TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS
Division 33
Chapter 1

DEPARTMENT OF CONSUMER AFFAIRS
BUREAU OF AUTOMOTIVE REPAIR

FINAL STATEMENT OF REASONS

Subject Matter of Proposed Regulations: Storage Fees Charged by Automotive Repair Dealers

Sections Affected: California Code of Regulations (CCR), Title 16, Division 33, Chapter 1, sections 3303, 3351, 3351.8.1, 3351.8.2, and 3351.8.3

Updated Information: The Informative Digest and Initial Statement of Reasons are included in the rulemaking file and incorporated as though set forth herein.

The Bureau of Automotive Repair (Bureau or BAR) noticed the proposed rulemaking on November 14, 2025, with a 45-day comment period ending on December 31, 2025. The Bureau received 15 comments during the comment period.

The Bureau prepared modified text based on comments received during the 45-day comment period. On March 27, 2026, the Bureau issued a 15-day notice of availability of modified text and modified text containing the amendments below. The comment period closed on April 13, 2026, and the Bureau received one comment that was outside the scope of the modified text changes. No public hearing was requested or held.

The final rulemaking package was submitted to the Office of Administrative Law (OAL) for formal review on May 19, 2026. Following OAL's review, the Bureau made changes to the regulation text, some of which required the release of a second modified text (for a 15-day comment period), as well as additional nonsubstantive changes. On August 13, 2026, the Bureau issued a second 15-day notice of availability of modified text and modified text containing the amendments below. The notice also informed the public that, pursuant to Government Code sections 11346.8(d), 11346.9(a)(1), and 11347.1, the Bureau added three documents to the rulemaking file which were made available for public inspection and comment. The documents are identified in items "2" through" "4" under the "Update to Initial Statement of Reasons" section below. The comment period closed on August 28, 2026, and the Bureau received five comments. No public hearing was requested or held.

Update to Initial Statement of Reasons

Under “Underlying Data”, items “2” through “4” are added. The list of “Underlying Data” is updated as follows:

1. Assembly Bill 1263 (Berman, Chapter 681, Statutes of 2023) https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1263

2. News release, June 22, 2026: “Los Angeles-Area Auto Repair Shop’s License Suspended After Bureau of Automotive Repair Investigation.”

3. Accusation against LA Custom Collision LLC, Case No. 77/25-20176, OAH No. 2026050214.

4. Interim Suspension Order against LA Custom Collision LLC, Agency Case No. IN2025-20176, OAH No. 2026050214.

First Modified Text Changes

Section 3351.8.1(g)

1. The Bureau added the language “the automotive repair dealer’s daily storage rate, and how long the customer has to remove the vehicle, not to be less than one business day, before storage fees are charged” to the end of the proposed subdivision.

This addition requires that, beyond notifying the customer of the Automotive Repair Dealer’s (ARD) intent to begin charging vehicle storage fees, the ARD must also notify the customer of the actual daily vehicle storage rate and the amount of time the customer has to remove the vehicle before those fees begin to accrue. The requirement guarantees that the customer receives at least one full business day to retrieve the vehicle before any storage fees are charged. Overall, this change ensures customers are fully informed about potential costs and are given a fair opportunity to avoid unnecessary storage charges.

Section 3351.8.1(h)

2. The Bureau removed (a) after “section 3351.8.3”.

In the modified text, the Bureau separated former subdivision (a) of section 3351.8.3 into new subdivisions (a) and (b). As a result, removing the reference to “3351.8.3(a)” ensures that the provision now applies to the entire section rather than only the original subdivision (a).

3. The Bureau added “prior to charging for storage”.

This subdivision requires the ARD to notify the customer when the ARD declines to repair a vehicle, and the new language further requires the ARD to notify the customer before any vehicle storage fees begin to accrue. This prevents an ARD from imposing vehicle storage fees without first informing the customer that the vehicle will not be repaired, ensuring the customer has a fair opportunity to retrieve the vehicle before vehicle storage fees are assessed.

4. The Bureau changed “a” customer to “the” customer.

This subdivision requires the ARD to notify the customer when the ARD declines to repair a vehicle, and the added language further requires the ARD to notify the customer before any vehicle storage fees begin to accrue. Using “the customer” clarifies that the notice must be provided to the specific customer who owns the vehicle, not just any customer.

5. The Bureau removed “within one business day after receiving a vehicle for repair(s)”.

This provision was removed because the ARD may not have had sufficient time to determine whether it will repair the vehicle, and because the ARD is already prohibited from charging vehicle storage fees before notifying the customer. As a result, the timing of when the ARD informs the customer that it declines to repair the vehicle is no longer relevant for preventing premature vehicle storage fees.

6. The Bureau removed “and” from before “the automotive repair dealer’s daily storage rate” and added “, and how long the customer has to remove the vehicle, not to be less than one business day, before storage fees are charged.”

This addition requires that, beyond notifying the customer of the ARD’s intent to begin charging vehicle storage fees and what the storage rate is, the ARD must also notify the customer of the amount of time the customer has to remove the vehicle before those fees begin accruing. The requirement guarantees that the customer receives at least one full business day to retrieve the vehicle before any vehicle storage fees apply. Overall, this change ensures customers are fully informed about potential costs and are

given a fair opportunity to avoid unnecessary storage charges.

This also maintains consistency with the addition to section 3351.8.1(g).

Section 3351.8.2(d)

7. The Bureau added “including a tear down,” and subdivision (4) to read “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 storage fees are charged.”

This addition confirms that if after completion of a tear down, the ARD declines to repair the vehicle, the ARD must notify the customer if they intend to begin charging for storage of the vehicle, what the ARD’s daily vehicle storage rate is, and how long the customer has to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

This is consistent with the additions to 3351.8.1(g) and (h), and the requirement guarantees that the customer receives at least one full business day to retrieve the vehicle before any storage charges apply. Overall, this change ensures customers are fully informed about potential costs and are given a fair opportunity to avoid unnecessary storage charges.

Section 3351.8.3

8. The Bureau removed the originally proposed new subdivision (a), which stated “Unless notifying a customer that the automotive repair dealer is declining to repair pursuant to section 3351.8.1(h) of this Article,” and changed the previously numbered subdivisions (1) and (2) to new lettered subdivisions (a) and (b).

This section addresses situations in which an ARD receives a vehicle but the registered owner or the owner’s representative is unknown or not present at the time the vehicle is delivered to the ARD. In these circumstances, the requirements of section 3351.8.3 continue to apply regardless of whether the ARD ultimately declines to repair the vehicle under section 3351.8.1(h). Retaining the language from former subdivision (a) could create confusion and is unnecessary, as the entire section governs the ARD’s obligations when the owner is not identified or available at the time of delivery.

Second Modified Text Changes

Changes throughout

9. Minor grammatical corrections.

10. The word “vehicle” has been added before the terms “storage rate” and “storage fees”, and the phrase “vehicle storage” has been added before the term “rate” (and accompanying grammatical changes were made where necessary), so the complete phrases “vehicle storage rate” and “vehicle storage fees” are always used.

Section 3303(x)

11. The Bureau added the language “‘and “storing a vehicle”’” to the definition of “Vehicle Storage”.

This addition clarifies that the term “storing a vehicle” has the same definition as “vehicle storage”. In the proposed regulatory text, both terms are used, and adding “storing a vehicle” to the definition clarifies the Bureau’s intent that the term “storing a vehicle” have the same meaning in the regulations as “vehicle storage”.

Section 3351(a)(2)(U)

12. The Bureau changed the word “provide” to “report to”.

Changing “provide” to “report to” promotes consistency throughout the regulations, as the term “report” is used throughout the proposed regulations.

13. The Bureau removed the word “storing”.

Section 3351(e)(9)

14. The Bureau removed proposed subdivision (e)(9) because it was inadvertently added. Subdivisions (e)(1)-(8) were repealed in a prior rulemaking, so adding an (e)(9) where there is no longer (e)(1)-(8) would create ambiguity. In addition, 3351(a)(2)(U) clearly states what (e)(9) did—that an ARD shall report a change

to their maximum daily vehicle storage rate to the Bureau—rendering the language duplicative and therefore unnecessary.

Section 3351.8.1(a) and (b)

15. In subdivision (a), the word “are” was changed to “is”.

This change is nonsubstantive because it is a grammatical change as part of an effort to “[revise] structure, syntax, cross-reference, grammar, or punctuation” within the meaning of Title 1, CCR section 100(a)(4). This is necessary for consistency throughout the Bureau’s regulations.

16. The Bureau added subdivision (b)(1), which includes a non-exhaustive list of what costs may be associated with vehicle storage rate determinations by ARDs.

Adding examples of costs associated with vehicle storage provides guidance for ARDs when determining the vehicle storage rate(s) they are going to charge. These examples serve as a reference point, but the list is not exhaustive, as many other potential costs may arise depending on the specific circumstances of the facility.

17. The Bureau added subdivision (b)(2) to require ARDs to retain and make available the records used to calculate daily storage rates.

Retaining records is necessary because, if needed, it allows the Bureau to verify how an Automotive Repair Dealer calculated their daily vehicle storage rates, ensures transparency for consumers, and provides documentation necessary for compliance with Business and Professions Code section 9884.11. It also supports enforcement activities by allowing investigators to review the underlying data and confirm that charges were lawful and accurately assessed.

Section 3351.8.1(c)

18. In subdivision (c)(1), the Bureau added cross-reference language to clarify that the business address BAR is referring to is the physical business address as reported to the Bureau pursuant to section 3351(a)(2)(F). These edits provide additional clarity to the regulation, eliminating ambiguity regarding which address the Bureau is referring to in the subdivision.

19. In subdivision (c)(2), the Bureau added language “an automotive repair dealer will store” and removed “necessary for” and “to be stored”, and makes it a

requirement that the ARD shall document the location of where a vehicle will be moved so that there is a record of where the vehicle is located.

20. The Bureau added subdivision (c)(2)(A) to state “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.”

This ensures that the vehicle will not be more than 20 miles from the ARDs physical business address without written notification to the customer and the customer’s written authorization. This protects the customer from unauthorized “distant” relocation of their vehicle, unexpected additional vehicle storage and/or towing charges, and potential delays in retrieving the vehicle due to it being moved to a “distant” location without their knowledge and/or consent.

Section 3351.8.1 (f)

21. The Bureau added the word “maximum” before “daily vehicle storage rates” and changed the phrase “average and median daily storage rates” to “average and median maximum daily vehicle storage rates” to clarify that the Bureau is referring to the maximum daily vehicle storage rate.

22. The Bureau removed the cross-reference to “subdivision (b) of this section”. This reference was removed because it does not apply to this subdivision, the reference to 3351(a)(2)(U) covers the reference for the maximum daily vehicle storage rates reported.

23. The Bureau changed the phrase “average and median daily storage rates” to “average and median maximum daily vehicle storage rates” to clarify that the Bureau is referring to the maximum daily vehicle storage rate.

24. Subdivision (f)(2) was rewritten to clarify that insurers shall not use average and median maximum daily vehicle storage rates to influence or restrict an automotive repair dealer’s vehicle storage rates, ensuring ARDs can set their own rates based on their actual costs of storing a vehicle.

25. The Bureau made a nonsubstantive change to specify the operative date as January 1, 2028.

Section 3351.8.1(i)

26. The Bureau inadvertently left out the second “and” in “Towing and Storage Fees and Access Notice”. Adding the second “and” ensures the notice title is accurate and consistent with the statutory language. Without the correction, the title may appear incomplete or refer to a different document, creating uncertainty about which notice the Bureau intends to reference in the subdivision.

Section 3351.8.2(a)

27. The Bureau reworded and condensed subdivision (a) to clarify that any rates or fees listed in Vehicle Code section 22524.5(c)(3), or that have like-meaning to the fees listed in that section and itemized on the final invoice shall be deemed presumptively unreasonable, unless an ARD presents evidence demonstrating otherwise.

Local Mandate: A mandate is not imposed on local agencies or school districts.

Consideration of Alternatives: No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Bureau would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons than the adopted regulations or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed regulation. The Bureau incorporates by reference the alternatives identified in its Initial Statement of Reasons and did not receive any comments that altered its findings.

Set forth below are the alternatives the Bureau considered and the reason the Bureau rejected the alternatives:

Alternative 1: The Bureau considered taking no action. However, with no action, consumer and industry confusion and abuse by bad actors charging vehicle storage fees would continue. Additionally, failing to bring together existing laws governing storage fees from the Business and Professions, Civil, and Vehicle Codes under one unified regulatory section (with further addition of specificity and clarity) will lead to continued uncertainty about which statutes apply when charging vehicle storage fees. This issue was specifically addressed in the Bureau’s 2022 sunset review report, with legislation (AB 1263) chaptered in 2023 to provide the Bureau authority to regulate vehicle storage fees charged by the automotive repair industry. As such, inaction would not be prudent.

Description of reasonable alternatives to the regulation that would lessen any

adverse impact on small business:
No such alternatives have been proposed; however, the Bureau welcomes comments from the public. (In addition to the three public comment periods during the official rulemaking process, the Bureau also held four public workshops prior to the official start of this rulemaking process to gain public input when discussing and developing these regulations and regulatory alternatives to address issues involving vehicle storage fees charged by automotive repair dealers.)

Comments: The proposed text was made available to the public for comment from November 14, 2025, to December 31, 2025. The Bureau elected to modify the proposed regulation text based on comments received during the 45-day comment period. As a result, the modified text was made available to the public from March 27, 2026 to April 13, 2026. The Bureau elected not to make any further changes to the proposed text based on the comment received during the 15-day comment period.

The final rulemaking package was submitted to OAL for formal review on May 19, 2026. Following OAL's review, the Bureau made changes to the regulation text, some of which required the release of a second modified text (for a 15-day comment period), as well as additional nonsubstantive changes. A second modified text was made available to the public from August 13, 2026 to August 28, 2026. The Bureau elected not to make any further changes to the proposed text based on the comments received during the second 15-day comment period.

The comments and the Bureau's responses to those comments are presented below. Note: comments are in *italics*. The Bureau received comments from:

45-day comment period November 14 - December 31, 2025
(1) Samvel Harutyuyan on November 19, 2025
(2) Samvel Harutyuyan on November 21, 2025
(3) Linda Liu on November 20, 2025
(4) Matthew Araujo on November 20, 2025
(5) Oscar Moreno on December 2, 2025
(6) Oscar Moreno on December 2, 2025
(7) Beau Mannering on December 8, 2025
(8) Jack Molodanof on December 17, 2025
(9) Personal Insurance Federation of California and National Association of Mutual Insurance Companies on December 17, 2025
(10) Michael Geeser on December 29, 2025
(11) Ron Wilch on December 29, 2025
(12) Sarah Cuellar on December 29, 2025
(13) Todd Hesford on December 29, 2025
(14) Mike Schaffer on December 30, 2025

(15) Chuck Bistagne on December 31, 2025

15-day comment period March 27 - April 13, 2026
(16) Denni Ritter on April 6, 2026

Second 15-day comment period August 13 - August 28, 2026
(17) Vic Gonzalez on August 13, 2026
(18) Andrew Batenhorst on August 13, 2026
(19) Kye Yeung on August 14, 2026
(20) Jack Molodanof on August 24, 2026
(21) Christian Rataj on August 28, 2026

Comment (1) Samvel Harutyuyan on November 19, 2025:
Dear DCA and Other Parties,

As a veteran within the collision repair industry for decades we have witnessed constantly changing events here within Southern California, one of worlds largest economies.

