DEPARTMENT OF CONSUMER AFFAIRS
TITLE 16. BUREAU OF AUTOMOTIVE REPAIR

ORDER OF ADOPTION

Storage Fees Charged by Automotive Repair Dealers

Legend: Added text is indicated with an underline.
Omitted text is indicated by (* * * *)

Amend section 3303 of Article 1 of Chapter 1 of Division 33 of Title 16 of the California Code of Regulations to read as follows:

§ 3303. Definitions.

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(x) "Vehicle Storage" and "storing a vehicle" mean an automotive repair dealer having possession of a customer's vehicle upon completion of or without having performed repairs, as defined in section 9880.1(k) of the Business and Professions Code.

NOTE: Authority cited: Sections 9882, 9884, 9884.9, 9884.19 and 9887.1, Business and Professions Code. Reference: Sections 9880.1(a), 9880.1(f), 9880.1(k), 9882, 9884, 9884.7(a)(2), 9884.9, 9888.5, 9889.50, 9889.51 and 9889.52, Business and Professions Code.

Amend section 3351 of Article 6 of Chapter 1 of Division 33 of Title 16 of the California Code of Regulations to read as follows:

§ 3351. Registration of Automotive Repair Dealers.

(a) Any person or entity ("applicant") seeking Bureau registration as an automotive repair dealer shall submit a completed application that includes all of the following:

* * * *

(2) The following identifying information:

* * * *

(U) An applicant that will charge vehicle storage fees after performing repairs to a vehicle as a result of an accident or recovery of a stolen vehicle shall report to the Bureau their maximum daily vehicle storage rate charged for a non-electric passenger vehicle. Daily vehicle storage rates shall be determined in accordance with section 3351.8.1(b) of this Chapter. If an automotive repair dealer charges varied vehicle storage rates, the automotive repair dealer shall report their maximum daily vehicle storage rate. An automotive repair dealer may make a change to their reported maximum daily vehicle storage rate once per registration cycle and shall provide the Bureau with written notice of that change pursuant to subdivision (e) of this section.

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NOTE: Authority cited: Sections 9882, 9884.2 and 9884.4, Business and Professions Code. Reference: Sections 27, 30, 31, 114.5, 115.4, 135.4, 141, 142, 480, 490, 9884, 9884.1, 9884.2, 9884.4, 9884.7 and 9889.52, Business and Professions Code; and Section 22524.5, Vehicle Code.

Adopt Article 6.2 and sections 3351.8.1, 3351.8.2, and 3351.8.3 in Chapter 1 of Division 33 of Title 16 of the California Code of Regulations to read as follows:

Article 6.2. Vehicle Storage Fees Charged by Automotive Repair Dealers

§ 3351.8.1. General Requirements for Vehicle Storage.

(a) An automotive repair dealer charging vehicle storage fees shall display their daily vehicle storage rate(s), including their maximum daily vehicle storage rate, as reported to the Bureau pursuant to section 3351(a)(2)(U) of this Chapter, in a conspicuous place where the daily vehicle storage rate(s) is visible, legible, and adjacent to where customers are served.

(b) An automotive repair dealer charging for vehicle storage shall establish a daily vehicle storage rate(s) based on their costs associated with vehicle storage and shall not include an automotive repair dealer's negotiated vehicle storage rate with a third-party payor.

(1) Costs associated with vehicle storage include but are not limited to the following:

(A) Property costs, including rent, mortgage, market value of the property, and value of the service department area where vehicle storage will occur;
(B) Utility costs;
(C) Labor costs directly related to vehicle storage; and

(D) Liability insurance.

(2) The records relied upon to calculate the daily storage rate(s) shall be retained and available for inspection by the Bureau or other law enforcement in accordance with Business and Professions Code section 9884.11.

(c) An automotive repair dealer storing a vehicle shall permit the customer or the customer's third-party payor access to that vehicle for inspection during normal business hours, which are Monday through Friday from 8:00 a.m. to 5:00 p.m., inclusive, except state holidays.

