

DEPARTMENT OF CONSUMER AFFAIRS
TITLE 16. BUREAU OF AUTOMOTIVE REPAIR

PROPOSED REGULATORY LANGUAGE

Storage Fees Charged by Automotive Repair Dealers

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

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

§ 3303. Definitions.

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

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

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

§ 3351. Registration of Automotive Repair Dealers.

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(a)(2)(U) An applicant that will charge vehicle storage fees after performing repairs to a vehicle as a result of an accident or recovery of a stolen vehicle shall provide the Bureau their maximum daily rate charged for storing a non-electric passenger vehicle. Daily storage rates shall be determined in accordance with section 3351.8.1(b) of this Chapter. If an automotive repair dealer charges varied storage rates, the automotive repair dealer shall report their maximum daily storage rate. An automotive repair dealer may make a change to their reported maximum daily storage rate once per registration cycle and shall provide the Bureau with written notice of that change pursuant to subdivision (e) of this section.

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(e)(9) A change to their maximum daily storage rate.

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

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

Article 6.2. Storage Fees Charged by Automotive Repair Dealers.

§ 3351.8.1. General Requirements for Vehicle Storage.

- (a) An automotive repair dealer charging storage fees shall display their daily storage rate(s), including their maximum daily rate, as reported to the Bureau pursuant to section 3351(a)(2)(U) of this Chapter, 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 shall establish a daily storage rate(s) based on their costs associated with storing vehicles and shall not include an automotive repair dealer's negotiated storage rate with a third-party payor.
- (c) An automotive repair dealer storing a vehicle shall permit the customer or the customer's third-party payor access to that vehicle for inspection during normal business hours, which are Monday through Friday from 8:00 a.m. to 5:00 p.m., inclusive, except state holidays.
 - (1) The vehicle shall be stored at the automotive repair dealer's primary business address 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 shall, prior to moving the vehicle to a different location, notify the customer of the storage location by either electronic or oral means, as defined in section 3352 of this Chapter; and
 - (3) The automotive repair dealer shall not charge the customer for moving the vehicle between locations unless the customer authorizes the charge to transfer the vehicle to a different location, and the automotive repair dealer documents that authorization in accordance with section 3353.1 of this Chapter.

- (d) An automotive repair dealer charging storage fees for a vehicle shall, at a minimum, accept all of the following forms of payment for storing a vehicle: cash, a valid bank credit card, insurer's check.
- (e) When charging storage fees, an automotive repair dealer shall comply with the provisions of Chapter 6.5 (commencing with section 3067) of Title 14 of Part 4 of Division 3 of the Civil Code.
- (f) Utilizing the daily storage rates reported pursuant to subdivision (b) of this section and section 3351(a)(2)(U) of this Chapter, the Bureau shall create a search tool on its website as a reference for the public, third-party payors, and other stakeholders to identify average and median daily storage rates for a locale, charged pursuant to Vehicle Code section 22524.5(c)(2)(B).
- (1) For the purposes of this Article, locale is defined as a geographic radius around each reporting automotive repair dealer that is sufficient to identify average and median daily storage rates within that locale, as follows:
- (A) All reporting automotive repair dealers within a two (2) mile radius of each individual reporting automotive repair dealer.
- (B) If there are fewer than twenty (20) reporting automotive repair dealers within a two (2) mile radius, the locale shall expand to a five (5) mile radius of each individual reporting automotive repair dealer.
- (C) If there are fewer than ten (10) reporting automotive repair dealers within a five (5) mile radius, the locale shall expand to a twenty (20) mile radius of each individual reporting automotive repair dealer.
- (D) If there are fewer than five (5) reporting automotive repair dealers within a twenty (20) mile radius, the locale shall expand to the entire county in which the individual reporting automotive repair dealer is located.
- (2) Published average and median storage rates shall not be used 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).
- (3) This subdivision shall become operative one-year after the effective date of these regulations.