Constant cost of good/s increases, utilities, personal wages and more have surely placed complications for our industry and the survival of businesses small and large within Southern California.

From what we can witness not enough good communication has made it's way to the assemblies and or hearings on the complexity of Storage charges.

Please accept this feedback and present to the parties involved with review, amending and or for discussion and motions.

With regard to submittal of storage rates to the Bureau of Automotive Repairs annually by all licensed BAR Automotive Repair Dealers is good and will assist in establishing industry and or market area averages, though setting one price in a market area to me seems would be pricing fixing and or harmful for some business as each and every business is always unique to one's self. However, this being said, thought should put on when a business files once annually with the BAR their storage rate and after collection of all submittals from the Automotive Repair Dealers (ARD) the BAR would have data to witness any businesses that fall either above or below the market area average by say like 10%, and when they have a ARD that is either 10% higher or more or 10% lower or more than the market area, the BAR should extend to said ARD's that fit this parameter of difference the opportunity to submit supportive data in support of their higher than the market area rate, and or to raise their lower than the market area rate to market pricing, and or accept the market area established rate that pulled from the current submittals

once a year. Some thought on the required for the ones that fall below, or above would need to be assembled, public hearing on, and obvious a motion and or vote made.

Assembly of rates based on actual costs is not an appropriate method and or would not be a fair method for said storage costs of an ARD as there's just too many variables involved and a shops space for storing can be worth far more than lets say a calculation of factorial costs etc...and this could even damage workable workspace that employee/s would need and even have detrimental effects on the ability to keep employee/s and or pay appropriate wages to maintain said employees.

With regard to permit and or allow customers and or insurers to access, and or inspect vehicles during normal business hours, a norm should be assembled and even if some businesses choose to have different operating hours compared to the majority, have a stipulation that pertains to storage charge not applicable for the day and or time that a business falls outside of the majority and or market area norm, with the capability of any ARD to submit explanation/s once annually in support of why they should get storage charge for a day that they weren't open and or were not able to allow a consumer and or insurer access to the vehicle for inspection.

With regard to acceptable payment methods, they should be what's already deemed lawful within the Business Code/s, however keep in mind the ARD's should be able to charge a fee for credit cards, and or any payment method that said card would charge percentage fee/s, credit card payments should only be accepted from the vehicle owner and or party who brought the vehicle to the facility, as that's who is contracted with the ARD.

With regard to not charging storage while the vehicle is under repair, this one is complicated for some reasons, and a thorough assembly and review on this area must be performed and I'll explain some unique experienced conditions that the ARD's in Southern California have experienced already.

Not to name the insurer/s that have done this, but this harmful action by some insurer/s have caused free storage charges to insurer/s and loss of rightfully owed revenue for ARD's. Let me explain, a ARD receives a vehicle, performs the BAR appropriate actions in estimating the tear down of vehicle to the consumer of which takes 1-2 business days or less on the majority of tear downs, the ARD assembles an estimate and or can easily witness that said vehicle is a total loss based in the vehicles market value from the Estimating software Database and or even just reviewing the market value of said vehicle, ARD tells vehicle owner about the total loss determination from their professional experience of witnessing the damages, but yet the Insurer/s using a tactical method of either not accepting the known damages in a rightful way, in a harming way

say the vehicle is repairable by deliberately underestimating the damage/s, and or having improperly trained staff and or being directed by said insurer/s to assemble less than a complete thorough and easily witnessable property damage estimate, only to force said shop and or insured/claimant to continue to tell said insurance that you're missing easily witnessable damages from their initial inspection that the ARD presented to them, but after forcing a ARD to repetitively chase and or push said insurance company to finally acknowledge the easily witnessable damage that the ARD clearly presented to them upon their initial inspection, after said insurer ties up the vehicle that was easily identified by a ARD Professional as a total loss for weeks in a ARD facility said insurer uses the excuse that the vehicle was repairable based on their harmful, unfair, incomplete estimate and or supplement that the Insurer/s assembled in a harmful way. This has happened and is constantly happening all over, and witnessable within the Southern California ARD market, with even California Department of Insurance Complaints being submitted reporting of said harmful tactics by the insurer/s in this area.

So when it comes to storage charges, ARD's are rightfully owed storage charges if they professionally know that the vehicle is a total loss by easily witnessable review of the vehicle, that the insurer/s were allowed.

It's obvious that ARD's can't charge storage fees when they're actually repairing the vehicle or performing a tear down, but can not be denied storage fees just because an insurer/s says the vehicle is repairable when a ARD professional in automotive repair sees that the costs of the repairs determines that the vehicle a total loss.

Allowing insurer/s to cause damage to the ARD for free storage as they deemed the vehicle a total loss many, many days, and or weeks after the easily witnessable damages was extended to them to witness and or even was presented to them by the ARD's is a tactic of harm that has been ongoing.

Thank you for your time presenting, reviewing and or reading my submittal and I'm sure this information could be elaborated on by other industry professionals that might gather and or be part of the ongoing review.

Reply to comment 1:

The Bureau considered the comment and modified the text based upon the comment.

BAR has no intention of, and is not, price fixing, setting a price, or mandating that ARDs fall within a market area average. (Note: Price fixing is when an agreement is made amongst *competitors* to set prices. The Bureau, as a licensing and regulatory authority, is neither a competitor to ARDs nor setting prices.) The Bureau is merely publicizing

average and median maximum daily vehicle storage rates for a given locale (see proposed text section 3351.8.1(f)) for the benefit of consumers. BAR is conducting an analysis to provide transparency that will help interested parties determine what is comparable within a given locale.

BAR is not asking ARDs to submit an explanation of their storage rate, regardless of whether it is above or below the average rate for the locale. BAR is mandating that an ARD set their storage rates based on their actual costs to store a vehicle so that rates are reasonable and not arbitrary.

The determination of storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those vehicle storage rate(s) for consumers, promoting transparency.

The requirement that the customer or the customer's third-party payor have access to a vehicle for inspection during normal business hours is already current law in Vehicle Code sections 22651.07(c) and (d). In addition, ARDs are not prohibited from charging storage for days they are not open and therefore do not need to provide an explanation for doing so. This provision brings this and other vehicle storage-fee related provisions under a single regulation section for clarity to the regulated public.

With regard to acceptable payment methods, BAR lists these payment methods to make it clear that, *at a minimum*, these methods must be accepted (i.e., the ARD cannot only accept cash). This currently applies to an insurer, insurer's agent, or tow hauler under Vehicle Code section 22651.07(i), and BAR is making a parallel requirement for ARDs in response to issues found in the investigation of some consumer complaints. In addition, existing law provides that credit card fees are allowed if they are disclosed at the time of the estimate. Credit card payments may be made by anyone authorized by the registered vehicle owner and/or party who brought the vehicle to the facility (e.g., family member paying a repair bill on behalf of the registered vehicle owner).

As originally written, if an ARD declines to repair a vehicle because it is a total loss, the ARD shall notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging vehicle storage fees. Once that notification is made, the ARD may begin to charge storage fees. An ARD may decline to repair a vehicle for any reason; it could be based on a visual inspection to determine whether a vehicle is a total-loss or not worth repairing, a vehicle is one they cannot repair or are not authorized by the manufacturer to repair, etc. See proposed section 3351.8.1(h).

The one-day notification requirement in the proposed regulations was modified in the proposed text. Text now allows for any amount of time for notification, so long that the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before storage fees are charged.

Comment (2) Samvel Harutyuyan on November 21, 2025:
Thank you, I wanted to amend some additional input to our submittal.

With regard to our mention of Insurance carrier/s deny storage all under the guise of their intentional and or negligent inaccurate acknowledgement on the property damages after an ARD, a repair professional, has assembled an OEM Manufacturer repair method estimate of repair and has allowed witness to the vehicle in a state that said insurer could easily witness the damages that were assembled on the ARD estimate that clearly indicated that the costs were not feasible for a repair based on industry norms and or estimating database of vehicle values there should be no forced free storage at all by any insurer.

If a vehicle was deemed at total loss by any carrier at any phase of their claim acknowledgment, said carrier/s should not be able to get any days of storage for free, and that the only non-charged day/s of storage would be the day/s that the vehicle was torn down and or worked on, this being said if it takes the insurance company days and or weeks to determine the vehicle is a total loss when the ARD upfront alerted them to this, the insurance should clearly not be entitled to free storage while they strung along their decision of totaling the vehicle, all the while buying time, continued loss of use on the vehicle owner, and for them to force storage for their desired set minimal forced days while they delayed and or bought time for oneself, all the while the ARD just performed a teardown for say 1 day's time, and that no additional work was done.

Reply to comment 2:

The Bureau considered the comment and did not modify the text based upon the comment.

After performing a tear down (i.e., disassembly of a damaged vehicle or any of its components), an ARD shall provide a three-day notice to the customer before charging vehicle storage fees. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before vehicle storage fees may begin to accrue. After the notification and three days have passed (if applicable), the ARD may begin to charge vehicle storage fees.

This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision about repairing their vehicle.

Comment (3) Linda Liu on November 20, 2025:

I hope this email finds you well. This is Linda Liu with OK AUTO COLLISION CENTER, and I am writing to give the comments on the storage fee regulation.

First, I want to express it is reasonable for an auto body shop to charge storage fees for a total loss vehicle because the shop is responsible for safely securing the vehicle while waiting for the insurance company. During this time, the vehicle occupies valuable space and prevents the shop from using that area for other customers. The shop must maintain liability, provide security, adn follow proper handling procedures, even if no repairs are being performed. For these reasons, storage fees are considered a standard and justified business practice.

Second, it is reasonable to begin charging the storage fees from the date the vehicle enters the shop, not on the date the insurance company declares it a total loss. Because Insurance response time varies, send adjusters, or make a total loss determinations. Because of these delays are outside the shop's control-the vehicle often remains on the property for long periods of time, and the shop must secure it, maintain liability, use valuable lot space, and potentially move other vehicles to accommodate it. In addition, every day the vehicle sits on the property prevents the shop from taking in other paying repair jobs. It would be unfair to the shop if storage fees only started on the date other insurance company finally decides the vehicle is a total loss.

Third, for the storage rate, I would say it depends on the county. For example, in the Los Angeles area, higher storage fees are reasonable because the cost of operating an auto body shop in these areas is significantly higher than in most other regions. Commercial rent, property taxes, insurance, labor and overall business expenses are among the highest in California. I would say $200-$300/per day is reasonable.

These are my thoughts regarding the regulation changes on the storage charges. I appreciate your time and respectfully ask that you may take my comments into consideration. Thank you

Reply to comment 3:

The Bureau considered the comment and modified the text based upon the comment.

As originally written, if an ARD declines to repair a vehicle because it is a total loss, the ARD shall notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging vehicle storage fees. Once that notification is made, the ARD may begin to charge vehicle storage fees. An ARD may decline to repair a vehicle for any reason; it could be based on a visual inspection to determine whether a vehicle is a total-loss or not worth repairing, a vehicle is one they cannot

repair or are not authorized by the manufacturer to repair, etc. See proposed section 3351.8.1(h).

The one-day notification requirement in the proposed regulations was modified in the proposed text. Text now allows for any amount of time for notification, so long that the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

After performing a tear down (i.e., disassembly of a damaged vehicle or any of its components), an ARD shall provide a three-day notice to the customer before charging storage fees. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before vehicle storage fees may begin to accrue. After the notification and three days have passed (if applicable), the ARD may begin to charge vehicle storage fees.

This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision about repairing their vehicle.

Published average and median maximum daily vehicle storage rates are determined by locale, which is more narrowly defined than an entire county. For this reason, BAR established multiple locales. Each locale is defined as a geographic radius surrounding a reporting ARD (i.e., an ARD must annually report to BAR its maximum daily vehicle storage rate) that is sufficient to calculate average and median maximum daily vehicle storage rates for that area.

A locale incrementally expands as necessary until there is enough data available to establish reliable and publishable average and median maximum daily vehicle storage rates for an area. The smallest locale consists of all reporting ARDs within a two-mile radius. If an insufficient number of reporting ARDs (less than 20) exist within that two-mile radius, the locale expands to a five-mile radius. If there is an insufficient number of reporting ARDs (less than 10) within that five-mile radius, the locale expands to a 20-mile radius. And lastly, if there are an insufficient number of reporting ARDs (less than five) within that 20-mile radius, the locale expands to the entire county. See proposed section 3351.8.1(f).

The determination of storage rates should be based on each ARD’s actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual vehicle storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those vehicle storage rate(s) for consumers, promoting transparency.

Comment (4) Matthew Araujo on November 20, 2025

I appreciate the opportunity to submit comments regarding the Bureau of Automotive Repair's proposed regulatory changes related to vehicle storage fees. While I support transparency and consumer protection within the automotive repair industry, I am opposed to the regulation as currently drafted. The proposal introduces operational, economic, and practical challenges that would have significant negative impacts on independent and family-owned repair and collision facilities throughout California.

Below are the primary concerns and reasons for opposition:

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1. *The Proposed Rule Imposes a One-Size-Fits-All Model on a Highly Variable Cost Structure*

California's automotive service and collision industry encompasses diverse business models, real estate costs, staffing levels, and operational risks. Mandating that storage rates must be "comparable" to average or median rates in a "locale" disregards these complexities.

- *Commercial rent, insurance, utilities, and security costs vary dramatically, especially in dense markets like the Bay Area.*
- *EV storage requires dedicated fire-mitigation space, specialized equipment, and enhanced safety protocols that significantly increase overhead.*
- *Benchmarking rates against statewide or regional averages unfairly penalizes shops with higher fixed costs and more advanced infrastructure.*

The regulation effectively attempts to standardize a cost category that is not standardizable.

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2. *The Regulation Unintentionally Gives Insurers Undue Influence Over Shop Operations*

Storage fees are often the only meaningful lever a repair facility has to encourage timely decisions from insurers regarding approvals, supplements, and total-loss determinations.

- *Insurers already dispute storage charges aggressively.*
- *A government-hosted rate comparison tool will be used by insurance companies to push down rates, regardless of legitimate cost differences.*
- *This creates an uneven power dynamic that places small operators at a significant disadvantage.*

The rule shifts leverage away from repair facilities and toward insurers, resulting in longer delays and additional strain on business operations.

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3. *The Additional Administrative Burdens Are Significant and Unnecessary*

The proposal introduces new documentation, posting, reporting, and customer-notification requirements — many of which duplicate existing laws.

- *Shops must track grace periods, complete and repair-status notifications, and multiple documented contact attempts with owners.*
- *Invoicing requirements become more complex and time-consuming.*
- *Multiple public disclosures must be created and maintained in a specific format.*

For many small, family-run collision shops, these procedures are burdensome and divert resources away from repair work and customer service.

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4. *The Regulation Does Not Reflect Real-World Collision-Repair Workflows*

Collision repair is dynamic. Vehicles move through dozens of phases: teardown, parts procurement, sublet inspections, calibrations, paint, detailing, and reassembly. Delays are often caused by insurers, supply-chain shortages, and supplement approvals.