(1) The vehicle shall be stored at the automotive repair dealer's primary business address, which is the physical business address as reported pursuant to section 3351(a)(2)(F) of this Article;

(2) If an automotive repair dealer will store the vehicle at a location other than the automotive repair dealer's primary business address, the automotive repair dealer shall, prior to moving the vehicle to a different location, notify the customer by either electronic or oral means, as defined in section 3352 of this Chapter, of and document the storage location to which the vehicle will be moved; and

(A) If the vehicle will be moved more than 20 miles from the automotive repair dealer's primary business address, the automotive repair dealer shall notify the customer in writing and obtain written authorization from the customer, prior to moving the vehicle.

(3) The automotive repair dealer shall not charge the customer for moving the vehicle between locations unless the customer authorizes the charge to transfer the vehicle to a different location, and the automotive repair dealer documents that authorization in accordance with section 3353.1 of this Chapter.

(d) An automotive repair dealer charging vehicle storage fees shall, at a minimum, accept all of the following forms of payment for vehicle storage: cash, a valid bank credit card, and insurer's check.

(e) When charging vehicle storage fees, an automotive repair dealer shall comply with the provisions of Chapter 6.5 (commencing with section 3067) of Title 14 of Part 4 of Division 3 of the Civil Code.

(f) Utilizing the maximum daily vehicle storage rates reported pursuant to section 3351(a)(2)(U) of this Chapter, the Bureau shall create a search tool on its website as a reference for the public, third-party payors, and other stakeholders to identify average and median maximum daily vehicle storage rates for a locale, charged pursuant to Vehicle Code section 22524.5(c)(2)(B).

(1) For the purposes of this Article, locale is defined as a geographic radius around each reporting automotive repair dealer that is sufficient to identify average and median maximum daily vehicle storage rates within that locale, as follows:

(A) All reporting automotive repair dealers within a two (2) mile radius of each individual reporting automotive repair dealer.

(B) If there are fewer than twenty (20) reporting automotive repair dealers within a two (2) mile radius, the locale shall expand to a five (5) mile radius of each individual reporting automotive repair dealer.

(C) If there are fewer than ten (10) reporting automotive repair dealers within a five (5) mile radius, the locale shall expand to a twenty (20) mile radius of each individual reporting automotive repair dealer.

(D) If there are fewer than five (5) reporting automotive repair dealers within a twenty (20) mile radius, the locale shall expand to the entire county in which the individual reporting automotive repair dealer is located.

(2) Consistent with section 2695.8(k) of the Fair Claims Settlement Practice Regulations as adopted by the California Department of Insurance contained in Title 10, Chapter 5, Subchapter 7.5, Article 1 of the California Code of Regulations, an insurer shall not use average and median maximum daily vehicle storage rates, as published by the Bureau according to section 3351.8(f) of this Article, to establish, limit, suppress, or otherwise influence an automotive repair dealer's vehicle storage rate(s).

(3) This subdivision shall become operative January 1, 2028.

(g) When an automotive repair dealer receives a vehicle for repair(s), but the customer does not authorize the repairs, the automotive repair dealer shall notify the customer if the automotive repair dealer intends to begin charging for vehicle storage pursuant to Vehicle Code section 22524.5(c)(2)(B), the automotive repair dealer's daily vehicle storage rate, and how long the customer has to remove the

vehicle, not to be less than one business day, before vehicle storage fees are charged.

(h) Except as provided in section 3351.8.3 of this Article, an automotive repair dealer shall, prior to charging for vehicle storage, notify the customer if the automotive repair dealer declines to repair the vehicle. The notification shall also include whether the automotive repair dealer intends to begin charging for vehicle storage pursuant to Vehicle Code section 22524.5(c)(2)(B), the automotive repair dealer's daily vehicle storage rate, and how long the customer has to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

(i) An automotive repair dealer that maintains a motor carrier permit under Vehicle Code section 34620 shall display the Towing and Storage Fees and Access Notice in a conspicuous place where it is visible, legible, and adjacent to where customers are served, and have copies available to the public.