- (g) When an automotive repair dealer receives a vehicle for repair(s), but the customer does not authorize the repairs, the automotive repair dealer shall notify the customer if the automotive repair dealer intends to begin charging for storage of the vehicle pursuant to Vehicle Code section 22524.5(c)(2)(B).
- (h) Except as provided in section 3351.8.3(a) of this Article, an automotive repair dealer shall notify a customer within one business day after receiving a vehicle for repair(s) if the automotive repair dealer declines to repair the vehicle. The notification shall also include whether the automotive repair dealer intends to begin charging for storage of the vehicle pursuant to Vehicle Code section 22524.5(c)(2)(B), and the automotive repair dealer's daily storage rate.
- (i) An automotive repair dealer that maintains a motor carrier permit under Vehicle Code section 34620 shall display the Towing and Storage Fees Access Notice in a conspicuous place where it is visible, legible, and adjacent to where customers are served, and have copies available to the public.

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

§ 3351.8.2. Storage Fees Resulting from a Repair Transaction.

- (a) When an automotive repair dealer obtains authorization to perform repairs, as defined in Business and Professions Code section 9880.1(k), including a tear down as defined in section 3352 of this Chapter, as a result of an accident or recovery of a stolen vehicle and upon completion of the contracted repairs charges for vehicle storage, the following shall apply:
 - (1) Storage rates shall be comparable to those charged by other automotive repair dealers in the same locale as defined in section 3351.8.1(g)(1) of this Article, and in accordance with Vehicle Code section 22524.5(c)(2)(B).
 - (2) Storage rates that are not comparable to the daily storage rates reported as specified in section 3351.8.1(g) of this Article may be permitted if determined reasonable by the Bureau.
 - (3) Any storage fee for an item or service identified by a term or expression of like meaning to the presumptively unreasonable fees listed in Vehicle Code section 22524.5(c)(3) shall also be deemed presumptively unreasonable. An automotive repair dealer may present evidence to demonstrate that a presumptively unreasonable fee is reasonable.

- (b) When obtaining authorization to perform a tear down, the automotive repair dealer shall include the following information on the initial tear down estimate:
- (1) The number of business days, not to be less than three business days, the customer has to authorize repairs or remove the vehicle prior to the accrual of storage fees after receipt of notification that the tear down has been completed and receipt of an itemized estimate containing the estimated price for parts and labor to repair the vehicle; and
 - (2) The daily storage rate.
- (c) An automotive repair dealer shall not charge storage fees while the vehicle is undergoing repairs, including the tear down of a vehicle or part in accordance with section 3353 of this Chapter.
- (d) To charge for vehicle storage incurred after completion of repairs, an automotive repair dealer shall have:
- (1) Obtained customer authorization as specified in section 3353.1 of this Chapter for the specific repair(s) being performed;
 - (2) Generated an itemized invoice with all repair work performed and parts supplied upon completion of the authorized repairs; and
 - (3) Notified the customer that the repairs are complete.
- (e) Upon completion of authorized repairs, an automotive repair dealer shall not dismantle, disengage, remove, or strip from the vehicle any of the parts used to complete the repairs without customer authorization.
- (f) An automotive repair dealer who charges storage fees shall include the daily storage rate and number of days charged, along with any other storage related fees or services, on the invoice as required pursuant to section 3356 of this Chapter.

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

§ 3351.8.3. Registered Owner Notification Requirements.

- (a) Unless notifying a customer that the automotive repair dealer is declining to repair pursuant to section 3351.8.1(h) of this Article,

- (1) If an automotive repair dealer receives a vehicle and the registered owner or their representative is not present at the time of delivery of the vehicle, the automotive repair dealer shall attempt to contact the registered owner, by either electronic or oral means as defined in section 3352 of this Chapter. Upon contacting the registered owner, an automotive repair dealer shall obtain authorization to repair the vehicle.
- (2) 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.

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