- *Restricting storage accrual to narrow timeframes disregards these industry realities.*
- *Shops would be forced to absorb the cost of space occupied during insurer-driven delays.*
- *The distinction between "active repair" vs. "storage" is ambiguous and invites disputes.*

This creates compliance uncertainty and increases the likelihood of contested charges.

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5. *Publicizing Storage Rates May Distort the Market and Suppress Fair Pricing*

Publishing average or median storage rates on a state website may have unintended consequences:

- *Rates trend downward artificially as shops attempt to avoid disputes or scrutiny.*
- *Shops specializing in EVs or high-complexity repairs are disadvantaged.*
- *Market competition becomes distorted, not more transparent.*

This reduces the incentive for innovation, facility investment, and operational safety enhancements.

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6. *The Proposal Disadvantages Small, Independent, Family-Owned Businesses*

Large MSOs are better equipped to absorb compliance costs, legal review, and administrative labor. Small shops are not.

- *Compliance burdens disproportionately affect small and rural facilities.*
- *The regulation risks driving smaller operators out of insurance-related repair work entirely.*

- *Reduced participation means fewer consumer choices and potential delays in repairs.*

This is counter to California's interest in supporting equitable small-business participation.

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7. *The Regulation Solves a Problem Not Demonstrated to Be Systemic*

While consumer complaints should always be taken seriously, there is no evidence of widespread storage-fee abuse requiring sweeping new rules. Existing statutes (B&P Code, Civil Code, Vehicle Code) already govern lien rights, disclosures, and storage-fee limitations.

- *The proposal duplicates protections that already exist.*
- *It fails to identify data showing systemic harm or disproportionate consumer impact.*
- *It appears primarily responsive to insurer disputes rather than consumer need.*

Regulation should be targeted, evidence-based, and proportionate to actual risk.

Conclusion and Request

For the reasons stated above, I respectfully urge the Bureau to withdraw, revise, or substantially modify the proposed storage-fee regulation.

If BAR seeks to improve transparency, I encourage a more balanced approach that:

- *Recognizes EV storage complexity and cost,*
- *Avoids rate-setting through statewide averages,*
- *Minimizes administrative burden,*
- *Preserves fairness between insurers and repair facilities, and*
- *Supports small, independent businesses that form the backbone of California's automotive repair network.*

Thank you for the opportunity to provide input.

Reply to comment 4:

The Bureau considered the comment and modified the text based upon the comment.

1. The Bureau deleted proposed sections 3351.8.2(a)(1) and (2), renumbered section 3351.8.2(a)(3) to (a)(1), and added a revised section 3351.8.2(a)(2). These changes removed the language that vehicle storage rates charged by an ARD must be comparable to the published average and median maximum daily vehicle storage rates. These changes were necessary, as Vehicle Code section 22524.5(c)(2)(B) currently

requires vehicle storage rates to be comparable to similar facilities, making the proposed text duplicative to the existing statute.

The determination of vehicle storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those vehicle storage rate(s) for consumers, promoting transparency.

For determining average and median maximum daily vehicle storage rates for a given locale, the proposed regulations only ask for and take into consideration maximum daily vehicle storage rates charged for non-electric vehicles. Electric vehicle storage rates are specifically excluded from the reporting requirement.

BAR is providing the search tool to help interested parties determine comparable vehicle storage rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's storage rate(s). See proposed section 3351.8.1(f)(2).

2. The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's storage rate(s). See proposed section 3351.8.1(f)(2). BAR believes these regulations will help minimize insurer delays by incentivizing decisions on the disposition of the vehicle.

3. BAR does not believe this regulation creates an unreasonable administrative burden that would negatively impact ARDs. The only reporting requirement is for an ARD to provide BAR with their maximum daily vehicle storage rate as part of their annual application for registration renewal. As far as posting requirements, under current law, the ARD should already be posting their vehicle storage rate(s) and, if the ARD maintains a motor carrier permit under Vehicle Code section 34620, they should already display the Towing and Storage Fees Access Notice, as is required under Vehicle Code sections 22651.07. In addition, customer notifications regarding vehicle storage, a best practice for keeping the customer informed about their vehicle, should already be taking place, such as notifying the customer if the vehicle is being moved for storage purposes to a different location, or if the ARD intends to charge fees if it becomes necessary to store a vehicle either following completion of repairs or when an ARD declines to repair a vehicle. The ARD also should be attempting to contact the registered owner to obtain

authorization to repair the vehicle and document those contact attempts in situations where a vehicle is towed and dropped at the facility without the registered owner or their representative being present. These requirements are consistent with the Automotive Repair Act and its consumer disclosure and notification requirements (i.e., estimate/authorization and invoice documentation) in all automotive repair transactions.

4. BAR is not restricting storage accrual to any timeframe. ARDs are not being forced to absorb the cost of space occupied by a vehicle due to insurer delays to inspect a vehicle that a consumer has filed an insurance claim to have repaired.

As originally written, if an ARD declines to repair a vehicle because it is a total loss, the ARD shall notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging vehicle storage fees. Once that notification is made, the ARD may begin to charge vehicle storage fees. An ARD may decline to repair a vehicle for any reason; it could be based on a visual inspection to determine whether a vehicle is a total-loss or not worth repairing, a vehicle is one they cannot repair or are not authorized by the manufacturer to repair, etc. See proposed section 3351.8.1(h).

The one-day notification requirement in the proposed regulations was modified in the proposed text. Text now allows for any amount of time for notification, so long that the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

After performing a tear down (i.e., disassembly of a damaged vehicle or any of its components), an ARD shall provide a three-day notice to the customer before charging storage fees. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before storage fees may begin to accrue. After the notification and three days have passed (if applicable), the ARD may begin to charge storage fees.

This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision about repairing their vehicle.

5. The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

For determining average and median maximum daily vehicle storage rates for a given locale, the proposed regulations only ask for and take into consideration maximum daily vehicle storage rates charged for non-electric vehicles. Electric vehicle storage rates are specifically excluded due to the complexity involved in storing such a vehicle. A shop that only specializes in the repair of electric vehicles therefore would not be subject to the reporting requirement regarding their maximum daily storage rate.

BAR believes this will provide more transparency, as customers and interested parties will have a reference tool they can use to identify average and median maximum daily vehicle storage rates for a locale.

6. BAR does not believe this regulation creates an unreasonable administrative burden that would negatively impact ARDs. The only reporting requirement is for an ARD to provide BAR with their maximum daily vehicle storage rates as part of their annual application for registration renewal. As far as posting requirements, under current law, the ARD should already be posting their vehicle storage rate(s) and, if the ARD maintains a motor carrier permit under Vehicle Code section 34620, they should already display the Towing and Storage Fees Access Notice, as is required under Vehicle Code sections 22651.07. In addition, customer notifications regarding vehicle storage, as a best practice for keeping the customer informed about their vehicle, should already be taking place, such as notifying the customer if the vehicle is being moved for storage purposes to a different location, or if the ARD intends to charge fees if it becomes necessary to store a vehicle either following completion of repairs or when an ARD declines to repair a vehicle. The ARD also should be attempting to contact the registered owner to obtain authorization to repair the vehicle and document those contact attempts in situations where a vehicle is towed and dropped at the facility without the registered owner or their representative being present. These requirements are consistent with the Automotive Repair Act and its consumer disclosure and notification requirements (i.e., estimate/authorization and invoice documentation) in all automotive repair transactions.

7. BAR disagrees with the commenter's assertion that the need for the proposed regulations was not adequately demonstrated. BAR provided sufficient justification for the necessity of the proposed regulations in the Initial Statement of Reasons . BAR also provided sufficient justification for the necessity of the post-notice modifications in the Final Statement of Reasons. Additionally, items 2, 3, and 4 were added to the Underlying Data for these regulations to show the Bureau's efforts to combat fraudulent vehicle storage practices by ARDs. The fraudulent vehicle storage practices identified in that case and other enforcement actions constitute significant consumer harm that demonstrates the compelling need for these regulations. By clarifying and bringing together existing statutes on vehicle storage, BAR will be helping prevent vehicle storage fee abuse.

Comment (5) Oscar Moreno on December 2, 2025:

Dear BAR Regulatory Team,

Auto Repair Dealers (ARDs) across California are experiencing increasing challenges arising from insurers' interpretations of BAR guidance on "presumptively unreasonable" fees, particularly as insurers continue shifting to remote claim handling. We understand BAR does not have regulatory authority over insurance companies and that the primary role is to protect customers.

Since COVID-19, most insurers no longer send field adjusters to inspect vehicles. ARDs are now required to perform many of the functions previously performed by insurers, including:

- *Photographing vehicles and labeling images*
- *Preparing initial estimates and detailed damage analysis ("blueprinting")*
- *Accessing OEM manufactures repair manuals and paying for this access*
- *Researching OEM repair procedures*
- *Providing via email and Uploading documentation like photos, repair procedures, damage analysis estimates, often (using Insurers portals)*
- *Communicating with customers, insurers, Third party Appraisal companies, Copart, IAA, tow vendors, and third-party cost-reduction services such as SOLVD US and Control Expert.*

These tasks involve significant technical labor performed by repair planners and technicians—not administrative staff—and they are expressly authorized by customers.

Growing Issue: Insurers Labeling Necessary Technical Labor as "Unreasonable" or "Unlawful"

Many insurance companies are now refusing to pay for this work by citing BAR's webpage language regarding presumptively unreasonable fees, specifically:

"Administrative or filing fees, except those incurred related to documentation from DMV and those related to the lien sale of a vehicle."

(VC §§ 10652.5(d), 22524.5(c)(3))

Insurers are misapplying this guidance by claiming that all tasks involving documentation, fees related to accessing OEM information, OEM research and retrieval, damage analysis, photo documentation, photo labeling and communication fall under "administrative fees," even when:

1. *The work was actually performed by skilled technical staff;*
2. *It is a required step to prepare an accurate and safe repair plan;*
3. *It was authorized by the customer;*
4. *BAR has previously stated that shops may charge for labor legitimately approved, performed and documented as well BAR has stated Such fees can "be rebutted by evidence. Link* [Link to Repair Driven News article at the end]
5. *Insurers themselves rely on ARDs to perform these tasks because they no longer send adjusters.*

In some cases, insurers escalate these disputes by threatening ARDs with litigation or refusing payment "under duress," placing both the shop and consumer in an unfair position and creating significant delays in claim resolution.
Request for BAR Clarification
To help prevent ongoing disputes and protect consumers from unfair delays, we respectfully request clarification from BAR on the following:
1. When technical labor such as documentation, OEM procedure research, blueprinting, and photo documentation is performed by an ARD and authorized by the customer, may the ARD lawfully charge for this labor?
2. Does BAR consider these tasks "administrative fees," or does BAR recognize them as part of the repair process that requires technical skill and may be billed as legitimate labor operations?
3. If insurers depend on ARDs to perform damage analysis and claim-adjustment functions, is the ARD obligated to perform this work at no charge?
4. Can BAR provide guidance to reduce insurers' misuse of the "presumptively unreasonable" language and clarify that this provision was never intended to force ARDs to perform technical labor for free?
5. Can BAR issue clarification reinforcing that when the customer authorizes the work and the ARD performs and documents it, the ARD may charge for the work—even if insurers choose not to reimburse it?
Clear direction from BAR will help eliminate confusion and protect consumers from unnecessary delays caused by disputes over legitimate repair-related labor.
Thank you for considering this request. We greatly appreciate BAR's ongoing efforts to support consumer safety and ensure fair, transparent repair practices across California.

Reply to comment 5:

The Bureau considered the comment and did not modify the text based upon the comment.

Items 1-3. BAR suggests including these types of labor in the ARD's hourly rate, as charges for preparing an estimate are related to the repair transaction (i.e., estimated cost of parts and labor to repair a vehicle), and therefore are not an administrative fee.

Items 4-5. Any allegations regarding an insurer forcing an ARD to perform work for free is an issue that should be brought to the attention of the California Department of Insurance. Also, it is always a good idea for ARDs to professionally explain to their customers the importance of speaking with their insurer to determine whether any repairs they wish to authorize to have performed at an ARD are covered under their automotive insurance policy. (See California Code of Regulations section 3353(d)). This is a best practice that is intended to work with the regulatory provision that requires an ARD to give a customer three days after completion of a tear down for that customer to

authorize repairs or remove the vehicle from the facility to avoid the accrual of any potential storage fees. This provision gives the consumer time to consult with their insurance company on whether the customer wants to authorize an ARD's itemized estimate to repair the vehicle.

Comment (6) Oscar Moreno on December 2, 2025:

Questions Requiring Clarification

1. Use of BAR's "Average Storage Rate" Survey Data

- *Will BAR explicitly prohibit insurers from using BAR's published "average" or "median" rates as a maximum allowable rate?*
- *What safeguards will BAR implement to prevent the survey from becoming a de facto price cap, especially in high-cost areas?*
- *How will BAR ensure that unique operational costs (rent, security, indoor storage, certifications, insurance, labor) are reflected?*

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2. Definition and Determination of "Reasonable Storage"

- *How will BAR define "reasonable" in a way that accounts for different types of facilities (indoor vs. outdoor, secure vs. unsecured, OEM-certified vs. non-certified)?*
- *Will BAR conduct cost-of-operation studies before setting expectations for reasonableness?*

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3. Locale Radius Determination

- *What objective methodology will BAR use to determine a "locale" radius?*
- *How will BAR avoid unfair comparisons between:*
  - *high-rent metropolitan areas and rural markets*
  - *OEM-certified facilities and uncertified facilities*
  - *secured indoor storage and basic fenced lots*
  - *Electric vehicle safeguard areas and shops with out*

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4. Posting and Reporting Requirements

- *Will BAR provide a standardized posting format for storage rates to ensure statewide consistency ?*
- *If a shop fails to submit storage rates during renewal, what penalties will apply?*
- *How will BAR protect ARDs from complaints arising solely due to insurer disagreements over posted rates?*

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5. Risk of Increased Audits for ARDs

The proposal includes new estimates, invoice formats, reporting, posting, and storage definitions.

- *Will BAR provide a clear compliance guide before enforcement begins?*

- *Can BAR commit to an initial "grace period" for shops adjusting to new standards?*

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6. Total Loss Claims and Insurer Delays
ARDs are already financially harmed by delays in total-loss processing.

- *How will BAR ensure that insurers cannot weaponize the "average rates" to reduce lawful storage payments?*
- *Will BAR define response timelines for insurers (inspection, supplements, total-loss determinations)?*
- *How will BAR address the well-documented issue of insurers refusing to pay storage for days caused by their own delay?*

Thank you for your time and consideration.

Reply to comment 6:

The Bureau considered the comment and did not modify the text based upon the comment.

1. There will not be a maximum allowable storage rate or price cap on storage rates.

BAR has no intention of, and is not, price fixing, setting a price, or mandating that ARDs fall within a market area average. (Note: Price fixing is when an agreement is made amongst competitors to set prices. The Bureau, as a licensing and regulatory authority, is neither a competitor to ARDs nor setting prices.) The Bureau is merely publicizing the average and median maximum daily vehicle storage rates for a given locale (see proposed text section 3351.8.1(f)) for the benefit of consumers. BAR is conducting an analysis to provide transparency that will help interested parties determine what is comparable within a given locale.