NOTE: Authority cited: Sections 9882 and 9884.16, Business and Professions Code. Reference: Sections 9884.6, 9884.8, 9884.9, and 9884.16, Business and Professions Code; Sections 3068 and 3068.1, Civil Code; and Sections 22524.5, 22651.07, and 34620, Vehicle Code.

§ 3351.8.2. Vehicle Storage Fees Resulting from a Repair Transaction.

(a) When an automotive repair dealer obtains authorization to perform repairs, as defined in Business and Professions Code section 9880.1(k), including a tear down as defined in section 3352 of this Chapter, as a result of an accident or recovery of a stolen vehicle, any rates or fees listed in Vehicle Code section 22524.5(c)(3) and itemized on the final invoice shall be deemed presumptively unreasonable.

(1) Any vehicle storage rate or fee for an item or service identified by a term or expression of like meaning to the presumptively unreasonable rates and fees listed in Vehicle Code section 22524.5(c)(3) shall also be deemed presumptively unreasonable.

(2) An automotive repair dealer may present evidence to demonstrate that a presumptively unreasonable fee is reasonable.

(b) When obtaining authorization to perform a tear down, the automotive repair dealer shall include the following information on the initial tear down estimate:

(1) The number of business days, not to be less than three business days, the customer has to authorize repairs or remove the vehicle prior to the accrual of vehicle storage fees after receipt of notification that the tear

down has been completed and receipt of an itemized estimate containing the estimated price for parts and labor to repair the vehicle; and

(2) The daily vehicle storage rate.

(c) An automotive repair dealer shall not charge vehicle storage fees while the vehicle is undergoing repairs, including the tear down of a vehicle or part in accordance with section 3353 of this Chapter.

(d) To charge for vehicle storage incurred after completion of repairs, including a tear down, an automotive repair dealer shall have:

(1) Obtained customer authorization as specified in section 3353.1 of this Chapter for the specific repair(s) being performed;

(2) Generated an itemized invoice with all repair work performed and parts supplied upon completion of the authorized repairs; and

(3) Notified the customer that the repairs are complete.

(4) If, after completing a tear down and providing an itemized repair estimate, the automotive repair dealer declines to perform further repairs, the automotive repair dealer shall notify the customer if they intend to begin charging for vehicle storage pursuant to Vehicle Code section 22524.5(c)(2)(B), the automotive repair dealer's daily vehicle storage rate, and how long the customer has to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

(e) Upon completion of authorized repairs, an automotive repair dealer shall not dismantle, disengage, remove, or strip from the vehicle any of the parts used to complete the repairs without customer authorization.

(f) An automotive repair dealer who charges vehicle storage fees shall include the daily vehicle storage rate and number of days charged, along with any other vehicle storage related fees or services, on the invoice as required pursuant to section 3356 of this Chapter.

NOTE: Authority cited: Sections 9882 and 9884.16, Business and Professions Code. Reference: Sections 9880.1, 9884.6, 9884.8, 9884.9, and 9884.16, Business and Professions Code; Section 3068, Civil Code; and Sections 22524.5 and 22651.07, Vehicle Code.

§ 3351.8.3. Registered Owner Notification Requirements.

(a) If an automotive repair dealer receives a vehicle and the registered owner or their representative is not present at the time of delivery of the vehicle, the automotive repair dealer shall attempt to contact the registered owner, by either electronic or oral means as defined in section 3352 of this Chapter. Upon contacting the registered owner, an automotive repair dealer shall obtain authorization to repair the vehicle.

(b) After three unsuccessful attempts to contact the registered owner on three separate business days, vehicle storage fees for the vehicle may accrue in accordance with Vehicle Code section 22524.5(c)(2)(A). Each contact attempt shall be documented, including the date and time each attempt was made, and the telephone number or electronic mail address contacted.

NOTE: Authority cited: Sections 9882 and 9884.16, Business and Professions Code. Reference: Sections 9880.1, 9884.6, 9884.8, 9884.9, and 9884.16, Business and Professions Code; Sections 3068 and 3068.1, Civil Code; and Sections 22524.5 and 22651.07, Vehicle Code.