~Note: Authority cited: Section 9882, Business and Professions Code.~~

~~Reference: Sections 9882 and 9884.7, Business and Professions Code.~~