The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's vehicle storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

The determination of vehicle storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their

actual vehicle storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those storage rate(s) for consumers, providing transparency.

2. BAR will use Vehicle Code 22524.5(c) to assist in determining if a fee is presumptively unreasonable. BAR will not be conducting cost-of-operation studies.

3. Published average and median maximum daily vehicle storage rates are determined by locale, which is more narrowly defined than an entire county. For this reason, BAR established multiple locales. Each locale is defined as a geographic radius surrounding a reporting ARD (i.e., an ARD must annually report to BAR its maximum daily vehicle storage rate) that is sufficient to calculate average and median maximum daily vehicle storage rates for that area.

A locale incrementally expands as necessary until there is enough data available to establish reliable and publishable average and median maximum daily vehicle storage rates for an area. The smallest locale consists of all reporting ARDs within a two-mile radius. If an insufficient number of reporting ARDs (less than 20) exist within that two-mile radius, the locale expands to a five-mile radius. If there is an insufficient number of reporting ARDs (less than 10) within that five-mile radius, the locale expands to a 20-mile radius. And lastly, if there are an insufficient number of reporting ARDs (less than five) within that 20-mile radius, the locale expands to the entire county. See proposed section 3351.8.1(f).

The determination of vehicle storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those storage rate(s) for consumers, promoting transparency.

4. BAR will not be providing a standardized posting format for storage rates. The only requirement is that the vehicle storage rate(s) are posted adjacent to where customers are/in a conspicuous place. This provides flexibility for ARDs that have multiple or varied vehicle storage rates.

Penalties for violations of the Automotive Repair Act pursuant to BPC 9884.7 will be consistent with current BAR Enforcement policies. Complaints and disagreements will be addressed consistently with current consumer complaint procedures. Current processes will continue.

Third-party payor disputes regarding an ARD's posted vehicle storage rate(s) should be directed to the California Department of Insurance.

5. Up-to-date general information about vehicle storage-related laws and regulations can be found on BAR's website at https://www.bar.ca.gov/storage, and about documentation and authorization requirements in the Write It Right guide at https://www.bar.ca.gov/wir. Pursuant to proposed section 3351.1(a)(2)(U), the maximum daily vehicle storage rate shall be reported to BAR at the time of initial application for an automotive repair dealer registration, and annually upon renewal of the registration. Pursuant to proposed section 3351.8.1(f)(3), the search tool will not be available until January 1, 2028, which is one year from the effective date of this regulation package as described in section 3351.8.1(f)(3).

6. The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's storage rate(s) and shall not be used to limit or suppress an ARD's vehicle storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

BAR has no intention of, and is not, price fixing, setting a price, or mandating that ARDs fall within a market area average. (Note: Price fixing is when an agreement is made amongst competitors to set prices. The Bureau, as a licensing and regulatory authority, is neither a competitor to ARDs nor setting prices.) The Bureau is merely publicizing an average and median price for a given locale (see proposed text section 3351.8.1(f)) for the benefit of consumers. BAR is conducting an analysis to provide transparency that will help interested parties determine what is comparable within a given locale.

BAR does not have the authority to define response timelines for insurers. This would be handled by the California Department of Insurance.

Comment (7) Beau Mannering on December 8, 2025:

Thank you for making the efforts necessary to address much needed refinements to facilitate better consumer protections and better customer experiences when it comes to storage fees and automotive repair dealers. After reading the proposed regulatory action I would like to provide comment for further consideration:

RE: section 3303, " to add a definition for "Vehicle Storage."

- *Reporting the maximum daily rate is useful, but only partially so, as ADR's will typically have indoor and outdoor storage rates. This may also prompt ADR's to conceive additional "premium", or alternative storage services, if for no other*

reason than to inflate the maximum averages reflected in the reporting tool, with the hopes of collecting higher rates on customary storage services. Please consider revising this to include reporting for both indoor and outdoor essential service rates.

- *This may also be the appropriate space to define reasonable storage for indoor vs outdoor. Please consider the following:*
    - *Factors that reasonably necessitate indoor storage, i.e. vehicle envelope compromised in a manner that customary measures of wrapping a vehicle would not adequately mitigate further damage.*
    - *Outdoor storage availability. If a customer is not offered, or given the opportunity to decline outdoor storage, it may not be reasonable for an ADR to apply indoor rates.*

RE section 3351.8.1 to provide that:

- *"…storage rate(s) shall be based on their costs associated with storing vehicles."*
    - *How will reasonable ADR associated costs be established?*
        - *Some ADR's choose to utilize offsite storage, this is an elective business decision that may increase their operating expenses and therefore create higher pass-through costs to the customer and increased margin on a percentage basis for the ADR.*
            - *Please consider addressing this matter to exclude or limit any additional financial burden to customers for these ADR elective operating costs.*
        - *How will storage expenses be accounted for when general overhead expenses are shared with ADR repair operations and in mixed use spaces, particularly for indoor storage?*
    - *More importantly, what markup on direct, and indirect, associated costs will be deemed reasonable to prohibit predatory and exorbitant pricing?*
- *Please consider building the storage rate reporting tool to include averages and means for both indoor and outdoor rates to more accurately reflect the market and reasonable amounts owed.*
- *"When an ARD receives a vehicle for the purposes of repair, but the customer does not authorize the repairs…"*
    - *Please consider amending to include language related a third-party payer for the customer. Additionally, consider adding language that addresses the termination of a repair transaction. For example: …but the customer, or authorized third-party payer, does not authorize, or chooses to discontinue repairs…*

Thank you for your consideration and attention to this very important matter. I and may other will be looking forward to advances in this space of vehicle storage.

Reply to comment 7:

The Bureau considered the comment and did not modify the text based upon the comment.

For determining average and median maximum daily vehicle storage rates for a given locale, these regulations only ask for and take into consideration an ARD's maximum daily vehicle storage rate charged for non-electric vehicles. ARDs also are required to post at their facility for disclosure to their customers all of the various vehicle storage rates they charge (which can differ based on indoor versus outdoor, onsite versus offsite, etc.). However, for purposes of this regulation the maximum daily vehicle storage rate, as reported annually to the Bureau upon registration renewal, is what will be used to determine the average and median maximum daily vehicle storage rates for a given locale.

The determination of vehicle storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual vehicle storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those storage rate(s) for consumers, promoting transparency.

A third-party payor cannot be designated as the customer (see Business and Professions Code section 9880.1(f)). Upon completion of the repair transaction, vehicle storage fees can start to accrue. Tear down estimates are strongly encouraged in collision repair transactions, as they allow an ARD to make a full assessment of the collision damage and determine the repairs necessary to restore a vehicle to its pre-loss condition. The tear down process significantly reduces, if not eliminates, the need for supplemental (i.e., revised) estimates, results in faster repair times, provides consumers with a more realistic timeframe for the repair process, leads to fewer consumer complaints, and avoids a vehicle being deemed a total loss after the ARD performs extensive collision repairs due to later discovery of hidden damage.

Comment (8) Jack Molodanof on December 17, 2025:

1) BAR Conducting Surveys to Set Pricing Is Regulatory Overreach and Beyond Its Authority – Section 3351.8.1(f)

The proposed regulations under section 3351.8.1 (f) would authorize BAR to create a search tool on its website that effectively allows BAR to conduct surveys of vehicle storage rates to determine what automotive repair businesses may charge for these

services and to make those results public. This constitutes regulatory overreach and exceeds BAR's statutory authority, as businesses are generally free to set their own prices. The concern is heightened because publicly releasing these survey results would effectively influence—or even set—storage rates across the automotive repair industry.

Although BAR may conduct informal, internal, and non-public surveys in response to consumer complaints—primarily to ensure that daily storage rates are fair and reasonable—it does not have authority to conduct formal, publicly released surveys intended to establish or standardize industry storage rates. Implementing such a system would exceed BAR's statutory authority and would require legislative approval. Please see (Government Code § 11340 et seq.), (Gov. Code § 11349.1(a)) and California Code of Regulations (CCR), Title 1, § 14

Furthermore, setting or influencing prices through public surveys undermines California's long-standing reliance on market competition to determine rates. When a regulatory agency publishes pricing benchmarks, even indirectly, businesses may feel compelled to conform to those figures, resulting in de facto price controls. This can artificially suppress or standardize rates in regions with widely varying costs of doing business.

In addition, publicly posting industry rates may inadvertently facilitate price coordination or discourage natural market competition. When businesses know that BAR publishes an "average" rate, they may cluster around that figure to avoid regulatory scrutiny, reducing competitive pricing and raising potential antitrust concerns.
Reasonable Alternative

A reasonable alternative is for BAR to continue conducting informal storage-rate surveys solely for the purpose of responding to consumer complaints and determining whether individual storage charges are fair and reasonable. However, this information must remain confidential and not be publicly released, as any public disclosure would inevitably influence—and effectively dictate—storage rates statewide.

2) One-Business-Day Notification Requirement Is Unrealistic for Repair Businesses – Section 3351.8.1(h)
The proposed requirement to notify a customer within one business day that a repair will be declined under section 3351.8.1 (h) is unrealistic and may increase operational costs for repair businesses, ultimately leading to higher consumer prices.

Automotive repair dealers—especially small and medium-sized shops—manage a high volume of vehicles while simultaneously handling diagnostics, repairs, insurance

communications, parts sourcing, customer inquiries, and day-to-day administrative tasks. Requiring notification within one business day of receiving a vehicle leaves little practical time to:

- *review the vehicle's condition,*
- *determine repair feasibility,*
- *contact the customer or insurer for clarification, and*
- *document the reasons for declining repairs.*

A one-day deadline simply does not reflect the operational realities of most automotive repair facilities.

This requirement forces repair dealers to reorganize workflow and assign staff solely to monitor incoming vehicles and issue notices. As a result, shops would face higher labor costs for additional administrative work, and new compliance tracking systems, software, or procedures. These burdens are unnecessary, particularly when the regulation identifies no demonstrated consumer harm that would warrant such an accelerated notification timeline.

Large chain shops may be able to absorb the cost of extra administrative staffing or automated systems, but smaller or independent repair shops cannot. A one-day requirement disproportionately impacts small businesses, creating increased difficulty complying with limited staffing and challenges during high-volume periods, holidays, or employee absences.

There is no justification for such a short window, which heightens compliance risk without providing meaningful consumer benefit.
Reasonable Alternative

A reasonable alternative is for BAR to adopt a three-business day notification period, which would reduce the need for constant monitoring of incoming vehicles and allow adequate time for a thoughtful and accurate response.

3) Mandatory Three Days of Free Storage Exceeds BAR's Statutory Authority – Section 3351.8.2(b)(1)

The proposed requirement that customers be given no fewer than three business days after completion of the teardown and receipt of the estimate before storage fees may begin to accrue under section 3351.8.2 (b) (1) effectively forces repair shops to provide three business days of free storage. This imposes a direct financial burden on automotive repair dealers unrelated to BAR's statutory purpose.

BAR's authority is derived from the Automotive Repair Act. While the Act authorizes BAR to require estimates, disclosures, and repair authorizations, it does not authorize BAR to mandate minimum periods of free storage. Implementing a mandatory free-service requirement crosses into price regulation—a domain that requires explicit legislative authority. Because the Act contains no such grant of power, a regulation requiring three days of free storage is beyond BAR's legal authority. Please see (Government Code § 11340 et seq.), (Gov. Code § 11349.1(a)) and California Code of Regulations (CCR), Title 1, § 14.

Requiring shops to provide free storage also raises due-process and potential takings-type concerns. Forcing businesses to absorb the cost of storing a vehicle—without compensation—effectively compels them to subsidize consumers or insurance companies. Storage is a costly service involving property, insurance, security, labor, and liability exposure. Imposing a blanket three-day free-storage mandate may therefore be considered excessive, or constitutionally problematic.

BAR is exceeding its authority by imposing what is effectively a price control without legislative approval. Businesses face overhead costs, liability insurance requirements, operational expenses, and legal obligations related to vehicle storage and protection. Requiring shops to provide these services at no charge is unfair and potentially unconstitutional.

Reasonable Alternative

A reasonable alternative is for the regulation to allow automotive repair dealers to determine how many days—if any—should elapse after completion of the teardown and delivery of the estimate before storage fees may begin to accrue. This approach preserves consumer protection while respecting statutory limits and the financial realities faced by repair shops.

Reply to comment 8:

The Bureau considered the comment and did not modify the text based upon the comment.

1. BAR has the authority to promulgate these regulations under Business and Professions Code sections 9882, 9884, 9884.2, 9884.4, 9884.9, 9884.16, 9884.19 and 9887.1.

The search tool is designed 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, not to push down rates. The published average and median maximum daily

vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's vehicle storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

BAR has no intention of, and is not, price fixing, setting a price, or mandating that ARDs fall within a market area average. (Note: Price fixing is when an agreement is made amongst competitors to set prices. The Bureau, as a licensing and regulatory authority, is neither a competitor to ARDs nor setting prices.) The Bureau is merely publicizing an average and median price for a given locale (see proposed text section 3351.8.1(f)) for the benefit of consumers. BAR is conducting an analysis to provide transparency that will help interested parties determine what is comparable within a given locale.

The proposed alternative would not give the public the opportunity to determine what is "comparable" in a given "locale", and nothing would change, which would lead to continued confusion and lack of transparency. Providing the search tool and published average and median maximum vehicle storage rates for all ARDs in one of four defined locales will help alleviate confusion and promote transparency. The published average and median vehicle storage rates are based on an ARD reporting each year to BAR their maximum daily vehicle storage rate, which will not be available in the search tool.

2. As originally written, if an ARD wanted to decline the repair of a vehicle , the ARD would have been required to notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging storage fees. Once that notification was made, the ARD could begin to charge vehicle storage fees.

However, the one-day notification requirement in the original proposed regulations was changed in the proposed modified text. The proposed regulations would now allow for any amount of time for notification, so long as the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before vehicle storage fees can be charged.

3.The ARD shall provide a three-day notice before charging vehicle storage fees after a teardown has been completed. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before storage fees may begin to accrue. This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision. After the notification and three days have passed (if applicable), the ARD may begin to charge storage fees.

Pursuant to Title 10, CCR section 2695.8, an insurer has six business days for an inspector to inspect a vehicle if they choose. Since an insurer is not the customer, BAR

felt that three business days was a reasonable amount of time for a consumer to get a hold of their insurer to discuss the repairs recommended by an ARD.

Additionally, BAR disagrees with the commenter's assertion that the proposed requirement exceeds its statutory authority. As cited, BAR has the authority to adopt these regulations pursuant to Business and Professions Code sections 9882, 9884, 9884.2, 9884.4, 9884.9, 9884.16, 9884.19, and 9887.1. The proposed requirement is intended to protect consumers by ensuring they have an opportunity to review the repair estimate and make decisions regarding their vehicle before vehicle storage fees begin to accrue.

Comment (9) Personal Insurance Federation of California and National Association of Mutual Insurance Companies on December 17, 2025:

The Personal Insurance Federation of California (PIFC) represents thirteen of the nation's largest property and casualty insurance companies—including State Farm, Farmers, Liberty Mutual, Progressive, Mercury, Nationwide, Allstate, CONNECT by American Family, Kemper, CSAA, the Automobile Club of Southern California, GEICO, and USAA—along with associate members NAMIC and CHUBB. Collectively, our members write the majority of homeowners' and auto insurance policies in California.

