Legislation and Regulations Update

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2023 Legislation

- AB 641 (Fong): Automobile Dismantlers
- AB 1263 (Assembly Committee on Business and Professions): BAR Sunset Review
- AB 1519 (Bains): VIN Marking Requirements
- SB 55 (Umberg): VIN Marking Requirements
- SB 544 (Laird): Bagley-Keene Open Meeting Act: Teleconferencing

AB 641 (Fong): Automobile Dismantlers

 Status: Approved by the Governor and filed with the Secretary of State on October 8, 2023.

• Summary:

- This bill revises the definition of automobile dismantler to include a person who keeps or maintains on property owned by the person, or under their possession or control:
 - Two or more unregistered motor vehicles no longer intended for, or in condition for, legal use on the highways.
 - Nine or more used catalytic converters that have been cut from a motor vehicle using a sharp-implement.
- This bill applies to vehicles or catalytic converters that are used for restoration or replacement parts or to a "junk dealer," a "recycler," a "commercial enterprise," or "core recycler," as defined in the Business and Professions Code even if it does possess nine or more used catalytic converters that have been cut from a motor vehicle.

AB 1263: Bureau of Automotive Repair (1 of 3)

- Status: Approved by the Governor and filed with the Secretary of State on October 10, 2023.
- Summary—This bill:
 - Extends BAR's sunset date to January 1, 2028.
 - Amends the definition of "automotive repair dealer" to additionally include a person who engages in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than the dealer or their employees.
 - Authorizes BAR to adopt regulations to clarify the authority to regulate storage fees charged by automotive repair dealers consistent with provisions of the Vehicle Code and Civil Code.
 - Authorizes BAR to establish a centralized testing network for inspecting model year 1995 and older vehicles that require a BAR-97 inspection, which may include subcontracted licensed Smog Check stations.

AB 1263: Bureau of Automotive Repair (2 of 3)

- Beginning no earlier than January 1, 2025, requires testing using onboard diagnostic systems only (i.e., no BAR-97 inspection) on model year 1996-1999 vehicles, as is currently done on model year 2000 and newer vehicles.
- Specifies that it is the intent of the Legislature that the Bureau continues to maintain the BAR advisory group to advise the Bureau on regulatory issues and programs affecting the automotive repair industry.
- Provides that any employee of the ARD who was involved in the violation resulting in BAR's issuance of the citation also may be required to attend remedial training with the ARD to prevent disclosure of the citation.

AB 1263: Bureau of Automotive Repair (3 of 3)

- Provides that, for purposes of the provisions of relating to the Smog Check Program, the term "qualified smog check technician" refers to both smog check (repair) technicians and smog check inspectors.
- Provides that a fraudulent inspection additionally includes clean plugging, clean gassing, clean tanking, or any other fraudulent inspection practice.
- Makes technical cleanup updates to the Business and Professions Code and Vehicle Code to transition the lamp and brake programs to the vehicle safety systems inspection program pursuant to AB 471 (Low, Chapter 372, Statutes of 2021).
- Requires the seller of a salvaged vehicle to provide the purchaser a valid vehicle safety systems certificate prior to, or at the time of, delivery for sale.

AB 1519 (Bains): VIN Marking Requirements

- Status: Approved by the Governor and filed with the Secretary of State on October 13, 2023.
- Summary: This bill prohibits any person from removing or altering the VIN that has been added to a catalytic converter, or from knowingly possessing three or more catalytic converters that have been so altered.

SB 55 (Umberg): VIN Marking Requirements

- Status: Approved by the Governor and filed with the Secretary of State on October 13, 2023.
- Summary:
 - This bill prohibits a dealer or retailer from selling a new or used motor vehicle equipped with a catalytic converter unless the catalytic converter has been engraved or etched with the vehicle identification number (VIN) of the vehicle to which it is attached.
 - Until January 1, 2025, this does not apply to:
 - A vehicle purchased from a dealer licensed in California who is also licensed in another state and does not have a warranty service facility in California.
 - Collector cars
 - Motorcycles

SB 544 (Laird): Bagley-Keene Open Meeting Act: Teleconferencing

- Status: Approved by the Governor and filed with the Secretary of State on September 22, 2023.
- Summary—This bill:
 - Allows DCA boards and bureaus to continue conducting single-site physical meetings without
 providing electronic public access provided a quorum of the members of the state body attend
 the primary physical meeting location.
 - Allows these regulatory bodies to conduct virtual meetings by either telephone or online platform under the following conditions: (1) Require one physical meeting location with at least one staff member present and provide a way for the public to hear or observe the meeting remotely; (2) Require the telephone number or online information, plus the physical site address, to be included in the meeting notice; and (3) No longer require agendas to identify separately all teleconference locations, post agendas at teleconference locations, and provide public access to all teleconference locations, except for the one physical location.
 - In addition, an advisory group may hold an open meeting by teleconference without a quorum of members present at the physical location.