The National Association of Mutual Insurance Companies (NAMIC) consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

PIFC and NAMIC respectfully submit these comments in strong support of the Bureau of Automotive Repair's (BAR) proposed regulations governing storage fees charged by Automotive Repair Dealers (ARDs). PIFC and NAMIC represent property and casualty insurers that collectively serve millions of California policyholders and are routinely involved in vehicle repair, recovery, and storage matters following collisions and other covered losses. As a result, our members and their policyholders are directly affected by how storage fees are assessed, disclosed, and enforced.

Abusive towing and storage practices cost vehicle owners and their insurers over half a billion dollars each year. For many years, there have been growing concerns related to excessive towing and storage fees generated by the practices of some unscrupulous companies. Although the vast majority of these firms are honest and

well-intentioned, some engage in abusive business practices designed to increase towing and storage charges.

We commend BAR for proposing a unified regulatory framework to consolidate the fragmented statutory provisions governing vehicle storage fees that currently exist across the Business and Professions Code, Civil Code, and Vehicle Code. By clearly defining when storage fees may be charged, how rates must be established, and what disclosures are required, the proposed regulations will significantly improve transparency, reduce confusion, and protect consumers from abusive or excessive storage charges. Requiring ARDs to disclose their maximum daily storage rate, base those rates on actual storage-related costs, and itemize all storage fees on invoices are critical reforms that will ensure consumers understand and can evaluate the charges imposed on them.

While we strongly support the proposal, PIFC and NAMIC respectfully offer the following concerns and recommendations to further strengthen the regulations and ensure they achieve their intended consumer protection goals.

First, strong and visible enforcement will be essential to the success of these regulations. Even well-crafted requirements will fail to protect consumers if they are not consistently enforced. We encourage BAR to clearly articulate its enforcement approach, including complaint handling, audits, and disciplinary actions, to deter noncompliance and prevent bad actors from continuing to impose improper or inflated storage fees. Effective enforcement is particularly important in storage fee disputes, where consumers often lack bargaining power and may feel compelled to pay questionable charges to recover their vehicles.

Second, Section 3351 addresses storage fees and related charges for non-electric vehicles but does not include electric vehicles (EVs) in order to ensure that higher charges for EVs do not disproportionately skew the rate for this type of vehicle's storage. Given California's leadership in EV adoption and the significant and growing number of EVs on the road, this omission is a substantial gap in the regulatory framework. Without clear requirements, ARDs may exploit this silence by imposing undisclosed or inflated EV-specific storage charges.

We strongly recommend adding a separate section that explicitly addresses electric vehicles and requires clear disclosure of any EV-related storage fees or rate differentials. BAR should ensure consistent alignment with general principles

recommended for other states: reasonableness, transparency, and documented cost basis, while recognizing EV-specific infrastructure and handling demands. Doing so will prevent gamesmanship, promote transparency, and ensure that EV owners receive the same consumer protections as other vehicle owners.

Third, we are concerned that the language in Section 3351.8.1(f)(2) could inadvertently jeopardize the appropriate use of prevailing market rates when establishing storage fees. As drafted, the provision risks being interpreted in a manner that limits legitimate, market-based rate setting and could create uncertainty for both ARDs and consumers. To address this concern, we respectfully suggest amending the provision to read as follows:

"Published average and median storage rates shall not be used solely or as the only source to establish or otherwise influence an automotive repair dealer's storage rate(s) and shall not be used to limit or suppress an automotive repair dealer's storage rate(s)."

This clarification would preserve BAR's intent to prevent artificial or unsupported rate inflation while allowing prevailing market data to be considered appropriately and in context.

In closing, PIFC and NAMIC appreciate BAR's efforts to bring clarity, consistency, and fairness to the regulation of vehicle storage fees. With strong enforcement, explicit treatment of electric vehicles, and targeted refinements to the proposed language, these regulations will provide meaningful consumer protections and reduce disputes over improper storage charges. We look forward to continued engagement with BAR and appreciate the opportunity to comment.

Reply to comment 9:

The Bureau considered the comment and did not modify the text based upon the comment.

1. BAR agrees that effective enforcement is important, and BARs enforcement related to vehicle storage fees will be consistent with current BAR enforcement policy. That policy recognizes that circumstances will help BAR determine the most appropriate course of action. Enforcement action ranges from educating an ARD on BAR laws and regulations to ensure compliance on one end of the spectrum to formal discipline on the

other end to revoke an ARD's registration due to an egregious act(s) or pattern of abuse that harms consumers.

2. For determining average and median maximum daily vehicle storage rates for a given locale, the proposed regulations only ask for and take into consideration maximum daily vehicle storage rates charged for non-electric vehicles. Electric vehicle storage rates are specifically excluded.

3. Adding "solely or as the only source" to the restrictions regarding use of BAR's published average and median maximum daily vehicle storage rates for a locale would be inconsistent with Vehicle Code section 22524.5(c)(2)(b). It is the business decision of each ARD, based on their actual costs to store a vehicle, on the amount it charges for vehicle storage, so long as that amount is not unreasonable.

Comment (10) Michael Geeser on December 29, 2025:

§3303(x). The definition for "Vehicle Storage" directly references an "automotive repair dealer" that has possession of the vehicle and storing cars. This is good. Hopefully this will prevent unlicensed ARDs from trying to charge market rates (or any storage rates at all) when they have possession of the car. They routinely try to argue they're just "tow yards" when they're not repairing the cars.

§3351(a)(2)(U) – This is almost a good definition. We do not like how it qualifies or limits the definition to charging storage fees "after performing repairs" only, especially when the "Vehicle Storage" definition includes "without repairs." This definition and section regarding maximum daily rates should apply regardless of if a vehicle is repaired. This would cause a great loophole for all vehicles never repaired, never receiving tear downs, and being totaled. This should be amended to include even where repairs are not performed, unless there is a corresponding section for that.

§3351.8.1(b) – The provision to exclude any "negotiated storage rate with third-party payor" is interesting to include. We suppose this is a good thing overall, as we have many DRN's that do not charge storage, so it would be unfair to include that in their general rate to the public.

§3351.8.1(c) – (1) This is good. But (2) provides a loophole for all businesses, as there is no description for "necessary" to store the vehicle elsewhere, and it only requires a unilateral notice by the ARD to the customer (electronically or orally), but it is not required to be in writing. It should always be in writing. (3) No cost is good to include, but it shouldn't then allow the ARD to require the customer to pay for that transfer. There is no provision requiring the ARD to notify the customer that the customer doesn't have to pay, so the ARDs will omit that information and get the customer to charge it. This loophole shouldn't exist. Storage is included and defined to incorporate all the

ARD's normal business costs, so this shouldn't be tacked on to it if it is "necessary" for the ARD to store the vehicle elsewhere.

§3351.8.1(e) – This is a good provision to include by reference (to the Civil Code 3067 et seq). It is already a requirement.

****§3351.8.1(f)(2) – This is bad. It is saying that the reported rates that are published "shall not be used to establish or otherwise influence" rates, including to "limit or suppress" an ARD's rates. This goes against the "comparable market rate" referenced in Vehicle Code section 22524.5(c)(2) (and the later proposed §3351.8.2(a)(1)). However, they did remove the language that cannot be used as evidence to establish what is reasonable, so we can still utilize the rates and argue this later.*

§3351.8.1(h) – This is great! This means that it will reduce the wait time to know if a vehicle should be relocated or totaled immediately, thereby reducing storage costs overall. This first part should stay as it is. However, we still believe this needs to be in writing. And if a third-party payor is known that notice should be dually sent to the third-party payor.

§3351.8.2(a)(2) – There is no reason given why an incomparable rate is permissible. This also goes against Vehicle Code section 22524.5(c)(2).

§3351.8.2(c) – Words appear to be missing. Typo? The phrase: "including the tear down of a vehicle or part in accordance…" Does this mean "awaiting parts"? The word "part" is what is confusing. Section (d) after this is good to include, but the notice to the customer should also be in writing.

§3351.8.3(a)(2) – This is good that it includes in more detail that the three attempts must be made on three separate business days. This was unclear before. It is much better now.

Reply to comment 10:

The Bureau considered the comment and did not modify the text based upon the comment.

1. Proposed section 3303(x) seeks to define "vehicle storage" and "storing a vehicle" for registered ARDs performing vehicle storage services. Unregistered businesses that do not perform automotive repair are not subject to the proposed regulations.

2. Proposed section 3351(a)(2)(U) only establishes the requirement that an applicant for an automotive repair dealer registration provide the Bureau their maximum daily vehicle

storage rate(s). Other provisions in the proposed regulations address the scenario raised by the commentor when repairs to a vehicle are not performed.

3. The Bureau concurs with the comment that the exclusion of negotiated vehicle storage rates included in proposed section 3351.8.1(b) is necessary to maintain the accuracy of the data published in the Bureau-created online search tool.

4. Regarding section 3351.8.1(c), whether it is necessary to move a vehicle is between the ARD and the customer; the ARD has to determine the necessity and disclose the moving of a vehicle to the customer. For consistency, the notification is not required to be in writing, as existing regulations allow for “electronic or oral”, as defined under section 3352 of BAR’s existing regulations. BAR agrees the ARD should not require the customer to pay for a transfer without having obtained the customer’s authorization, which is why the customer has to authorize the charge; it cannot be added to the invoice without prior authorization by the consumer.

5. Proposed section 3351.8.1(e) was included to remind ARDs of the necessity of abiding by the provisions of not only the Business and Professions Code, but also the provisions of the Civil Code and Vehicle Code, as those statutes relate to vehicle storage.

6. The Bureau does not see the term “comparable market rate” referenced in Vehicle Code section 22524.5(c)(2), nor is it used in proposed section 3351.8.1(f)(2), which was amended to clarify that insurers shall not use average and median maximum daily vehicle storage rates to influence or restrict an automotive repair dealer’s vehicle storage rates, ensuring ARDs can set their own rates based on their actual costs of storing a vehicle.

7. The requirement in proposed section 3351.8.1(h)is consistent with existing regulations that allow for verbal (with appropriate documentation) or written (including electronic, such as texts) repair estimates and other repair transaction notifications between an ARD and their customer. Also, it is not the ARD’s responsibility to notify a third-party payor of its decision not to repair a vehicle, the ARD must only notify the customer.

8. Proposed section 3351.8.2(a)(2) is consistent with Vehicle Code section 22524(c)(2)(B). A storage rate and fee shall also be deemed reasonable if it is comparable to storage-related rates and fees charged by other facilities in the same locale. This does not preclude a rate or fee that is higher or lower if it is otherwise reasonable.

9. “Part” as used in proposed section 3351.8.2(c) refers to a part or component of a vehicle, such as the transmission. See section 3353(c)(1)(a). Also, notification is not required to be in writing.

10. The Bureau believes a response to the comment in support of proposed section 3351.8.3(a)(2) is unnecessary.

Comment (11) Ron Wilch on December 29, 2025:

As a concerned consumer and someone that works in the auto repair industry, I am writing regarding Assembly Bill 1263. I think it is important for Auto Repair Dealers (ARD) to be registered with the Bureau of Automotive Repair (BAR). I am writing to express my concern with the BAR having a search tool for the public to view storage rate data. I believe it is reasonable for the BAR to have their own database of Automotive Repair Dealers storage rates, but my concern is in regard to making that database public through the BAR.

I am concerned that any information published on the BAR’s website would be deemed by the general public as having the BAR’s endorsement simply by being provided by the BAR Website.

I do not believe the BAR should neither endorse nor deter any legitimate Automotive Repair Dealers pricing structure and that may occur through the BAR providing this information.

Furthermore, all databases no matter how many safeguards are in place can be populated with bad data, both purposefully or by mistake. This could expose the BAR to having to defend their data if challenged by outside sources.

I believe the BAR should have this kind of database but should keep their database internal and not accessible to outside companies and consumers. I do not see a need for the database to be public due to the fact that there are already Databases available to the public (www.laborratehero.com) that contain the same information that the consumer could access if they desired.

Reply to comment 11:

The Bureau considered the comment and did not modify the text based upon the comment.

BAR has no intention of, and is not, price fixing, setting a price, or mandating that ARDs fall within a market area average. (Note: Price fixing is when an agreement is made amongst competitors to set prices. The Bureau, as a licensing and regulatory authority,

is neither a competitor to ARDs nor setting prices.) The Bureau will merely be publicizing through the online search tool the average and median maximum daily vehicle storage rates for a given locale (see proposed text section 3351.8.1(f)), allowing interested parties to determine what is comparable within a given locale.

In addition, the published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's vehicle storage rate(s).

BAR is not endorsing nor attempting to deter any legitimate Automotive Repair Dealers pricing structure. The establishing of vehicle storage rates should be based on each ARD's actual costs, as this will allow an ARD to charge based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their vehicle storage rate. This allows an ARD to determine their actual costs to store a vehicle, based upon their unique circumstances, and report accordingly to the Bureau annually, upon renewal of registration, their maximum daily vehicle storage rate.

The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's vehicle storage rate(s). See proposed section 3351.8.1(f)(2).

Comment (12) Sarah Cuellar on December 29, 2025:

Please accept this written comment in regard to the Bureau of Automotive Repair's (BAR) proposed amendment to CCR Title 16, Sec. 3351.8(a)(2).

Our firm represents numerous lienholders who frequently encounter challenges in recovering vehicles from body shops in accordance with Civil Code Section 3068. We work diligently to mitigate damage to California consumers' credit by securing possession of hundreds of vehicles across California. The proposed amendment concerning the accrual of storage fees after three unsuccessful attempts to contact the registered owner raises significant concerns. As currently drafted, it risks creating confusion and may be exploited to undermine the protections afforded to our clients under Civil Code Section 3068.

In practice, we have experienced that certain body shops deliberately disregard Civil Code Section 3068, impose excessive storage fees, and retain vehicles in an effort to obtain authorization from the California DMV to sell those vehicles. Such

practices not only harm lienholders but also delay resolution for consumers and increase unnecessary costs. For these reasons, we respectfully request that the proposed revision be clarified to distinguish between the legal owner and the registered owner.

The BAR's proposed amendment reads as follows: "After three unsuccessful attempts to contact the registered owner on three separate business days, 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."

Our office respectfully requests the amendment reads: "After three unsuccessful attempts to contact the registered owner on three separate business days, 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. This provision applies solely to the registered owner and shall not affect or limit the rights of the legal owner as defined in Vehicle Code section 370 and Civil Code section 3068."

Reply to comment 12:

The Bureau considered the comment and did not modify the text based upon the comment.

Proposed section 3351.8.3 only refers to "registered owner", so this would not affect a "legal owner" (e.g., lending institution providing an auto loan).

Comment (13) Todd Hesford on December 29, 2025:,
Good afternoon, my name is Todd Hesford and I am the owner of both, Mission Viejo, and Santa Margarita Auto Collision located in southern California.

I am writing to you concerning the proposed storage law changes being discussed. While I think there is some well thought out intent on some fronts, I believe that there are multiple items that are concerning.

I believe that the BAR putting forward language to cement the definition of what storage means, is helpful. Furthermore I think that the BAR understanding the difference between BEV and normal gas vehicles is important.

What troubles me is the following, the use or creation of a public search tool, and the number of days given for free.

Public search tools have been utilized in our industry, specifically in the collision space, for quite a while now. Yet when we attempt to utilize them, insurance companies tell us that those surveys are irrelevant. But if there is a law that is passed, which was designed for customers, do you not think that an insurance company will try to bully their way into using that BAR created search tool? Especially if they can manipulate it to their advantage?

Secondly, as it relates to my concerns of the mandatory days given to a customer for free storage. Previously the BAR came out and stated that storage should only start once a vehicle is deemed to be a total loss. Which seems reasonable and fair. Now we are being asked to give more. Just speaking for our shops when dealing with customer pay files. We are often very giving or flexible with customers who are dealing with total losses. Doing everything possible to help them mitigate any charges. Oftentimes, even pairing them with different salvage yards so they can put their loss behind them. But if there is a law stating that ARD's have to give 3 days to customers for free, how long do you think it is going to take for insurance companies to label themselves as "customers"? Again, if it is an advantage for them, they recognize it, if it is a challenge, they ignore it.

In closing, I completely understand the challenges that the BAR faces when it comes to these issues and protecting the consumer. Couple that with at least 3 different segments you are dealing with, towing, service stations or dealers, and collision centers. All different landscapes, different laws, operating policies etc. The BAR is looking for consistency, likewise I believe the majority of us on the collision side are also. But I think just running at this and trying to throw a blanket approach to all parties may not work out as desired. Also there is an optics lens that the BAR may or may not be considering, which is that most of these solutions appear that they will benefit insurance providers. Although they were designed with the consumer in mind, they utilized and misconstrued to help the insurer. Before adopting any of these, I would highly encourage more conversation and collaboration before implementing anything currently being circulated.

Reply to comment 13:

The Bureau considered the comment and did not modify the text based upon the comment.

The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

With regard to the comment that an insurance company will potentially claim they are the customer in a collision repair transaction, Business and Professions Code section 9880.1(f) specifically prohibits that scenario from occurring.

As originally written, if an ARD declines to repair a vehicle because it is a total loss, the ARD shall notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging storage fees. Once that notification is made, the ARD may begin to charge vehicle storage fees. An ARD may decline to repair a vehicle for any reason; it could be based on a visual inspection to determine whether a vehicle is a total-loss or not worth repairing, a vehicle is one they cannot repair or are not authorized by the manufacturer to repair, etc. See proposed section 3351.8.1(h).

The one-day notification requirement in the proposed regulations was modified in the proposed text. Text now allows for any amount of time for notification, so long that the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

After performing a tear down (i.e., disassembly of a damaged vehicle or any of its components), an ARD shall provide a three-day notice to the customer before charging vehicle storage fees. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before storage fees may begin to accrue. After the notification and three days have passed (if applicable), the ARD may begin to charge vehicle storage fees.

This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision about repairing their vehicle.

Comment (14) Mike Schaffer on December 30, 2025:
Hello, This is Mike Schaffer from Selman Collision in Orange. I want to express my concern about having 3rd party payors having access to everyone's storage rate data. They would very likely use this access to create a cap on the rates simply based on the cheapest guy in town vs. considering each facility and each occurrence on their own valid merits.

Reply to comment 14:

The Bureau considered the comment and did not modify the text based upon the comment.

Third-party payors will not have access to everyone's storage rate data. The online search tool is designed as a reference for the consumer, automotive repair industry, third-party payors, Bureau stakeholders, and other interested parties to identify average and median maximum daily vehicle storage rates for a locale, not to create a cap on storage rates. In addition, vehicle storage rates shall be based on an ARD's actual costs to store a vehicle. This allows an ARD to charge based on their unique individual circumstances and actual costs to store a vehicle, and an ARD can take into consideration as many variables as necessary to determine their storage rate. The ARD will then report their maximum daily vehicle storage rate to the Bureau annually upon renewal of registration.

Comment (15) Chuck Bistagne on December 31, 2025:

I own Bistagne Bros. Body Shop which is in Glendale,CA and has been in business for 79 years. My Dad and Uncle started it in 1946 and it is now having the 3rd generation take it over I have seen a lot of rules changes and industry changes in the 50 years that I have been involved in the shop. I will try and make a few simple points about the regulations
1 3 days of free storage-If I wish to give a discount of some days of storage to let a customer decide what to do, that is my decision, it should not be forced upon me.
2. If you want to keep a database of storage charges that is fine, once you print it the average becomes the de-facto price and if I am paying more in rent than somebody else, I lose out. Keep it private so you can make a call if a charge is reasonable.
3 Please clarify that estimate fees are not an administrative fee.
Thanks for listening.

Reply to comment 15:

The Bureau considered the comment and did not modify the text based upon the comment.

1. As originally written, if an ARD declines to repair a vehicle because it is a total loss, the ARD shall notify the customer within one business day of receiving the vehicle and disclose whether they will begin charging vehicle storage fees. Once that notification is made, the ARD may begin to charge storage fees. An ARD may decline to repair a vehicle for any reason; it could be based on a visual inspection to determine whether a

vehicle is a total-loss or not worth repairing, a vehicle is one they cannot repair or are not authorized by the manufacturer to repair, etc. See proposed section 3351.8.1(h).

The one-day notification requirement in the proposed regulations was modified in the proposed text. Text now allows for any amount of time for notification, so long that the notification informs the customer of how long they have to remove the vehicle, not to be less than one business day, before vehicle storage fees are charged.

After performing a tear down (i.e., disassembly of a damaged vehicle or any of its components), an ARD shall provide a three-day notice to the customer before charging storage fees. In that case, the customer shall have a minimum of three business days to authorize repairs or remove the vehicle before vehicle storage fees may begin to accrue. After the notification and three days have passed (if applicable), the ARD may begin to charge storage fees.

This three-day period allows the customer sufficient time to work with their insurance company and make an informed decision about repairing their vehicle.

2. The search tool is designed 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, not to push down rates. The published average and median maximum daily vehicle storage rates shall not be used to establish or otherwise influence an ARD's vehicle storage rate(s) and shall not be used to limit or suppress an ARD's storage rate(s). See proposed section 3351.8.1(f)(2). BAR does not believe these regulations will affect or increase insurer delays.

3. Charges for preparing an estimate are related to the repair transaction (i.e., estimated cost of parts and labor to repair a vehicle), and therefore are not an administrative fee.

Comment (16) Denni Ritter on April 6, 2026:

I hope this email finds you well! I work for the American Property Casualty Insurance Association, and our members who write auto insurance have been particularly interested in (and appreciative of!) the work your department has undertaken to address vehicle storage fees. I do have a question for you about the Bureau's proposed rules adopting 16 CCR section 3351.8.1.

We are wondering if there is a definition of a "valid bank credit card"? I'll paste the relevant section below for your quick reference. My members tell me that their likely pick-up vendors – shops, Agero, Copart – often use a company credit card. Would that be considered a valid bank credit card?

We told them yes, but they asked that we clarify with you all, so that's what we're doing! Any insight or clarification you can share would be greatly appreciated.

Proposed Adoptions
The proposed rule would adopt §3351.8.1. ***General Requirements for Vehicle Storage.***
(a) An automotive repair dealer charging storage fees must display their daily storage rate(s), including their maximum daily rate, as reported to the Bureau in a conspicuous place where the storage rate(s) are visible, legible, and adjacent to where customers are served.
(b) An automotive repair dealer charging for the storage of a vehicle must establish a daily storage rate(s) based on their costs associated with storing vehicles and cannot include an automotive repair dealer's negotiated storage rate with a third-party payor.
(c) An automotive repair dealer storing a vehicle must 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., except state holidays.
(1) The vehicle must be stored at the automotive repair dealer's primary business address as registered with the Bureau;
(2) If necessary for the vehicle to be stored at a location other than the automotive repair dealer's primary business address, the automotive repair dealer must, prior to moving the vehicle to a different location, notify the customer of the storage location by either electronic or oral means, and
(3) The automotive repair dealer may 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.
(d) An automotive repair dealer charging storage fees for a vehicle must, at a minimum, accept all the following forms of payment for storing a vehicle: cash, a valid bank credit card, insurer's check.

Reply to comment 16:

The Bureau considered the comment and did not modify the text based upon the comment.

This question relates to originally proposed text that remained unchanged in the modified text, and therefore exceeds the scope of the proposed 15-day changes.

The regulations do not define the term "valid bank credit card". The proposed provision is intended to align with Vehicle Code section 22651.07 and ensure that automotive

repair dealers accept commonly used forms of payment, including credit cards, and do not limit customers to cash only.

In general, a valid bank credit card refers to a standard card issued by a financial institution—such as Visa, Mastercard, or American Express—that can be used to complete a transaction. This would typically include company-issued credit cards, provided they function as standard credit cards for payment.

Comment (17) Vic Gonzalez on August 13, 2026:

I own an independent California collision repair facility. I am writing regarding BAR's proposed regulations governing storage fees charged by automotive repair dealers.

I understand that the formal comment periods have closed. However, this submission concerns current harm occurring after the comment period, including insurers citing proposed BAR regulations as though they were existing law during active claims. I request that BAR retain this submission in the rulemaking file, provide it to BAR leadership and legal counsel, and consider reopening the record before finalizing or submitting the regulatory package to the Office of Administrative Law.

My principal concern is that the proposal regulates the financial consequences of storage without addressing the insurer conduct that frequently causes storage to accrue.

BAR is a consumer-protection agency, yet it maintains a dedicated referral channel for insurance companies concerning storage disputes. Insurers are not consumers or customers of the repair facility. They are sophisticated commercial parties with a direct financial interest in reducing the storage charges they may ultimately be responsible for paying.

This creates an apparent institutional conflict. An insurer may dispute a shop's charges and refer the shop to its regulator, creating potential licensing or enforcement exposure. BAR, however, cannot impose comparable consequences on the insurer for delaying inspection, supplement authorization, total-loss valuation, payment, authorization, or retrieval of the vehicle.

These concerns are not theoretical. Our shop has documented multiple examples of insurer conduct causing direct operational and financial harm, including:

- *Insurers delaying claim decisions and then refusing to pay storage charges that accrued during those delays.*

- *Insurers citing BAR's proposed storage-fee regulations as though they were currently effective law during active claims.*

- *A Progressive claim involving customer Juan Zamudio in which Progressive used the possibility of declaring the vehicle a total loss while negotiating repair direction with the customer. After the customer and shop agreed to proceed under Progressive's repair plan, Progressive failed to provide the updated estimate or payment and then stopped responding while the vehicle remained at our facility.*

- *A GEICO claim in which GEICO not only disputed storage charges but ultimately abandoned the vehicle without completing payment or retrieval. The vehicle remained at our facility for years while GEICO failed to resolve the claim, as we worked through extended lienholder and title resolution issues. Only after I sought assistance from the California Department of Insurance did the matter begin to move toward resolution.*

- *A separate total-loss claim involving extended delays, disputed storage charges, and insurer reliance on proposed regulations rather than completing settlement and obtaining proper owner and lienholder authorization to retrieve the vehicle.*

Although the vehicle owner is legally the shop's customer, that customer's decision is often dependent on whether the insurer will fund the repair or declare the vehicle a total loss. An owner cannot make a fully informed decision while the insurer delays coverage determination, valuation, authorization, or payment. In practice, the insurer therefore exercises substantial control over whether the vehicle can move forward.

Requiring shops to absorb storage during these periods would not eliminate the cost of delay. It would transfer that cost from the insurer controlling the claim process to the consumer and independent repair facility.

I am also concerned about BAR's proposed publication of average and median storage rates. Insurers have already demonstrated a pattern of using regulatory proposals and agency data as de facto pricing benchmarks. Even with disclaimers, these figures will predictably be used to pressure or cap independently established shop rates.

I respectfully request that BAR:

1. *Confirm in writing that the proposed storage-fee regulations are not currently in effect and have no present legal force.*

2. *Notify insurers and stakeholders that proposed regulations must not be represented or cited as existing law during active claims.*

3. *Place this submission and supporting documentation in the rulemaking file.*

4. *Reopen the comment period due to evidence of ongoing real-world harm and insurer misuse of the proposal.*

5. *Disclose how many storage-related referrals originate from insurers versus consumers.*

6. *Disclose which insurers and insurance trade associations requested, supported, drafted, or participated in developing the proposal.*

7. *Require disclosure of insurer financial interest whenever it refers a storage dispute to BAR.*

8. *Require notice to the vehicle owner when their selected repair facility is referred to BAR by an insurer.*

9. *Require BAR to evaluate insurer-caused delay before taking action on insurer-generated referrals.*

10. *Refer apparent claims-handling violations to the California Department of Insurance.*

11. *Remove or restrict the public storage-rate database to prevent insurer use as a de facto rate-setting tool.*

12. *Pair any storage regulation with enforceable insurer timelines for inspection, authorization, payment of undisputed charges, total-loss decisions, and vehicle retrieval.*

I can provide claim timelines, correspondence, invoices, call logs, and supporting documentation upon request. Please advise how BAR would prefer this evidence be submitted and whether any redactions are required for customer confidentiality.

Please also forward this submission to BAR Chief Patrick Dorais, Program Manager Mathew Gibson, BAR legal counsel, and the official rulemaking file custodian.

Thank you for your time and consideration. I request written confirmation that this submission has been received, retained, and included in the rulemaking record.

Follow up to comment 17:

Thank you for confirming that my submission will be included in the rulemaking record and that the proposed regulations remain pending and have not taken effect.

Because insurers are already citing the proposed regulations during active claims, would BAR please consider issuing a written industry notice confirming that the proposal has no current legal effect and must not be represented as an existing BAR requirement?

Please also clarify whether BAR will address the remaining requests in my submission as part of its final rulemaking response, particularly:

- *Whether insurer-caused delays will be considered when BAR reviews insurer-generated storage referrals.*
- *Whether BAR will disclose the number of storage referrals originating from insurers versus consumers.*
- *Whether BAR will evaluate the documented use of proposed regulations during active claims.*
- *Whether further modifications or another public-comment period are anticipated.*
- *Whether the proposed public rate database may be cited or used by insurers to dispute independently established storage rates.*

I appreciate being added to the mailing list. Please retain this follow-up with my original submission in the rulemaking record.

Reply to comment 17:

The Bureau considered the comment (original and follow-up) and did not modify the text based upon the comment.

Section 3351.8.1(f)(2) was rewritten to clarify that insurers shall not use average and median maximum daily vehicle storage rates to influence or restrict an automotive repair dealer's vehicle storage rates, ensuring ARDs can set their own rates based on their actual costs of storing a vehicle.

The Bureau did submit the following reply to Mr. Gonzalez: "Thank you for your email- it has been received, retained, and will be included in the rulemaking record.

These proposed regulations are still pending and have not taken effect. We will add you to our mailing list so that you receive information about the status of this package as developments unfold, as well as other regulatory matters of the Bureau."

Comment (18) Andrew Bratenhorst on August 13, 2026:

I'd like to submit the following comments to the BAR regarding today's publishing of the 2nd modified text surrounding Storage Fees charged by ARDs.