Regulations Adopted in 2023

- Automotive Repair Dealer Registration Application Requirements*
 - Adopted on May 1, 2023
 - Effective on July 1, 2023

- Citation and Remedial Training Programs for Automotive Repair Dealers*
 - Adopted on May 31, 2023
 - Effective on July 1, 2023

^{*} AB 471 (Low, Chapter 372, Statutes of 2021)

Pending Regulation Packages

- Vehicle Safety Systems Inspection Program*
- ARD Registration Renewal Requirements*
- Smog Check Inspection Equipment and Station Requirements (DAD Specification Update)
- CAP Incentive Increases

* AB 471 (Low, Chapter 372, Statutes of 2021)

Disclaimer: Though every effort is made to ensure information provided on the following slides is current, given the nature of the regulatory process, dates or status summaries shown here may not reflect the latest updates. Please be sure to check BAR's regulatory actions page at https://www.bar.ca.gov/regulatory-actions for the most current information.

Vehicle Safety Systems Inspection Program

- <u>Purpose</u>: Creates a new Vehicle Safety Systems Inspection Program, which does the following:
 - Establishes procedures and program requirements in a Vehicle Safety Systems Inspection Manual.
 - Creates license requirements for vehicle safety systems inspection/repair stations and technicians.
 - Sunsets the lamp and brake inspection programs six months after adoption of the regulations.
- History: Public workshops held on April 20, 2022, July 21, 2022, and April 27, 2023.
- <u>Status</u>: Submitted to Agency on September 19, 2023, for approval to file with OAL and begin the official public comment period.
- Next Steps: Hold 45-day comment period and prepare Final Statement of Reasons for final review.

ARD Registration Renewal Requirements

- Purpose: (1) Requires ARDs to renew registration on forms prescribed by the Bureau.
 (2) Specifies ARD registration shall expire within one year from the last date of the month unless the registrant provides all necessary information. (3) Specifies that upon renewal, ARDs shall provide all newly required information such as email addresses and educational certifications pursuant to AB 471 (Low, Chapter 372, Statutes of 2021) and notify the Bureau of any change of information since their last renewal.
- <u>Status</u>: Public comment period ended on September 12, 2023, and the final package was submitted to Business, Consumer Services, and Housing Agency (BCHS Agency) on September 22, 2023.
- Next Steps: Submit to the Office of Administrative Law (OAL) for final approval and adoption.

Smog Check Equipment and Station Requirements (DAD Specification Update)

- <u>Purpose</u>: (1) Replace the current OBD Data Acquisition Device (DAD) specification with a more comprehensive and updated version to provide additional tools to combat Smog Check fraud. (2) Allow the DAD to communicate with new vehicles that use a communication protocol not supported by the current generation of Bureau-certified DADs.
- Status: BAR is working with DCA Legal to finalize the initial package.
- <u>Next Steps</u>: Submit initial package to BCSH Agency for review and approval to file with OAL and begin the public comment period.

Consumer Assistance Program Incentive Increases

- <u>Purpose</u>: (1) Increase Vehicle Retirement program incentives for income-eligible motorists from \$1,500-\$2,000. (2) Increase Vehicle Retirement program incentive for other motorists from \$1,000-\$1,350. (3) Allow the Bureau to increase Vehicle Retirement incentives and Repair Assistance contributions once every three years if there has been a 10% increase in the related series of Bureau of Labor Statistics consumer price index. (4) Remove the eligibility restriction preventing motorists from participating more than once in the Repair Assistance program. (5) Unincorporate the CAP application and list the application requirements in regulation.
- Status: BAR is working with DCA Legal to finalize the initial package.
- <u>Next Steps</u>: Submit initial package to BCSH Agency for review and approval to file with OAL and begin the official public comment period.

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