The proposed regulations could create several significant disadvantages:

- ***Reduced ability to set storage rates based on market conditions.*** *Rates would have to be based on the ARD's documented storage-related costs, potentially limiting pricing flexibility and making it harder to recover overhead and opportunity costs.*

- ***Significant recordkeeping and compliance burden.*** *ARDs would have to retain documentation supporting their storage-rate calculations and be prepared to produce those records to BAR or law enforcement. While we understand this is to combat facilities that are posing as an ARD but are really just a storage yard, we are unfairly being forced into the position of having to over-rationalize our storage rates.*

- ***Greater risk of disputes over "reasonable" rates.*** *This would create a practical benchmark even though insurers are prohibited from using those figures to suppress rates. Rates outside the local comparison could require justification to BAR. Insurers have no one to answer to but the California Department of insurance, and they have no oversight over this due missing legislation.*

- ***Lost storage revenue during post teardown delays.*** *Forbidding an ARD from charging storage for 3 days during this time period is excessive. A body shop's primary busy is vehicle repair, not storage, and as such we do not have the space allocated for storing vehicles as a primary means of business like a storage yard / tow facility might. Every vehicle occupies valuable shop/storage space that could produce income.*

- ***Increased exposure to enforcement.*** *Presumptively unreasonable fees include fees described using terms with similar meanings, making it harder to structure ancillary charges around storage without regulatory scrutiny.*

Here's some alternative solutions I think that could work and still address the needs the BAR is looking to address:

1. Preserve the statutory market-comparison standard.
Cost should be one factor in determining reasonableness, not the exclusive basis for setting a storage rate.

2. Establish a safe harbor.
A properly posted and disclosed rate should be presumed reasonable, particularly where it falls within a reasonable range of comparable local rates.

3. Prevent the BAR database from becoming a de facto price cap.
The average/median database should expressly have no evidentiary effect merely because an ARD's rate is above the average or median. Do not make it public, but rather an internal tool that the BAR can use and limit viewing by an insurer or ARD only during an investigation conducted by the BAR.

4. Protect ARDs from delays outside their control.
Storage rights should not be lost because of insurer delays, customer delays, or third-party-payor delays when the ARD has complied with the regulation.

5. Give ARDs flexibility to recover legitimate storage-related costs.
Define allowable costs broadly and permit reasonable facility-specific and vehicle-specific rate differences assuming evidence of storage related tasks is documented.

§ 22524.5(c)(2)(B) says comparability to other facilities in the same locale is evidence of reasonableness, but it expressly says that does not preclude a rate that is higher or lower if otherwise reasonable. BAR's regulation should implement that flexibility rather than inadvertently turning the local average/median into a ceiling or turning an ARD's internal costs into a mandatory rate-setting formula.

The current modified text does not appear to expressly require an ARD to retain detailed cost-accounting records, even though the "based on their costs" language could invite BAR to ask for substantiation during an investigation. Can BAR proactively state what documentation is sufficient and to prohibit routine demands for detailed financial records unless BAR has a specific, articulable reason to question the rate.

And lastly, the underlying problem driving all of these storage related challenges is the incredible ease in which anyone can get an ARD license. I understand there are budgetary constraints that may currently prevent the BAR from further vetting a legitimate ARD, but a single page application is grossly insufficient. There may be ways to leverage collision repair industry organizations such as SCRS, CIC, CAA, and I-CAR to assist the BAR in what qualifications are needed and create a stricter standard. Modern vehicles have evolved dramatically since that application was created. Weeding out businesses claiming to be a legitimate body shop needs to be a

higher priority to ensure only properly equipped and trained facilities are safely fixing vehicles to OEM standards.

Reply to comment 18:

The Bureau considered the comment and did not modify the text based upon the comment.

- Reduced ability to set storage rates based upon market conditions: the determination of vehicle storage rates should be based on each ARD's actual costs, which will allow an ARD to charge vehicle storage rates based on their individual circumstances. An ARD can take into consideration as many variables as necessary to determine their actual vehicle storage rate(s). This allows an ARD to determine their actual costs to store vehicles based upon their unique circumstances, and then to display those storage rate(s) for consumers, promoting transparency. The proposed regulations allow an ARD to change their reported maximum daily vehicle storage rate once during the annual registration period. Allowing countless updates to the reported maximum daily vehicle storage rate would eliminate the transparency sought in the proposed regulations and create confusion among consumers and other stakeholders.

- Significant recordkeeping and compliance burden: BAR does not believe this regulation creates an unreasonable administrative burden that would negatively impact ARDs. Retaining records is necessary because if needed, it allows the Bureau to verify how an Automotive Repair Dealer calculated their daily vehicle storage rates, ensures transparency for consumers, and provides documentation necessary for compliance with Business and Professions Code section 9884.11. It also supports enforcement activities by allowing investigators to review the underlying data and confirm that charges were lawful and accurately assessed.

- The commenter asked that BAR proactively state what documentation is sufficient and to prohibit routine demands for detailed financial records unless BAR has a specific, articulable reason to question the rate. BAR does not intend to establish a list of documentation that would be considered sufficient to justify rates because BAR wants to provide ARDs flexibility in what documentation can be used, as each ARD's individual circumstances will vary and BAR cannot predict every situation that may arise (and the accompanying documentation to be used for each situation) to justify a vehicle storage fee. BAR also does not plan to routinely request detailed financial records.

The remainder of the comments do not pertain to the modifications noticed for the second 15-day comment period, and therefore fall outside the scope of this comment period.

Comment (19) Kye Yeung on August 14, 2026:

*On behalf of **[SHOP / ASSOCIATION / GROUP OF AUTOMOTIVE REPAIR DEALERS]**, we respectfully request reconsideration of portions of the proposed regulations governing storage fees charged by Automotive Repair Dealers ("ARDs").*

We support BAR's goals of consumer protection, transparency, reasonable storage rates, clear disclosures, and prevention of abusive storage practices. We do not oppose reasonable regulation of storage charges.

*Our concern is narrower but significant: **the proposed regulations impose periods during which an ARD must continue to provide vehicle custody, commercial space, insurance protection, security, administration, and risk management while being prohibited from recovering the reasonable cost of providing those services.***

That is not merely a billing issue. It is an economic transfer.

The proposed regulation shifts the cost of delay from the vehicle owner, insurer, or other party controlling the claim to the repair facility that is physically safeguarding the vehicle.

I. A Vehicle Creates Cost and Risk From the Moment the ARD Assumes Custody

A collision-damaged vehicle does not become cost-free merely because the regulation postpones the date upon which storage may be charged.

From the time an ARD accepts possession of a vehicle, the facility assumes substantial responsibilities and expenses, including:

- *commercial real estate and storage-area costs;*
- *care, custody, and control insurance exposure;*
- *general liability and property risk;*
- *security, fencing, lighting, surveillance, and access control;*
- *employee time required to receive, photograph, document, move, inspect, protect, and release the vehicle;*

- *environmental and safety risks associated with damaged vehicles;*
- *fire and battery-related risks, particularly involving electric and hybrid vehicles;*
- *protection against theft, vandalism, weather, and additional damage;*
- *administrative communication with consumers, insurers, adjusters, towing companies, lenders, and other parties;*
- *movement and repositioning of non-drivable vehicles;*
- *use of secure indoor or outdoor space; and*
- *loss of productive capacity when limited collision-repair space is occupied by a vehicle awaiting a decision outside the ARD's control.*

These expenses exist regardless of whether the regulation labels a particular day "chargeable storage."

The practical result of a mandatory non-chargeable period is therefore not that storage has no cost.

The result is that the ARD is required to absorb that cost.

II. The Proposed Three-Business-Day Period Creates an Uncompensated Storage Obligation

Proposed § 3351.8.2 requires the initial tear-down estimate to specify a period of ***not less than three business days*** *after notification that tear-down is complete and receipt of the itemized repair estimate before storage fees may accrue.*

BAR explains that this period is intended to provide the customer time to decide whether to authorize repairs, remove the vehicle, or consult with an insurance company.

While that objective is understandable, the regulation does not adequately address who pays the actual cost of maintaining custody of the vehicle during that decision period.

During those three business days:

- *the ARD remains responsible for the vehicle;*
- *the vehicle continues to occupy commercial property;*

- *the ARD's insurance exposure continues;*
- *security obligations continue;*
- *administrative activity continues;*
- *the vehicle may occupy a teardown, blueprint, production, or secure-storage position; and*
- *another revenue-producing vehicle may be prevented from using that space.*

A three-business-day period may also extend over weekends and holidays, resulting in substantially more than three calendar days of uncompensated occupancy.

In a high-volume collision facility, multiplying this obligation across numerous vehicles creates a meaningful cumulative economic burden.

III. The Economic Burden Is Especially Unfair When the Delay Is Controlled by an Insurer or Other Third Party

Collision repair transactions differ substantially from ordinary mechanical repairs.

The vehicle owner and ARD frequently are not the only parties controlling the progress of the transaction.

Insurers commonly participate in:

- *initial inspections;*
- *supplemental inspections;*
- *repair-versus-total-loss decisions;*
- *estimate review;*
- *valuation;*
- *parts decisions;*
- *repair-plan negotiations;*
- *authorization communications;*
- *towing or salvage arrangements; and*

- *removal of total-loss vehicles.*

An ARD cannot compel an insurer to immediately inspect a vehicle, respond to a supplement, issue a total-loss determination, obtain salvage transport, or complete its internal claim procedures.

Yet the proposed regulation may require the ARD to continue providing uncompensated custody while those decisions are being made.

That creates a fundamental allocation problem:

The party bearing the cost of the delay may have no control over the delay.

A fair regulatory structure should follow a basic principle:

Responsibility for delay should follow control over the delay.

If an ARD unnecessarily causes a delay, the ARD should not be permitted to profit from that delay.

But where the delay results from the customer, insurer, legal owner, adjuster, salvage vendor, inspection process, claim decision, or another party outside the ARD's control, the ARD should not be required to subsidize that delay.

IV. Collision Repair Facilities Are Not Free Storage Lots

An automotive collision repair facility is fundamentally different from an ordinary passive storage yard.

Its square footage is productive commercial space.

A damaged vehicle may occupy:

- *a repair stall;*
- *blueprint or estimating space;*
- *teardown space;*
- *a frame or structural area;*
- *indoor secure storage;*
- *fenced exterior storage;*

- *an EV isolation area; or*
- *another location necessary to safely manage collision-damaged vehicles.*

Each occupied position has economic value.

When that space is unavailable, another consumer's vehicle cannot occupy it.

Consequently, mandatory uncompensated holding periods can reduce a facility's ability to accept additional vehicles, increase cycle times, create repair backlogs, and ultimately increase the cost of operating a California collision repair business.

This is especially significant in areas where industrial real estate, insurance, wages, utilities, security, and regulatory compliance costs are high.

V. BAR's Economic Impact Determination Should Be Reconsidered

BAR's Initial Statement of Reasons states that the Bureau made an initial determination that the regulations would not have a significant statewide adverse economic impact directly affecting businesses and that no additional costs were anticipated.

We respectfully disagree with that conclusion as it relates to mandatory non-chargeable custody periods.

The proposal itself acknowledges the underlying economic principle.

In discussing vehicles for which repair authorization is not obtained, BAR explains that ARDs should be able to charge storage because otherwise the ARD would be holding the customer's vehicle without compensation and potentially providing storage indefinitely for free.

That rationale is sound.

However, the same rationale necessarily applies to shorter mandatory periods.

The fact that uncompensated storage lasts three days instead of thirty does not eliminate its economic cost.

It merely reduces its duration.

The appropriate economic analysis should therefore calculate, at minimum:

Daily Facility Cost × Mandatory Non-Chargeable Vehicle Days × Annual Vehicle Volume

and should also consider:

insurance + security + administration + handling + environmental responsibility + lost production capacity + real estate occupancy.

For example, a facility processing hundreds or thousands of collision vehicles annually could accumulate a substantial number of mandatory non-chargeable vehicle-days.

That cost ultimately must be absorbed somewhere.

It may result in higher repair costs, reduced capacity, increased cycle times, fewer available appointments, reduced employment opportunities, or withdrawal from certain high-risk collision transactions.

We respectfully request that BAR reevaluate its determination that the regulation imposes no additional business cost.

VI. The Regulation Should Distinguish "Repair Time" From "Custodial Delay"

We recognize the principle reflected in California law that an ARD should not simultaneously charge a consumer for actively repairing a vehicle and improperly characterize the same active repair period as storage.

That principle can coexist with fair compensation for genuine custodial delay.

The regulation should distinguish between:

***A. Active repair or tear-down time controlled by the ARD**, during which separate storage charges may appropriately be restricted; and*

B. Inactive custodial time caused by a customer, insurer, legal owner, adjuster, inspection, authorization, total-loss determination, salvage arrangement, or another circumstance outside the ARD's reasonable control.

These circumstances are economically and operationally different and should not be treated identically.

VII. Proposed Alternative Regulatory Language

We respectfully propose that BAR revise § 3351.8.2 to preserve consumer notice while allowing an ARD to recover reasonable costs when custody continues because of circumstances outside the ARD's control.

Suggested language:

Notwithstanding any minimum period provided for customer authorization or removal of a vehicle, an automotive repair dealer may assess a reasonable storage charge after providing written disclosure of the daily storage rate when continued possession, occupancy, or safeguarding of the vehicle results from a delay not caused by the automotive repair dealer, including a delay attributable to a customer, insurer, legal owner, inspection, claim determination, repair authorization, total-loss determination, salvage disposition, towing arrangement, or vehicle-removal process.

An automotive repair dealer shall not assess a storage charge for any period of unnecessary delay affirmatively caused by the automotive repair dealer.

The automotive repair dealer shall maintain documentation sufficient to identify the basis for the storage charge and the date upon which the delay became attributable to a party or circumstance outside the automotive repair dealer's reasonable control.

Alternatively, BAR could provide a shorter initial grace period followed by reasonable storage charges after appropriate notice.

VIII. Alternative Proposal: Disclosure at Intake With a Defined Grace Period

If BAR believes that a consumer must receive a grace period before storage charges accrue, we propose a system based on advance disclosure rather than uncompensated custody after the ARD has already incurred substantial costs.

At vehicle intake, the ARD could disclose:

1. *the daily storage rate;*
2. *circumstances under which storage will begin;*
3. *any applicable grace period;*
4. *that storage will not be charged for unnecessary delays caused by the ARD; and*

5. *that storage may begin when further progress requires action by the customer, insurer, or another responsible party.*

This approach gives consumers advance notice while preventing an indefinite or mandatory transfer of operating costs to the ARD.

IX. The Three-Day Rule Can Reduce the Incentive for Prompt Claim Handling

Economic incentives affect behavior.

When no storage expense accrues during a mandatory waiting period, there is less financial incentive for a third-party payor to inspect, evaluate, authorize, declare a total loss, or arrange removal promptly.

The ARD, however, continues incurring costs each day.

A regulatory framework should not unintentionally reward delay by the party controlling the decision while penalizing the facility safeguarding the vehicle.

Allowing reasonable storage to accrue after clear disclosure encourages all participants to resolve the vehicle's disposition promptly.

That benefits:

- *consumers;*
- *repair facilities;*
- *insurers;*
- *towing providers; and*
- *the overall efficiency of the collision-repair process.*

X. BAR Can Protect Consumers Without Requiring ARDs to Provide Uncompensated Services

We support strong enforcement against:

- *undisclosed storage rates;*
- *unreasonable rates;*
- *unauthorized charges;*

- *manufactured delays;*
- *improper lien practices;*
- *obstruction of vehicle release; and*
- *intentionally holding vehicles for the purpose of generating excessive fees.*

Those practices should not be confused with a legitimate repair facility seeking reasonable compensation for actual custody of a vehicle.

The solution to abusive storage practices should be targeted enforcement and transparent standards—not a requirement that compliant businesses provide commercial real estate, insurance, security, vehicle management, and risk-bearing services without compensation.

XI. Requested Action

We respectfully request that BAR:

1. *Reconsider the mandatory non-chargeable periods contained in the proposed storage regulations;*
2. *Conduct or supplement its economic impact analysis to account for real estate occupancy, insurance exposure, administrative expense, security, vehicle handling, and lost productive capacity;*
3. *Distinguish ARD-caused repair delay from custodial delay caused by customers, insurers, legal owners, adjusters, or other third parties;*
4. *Permit reasonable storage charges following appropriate disclosure when continued possession is caused by circumstances outside the ARD's reasonable control;*
5. *Establish a safe-harbor documentation procedure allowing an ARD to demonstrate when a vehicle became inactive and when responsibility for delay shifted to another party; and*
6. *Engage collision repair businesses, independent ARDs, small businesses, insurers, consumer representatives, and other stakeholders before final adoption.*

Conclusion

Consumer protection and fair compensation are not mutually exclusive.

California can establish strong safeguards against excessive or abusive storage practices without requiring Automotive Repair Dealers to subsidize the cost of vehicle custody.

Once a vehicle is placed in an ARD's care, custody, and control, the ARD assumes real expenses and real legal and physical responsibilities.

Those expenses do not disappear during a regulatory waiting period.

A regulation may delay the right to invoice for storage, but it does not delay the cost, responsibility, risk, insurance exposure, or loss of commercial space incurred by the repair facility.

We therefore respectfully urge BAR to revise the proposal so that the cost of delay is fairly allocated to the party responsible for or controlling that delay, while preserving appropriate disclosure and consumer protections.

Thank you for your consideration.

Reply to comment 19:

The Bureau considered the comment and did not modify the text based upon the comment.

While the Bureau thanks the commentor, the comments do not pertain to the modifications noticed for the second 15-day comment period, and therefore fall outside the scope of this comment period.

Comment (20) Jack Molodanof on August 24, 2026:

We are submitting these comments on behalf of the California Autobody Association (CAA), the Automotive Service Councils of California (ASCCA), and the California Automotive Business Coalition (Cal-ABC). CAA, ASCCA, and Cal-ABC appreciate the Bureau of Automotive Repair's (BAR) ongoing efforts to establish clear requirements governing vehicle storage fees charged by automotive repair dealers (ARDs).

The primary concern of CAA, ASCCA, and Cal-ABC with the modified text in § 3351.8.1(b) is the requirement that an ARD "shall establish" its daily storage rate based on its costs associated with storing vehicles. This cost-based requirement raises

significant concerns regarding consistency with existing law and creates significant operational uncertainty for ARDs.

Conflict with Existing Law - Cost-Based Rate

Vehicle Code § 22524.5(c)(2)(B) provides that a storage rate is reasonable when it is comparable to storage-related rates charged by other facilities in the same locale. It also recognizes that a rate may be higher or lower than comparable rates if it is otherwise reasonable.

The statute does not require an ARD to establish its storage rate using a cost-based methodology. Rather, it establishes a reasonableness standard based on comparable rates and expressly permits a rate to be higher or lower than comparable rates when otherwise reasonable.

CAA, ASCCA, and Cal-ABC recognize that an ARD's costs may be relevant to demonstrating that a storage rate is reasonable. However, the statute does not make an ARD's costs the mandatory basis for establishing the rate, nor does it require an ARD to develop a cost-based methodology for determining its daily storage rate.

The proposed regulation, however, appears to establish a different mandatory standard by requiring an ARD to establish its rate based on its own costs. Even if costs may be considered in determining whether a rate is reasonable, requiring an ARD to establish its rate based on its costs goes beyond making costs a consideration and instead makes a cost-based methodology mandatory. This could create a conflict between the regulation and the statutory standard or, at minimum, significant uncertainty regarding how the statutory standard is to be applied.

CAA, ASCCA, and Cal-ABC are particularly concerned that the proposed language could effectively create a cost-based rate cap—or, conversely, result in a cost-based rate that exceeds comparable rates charged by other facilities in the same locale. An ARD's allowable costs could produce a rate either lower or higher than comparable local rates. Although the statute permits a rate to differ from comparable rates when otherwise reasonable, the proposed regulation does not explain how an ARD is to reconcile its mandatory cost-based calculation with the statutory comparability standard.

This raises a fundamental question: If the cost-based rate differs from the comparable local rate, which standard is the ARD expected to follow—the cost-based rate required by the regulation or the statutory reasonableness standard established by Vehicle Code § 22524.5(c)(2)(B)? The regulation should not create such uncertainty or make an ARD's internal cost allocation methodology determinative of whether its storage rate is reasonable.

No Clear Cost-Calculation Methodology

The regulation mandates a cost-based rate but fails to provide a clear, uniform methodology for ARDs to calculate those costs, including how property, utilities, labor, insurance, storage capacity, and other allowable costs are to be allocated to vehicle storage. For example:

- *What costs are considered "associated with storing vehicles," and which costs are excluded?*
- *How should an ARD allocate rent or mortgage costs between repair operations and vehicle storage?*
- *How should the market value of an ARD-owned property be calculated?*
- *What percentage of the property should be attributed to vehicle storage?*
- *How should outside parking areas be valued?*
- *How should an ARD allocate costs when the same space is used for both vehicle storage and other business operations?*
- *How should utilities and liability insurance be allocated?*
- *How should labor associated with storage be calculated?*
- *How should an ARD account for unused storage capacity or fluctuations in the number of stored vehicles?*
- *How is an ARD supposed to convert its allowable storage-related costs into a daily vehicle storage rate, including what storage capacity, utilization rate, and number of storage days should be used in the calculation?*
- *How should an ARD account for costs that fluctuate significantly from year to year?*
- *How frequently must the cost calculation be updated?*
- *What methodology will BAR consider sufficient to establish compliance?*

Without such guidance, ARDs will be left to develop their own methodologies for determining which costs are allowable, how those costs should be allocated, and how they should be converted into a daily storage rate. Flexibility in accounting methodology

does not resolve the underlying problem; without defined parameters, ARDs may reasonably reach materially different daily storage rates while each believing it has complied with the regulation. This will result in inconsistent calculations and significant uncertainty regarding compliance.

Recommendation

We respectfully request that BAR revise § 3351.8.1(b) to eliminate the mandatory cost-based rate-setting requirement while preserving the requirement that an ARD establish a reasonable storage rate consistent with Vehicle Code § 22524.5(c)(2)(B). We recommend amending the current language to read:

"An automotive repair dealer charging for the storage of a vehicle shall establish a reasonable daily vehicle storage rate consistent with Vehicle Code section 22524.5(c)(2)(B). In establishing or supporting that rate, the automotive repair dealer may consider documented costs associated with storing vehicles."

This approach maintains the requirement that an ARD establish a reasonable daily storage rate, while making clear that storage-related costs are a permissible consideration rather than a mandatory rate-setting methodology. It would still permit an ARD to document and substantiate the reasonableness of its storage rate, including through consideration of legitimate storage-related costs, without requiring costs to serve as the mandatory methodology for establishing the rate.

This approach also avoids making an ARD's internal cost calculation determinative of whether its storage rate is reasonable and preserves the statutory reasonableness standard established by Vehicle Code § 22524.5(c)(2)(B).

We appreciate BAR's consideration of these comments and respectfully request that the cost-based requirement be revised as recommended above to protect small businesses and ensure regulatory consistency.

Reply to comment 20:

The Bureau considered the comment and did not modify the text based upon the comment.

"*The primary concern of CAA, ASCCA, and Cal-ABC with the modified text in § 3351.8.1(b) is the requirement that an ARD 'shall establish' its daily storage rate based on its costs associated with storing vehicles"* does not pertain to the modifications noticed for the second 15-day comment period, and therefore falls outside the scope of this comment period.

The second concern states that the proposed regulation "*fails to provide a clear, uniform methodology for ARDs to calculate those costs, including how property, utilities, labor, insurance, storage capacity, and other allowable costs are to be allocated to vehicle storage."* The Bureau does state that costs associated with vehicle storage include but are not limited to:

(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.

Because each ARD's circumstances vary, BAR does not intend to prescribe how individual costs must be allocated. It is not possible for BAR to anticipate every situation that may arise or to specify a single method that would justify a vehicle storage fee or determine how each ARD's costs should be allocated. Instead, ARDs should rely on their documented, storage-related circumstances (actual costs) to support the vehicle storage rate(s) they establish.

Comment (21) Christian Rataj on August 28, 2026:

The Personal Insurance Federation of California (PIFC) represents thirteen of the nation's largest property and casualty insurance companies—including State Farm, Farmers, Liberty Mutual, Progressive, Mercury, Nationwide, Allstate, American Family Insurance, Kemper, CSAA Insurance Group, the Automobile Club of Southern California, GEICO, and USAA—along with associate members NAMIC, CHUBB and Reinsurance Association of America. Collectively, our members write the majority of homeowners' and auto insurance policies in California.

The National Association of Mutual Insurance Companies (NAMIC) consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers.

PIFC and NAMIC continue to strongly support the Bureau of Automotive Repair's (BAR) work on governing storage fees charged by Automotive Repair Dealers (ARDs). We appreciate the Bureau's efforts to curb the abusive towing and storage practices that cost vehicle owners and their insurers over half a billion dollars each year. In response to the latest proposed changes, PIFC and NAMIC respectfully offer the following comments and recommendations.

Calculation and Reporting of Average and Median Rates

We are concerned with the proposed use of the term "maximum" in multiple provisions concerning the reporting of storage rates and the calculation of average and median rates.

Using a facility's maximum daily storage rate to calculate an average or median does not necessarily represent the rate most commonly charged or the rate applicable to the majority of vehicles stored at that facility. This distinction is particularly important because many automotive repair facilities charge different rates depending on the type of vehicle or the nature of the storage. Specialty vehicles and specialty storage may appropriately carry higher rates due to the additional space, equipment, security, handling, or other circumstances involved. Incorporating these maximum or specialty rates into an area-wide calculation could disproportionately skew the resulting data and create an inaccurate representation of the typical daily storage rate in a market.

We therefore recommend that BAR calculate and report average and median rates based on the typical daily storage rate charged by each facility, rather than its maximum daily storage rate. This would produce data that is more representative of actual market conditions and more useful to consumers, insurers, repair facilities, and other stakeholders.

Section 3351.8.1(c)(2)(A) – Vehicle Relocation

We recommend reducing the 20-mile threshold in Section 3351.8.1(c)(2)(A) for moving a vehicle without obtaining written authorization from the consumer.

A 20-mile distance can represent a significant relocation. Depending on the location, a vehicle could be moved into a different city and potentially an hour or more away from the intended repair or storage location. This could create an unfair burden on a consumer who needs to retrieve the vehicle or remove personal belongings.

We recommend reducing the threshold to five miles, which would also align with the five-mile distance referenced elsewhere in Section 3351.8.1. Requiring authorization before a vehicle is moved more than five miles would provide consumers with greater certainty regarding the location of their vehicle while still allowing facilities reasonable flexibility to relocate vehicles when necessary.

Section 3351.8.1(d) – Acceptable Payment Methods

PIFC and NAMIC recommend two clarifying changes to Section 3351.8.1(d) that we believe are consistent with the intent of this section.

First, this section should include "storage related fees or services" to align with 3351.8.2. The currently proposed language appears to apply narrowly to the storage portion of the charges rather than to all charges associated with storing and releasing a vehicle. This could allow a facility to require a particular form of payment for other charges, such as dolly fees, fluid cleanup, or other storage-related fees.

Second, we request that the provision also expressly permit payment by an authorized agent acting on behalf of an insurer. In many cases, an insurer's salvage vendor or other authorized representative will be responsible for recovering a vehicle and may provide payment on the insurer's behalf. The regulation should not allow a repair facility to refuse such a payment simply because the check or other payment is issued by the insurer's authorized agent rather than directly by the insurer.

Section 3351.8.1(f)(2) – Published Storage Rates

PIFC and NAMIC recommend that Section 3351.8.1(f)(2) clarify BAR-published storage rates may be used by insurers and other third-party payors when evaluating storage charges. Section 2695.8(k) of the Fair Claims Settlement Practice Regulations requires insurers to pay "reasonable towing and storage charges" but there is no definition of "reasonable".

The proposed regulations contemplate the publication of storage rates as a resource for consumers, third-party payors, and other stakeholders. If the Bureau intends for this information to provide useful context regarding storage charges, it should be available to all stakeholders, including insurers for the purposes of establishing what is a "reasonable towing and storage charge" in any given region.

In closing, PIFC and NAMIC appreciate BAR's continued efforts to improve transparency and establish a clear and fair regulatory framework for vehicle storage fees. We respectfully urge the Bureau to consider these recommendations as it finalizes the proposed amendments.

Reply to comment 21:

The Bureau considered the comment and did not modify the text based upon the comment.

- *Calculation and Reporting of Average and Median Rates*: To ensure consistency and comparability in reported daily vehicle storage rate information, the Bureau is requesting each ARD's maximum daily vehicle storage rate specifically for non-electric passenger vehicles. Because ARDs may charge different rates depending on circumstances, such as indoor versus outdoor storage, specialized

handling needs, or space limitations, requesting the maximum rate standardizes the reported data and allows the Bureau to calculate an average daily vehicle storage rate for a given locale using a uniform reference point.

Additionally, limiting the reporting requirement to non-electric passenger vehicles ensures that the collected data reflects typical storage conditions. Rates for electric vehicles or larger commercial vehicles often differ substantially due to additional equipment, specialized space, or heightened safety considerations. Including those higher specialty rates could disproportionately skew the calculated average and/or median for a locale. Standardizing the collected rate to non-electric passenger vehicles avoids data distortion and supports more accurate evaluation of prevailing market conditions.

- *Vehicle Relocation*: The Bureau considers the 20-mile radius permissible for relocating a vehicle to be an appropriate balance for both the consumer and the ARD. A 20-mile distance provides the ARD with practical flexibility to move a vehicle to a suitable storage location when necessary, while ensuring the relocation does not occur so far from the original repair or storage site that it would impose an unreasonable burden on the consumer.

- *Acceptable Payment Methods*: BAR lists various methods of payment that must be accepted, at a minimum, by an ARD when charging vehicle storage fees (i.e., the ARD cannot only accept cash). The acceptable methods apply to payments by an insurer, insurer's agent, or tow hauler under Vehicle Code section 22651.07(i). As such, there is nothing in the regulations that would permit an ARD to refuse one of the acceptable payment methods based on receipt from the insurer's agent.

- *Published Storage Rates*: BAR isn't stating that BAR-published storage rates may not be used by insurers and other third-party payors when "evaluating storage charges". The regulations state that insurers may not use the published storage rates to "establish, limit, suppress, or otherwise influence an automotive repair dealer's vehicle storage rate."