

GENERAL ASSEMBLY OF NORTH CAROLINA

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SENATE BILL 830
Commerce Committee Substitute Adopted 4/28/99
Third Edition Engrossed 4/29/99
House Committee Substitute Favorable 7/13/99
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Short Title: Auto Repair Work Disclosures.

(Public)

Sponsors:

Referred to:

April 12, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE AUTO REPAIRS.

3 The General Assembly of North Carolina enacts:

4 Section 1. Chapter 20 of the General Statutes is amended by adding a new
5 Article to read:

6 **"ARTICLE 15B.**

7 **"NORTH CAROLINA MOTOR VEHICLE REPAIR ACT.**

8 **"§ 20-354. Short title.**

9 This act shall be known and may be cited as the 'North Carolina Motor Vehicle Repair
10 Act.'

11 **"§ 20-354A. Scope and application.**

12 This act shall apply to all motor vehicle repair shops in North Carolina, except:

13 (1) Any motor vehicle repair shop of a municipal, county, State, or federal
14 government when carrying out the functions of the government.

15 (2) Any person who engages solely in the repair of any of the following:

- 1 a. Motor vehicles that are owned, maintained, and operated
2 exclusively by that person for that person's own use.
3 b. For-hire vehicles which are rented for periods of 30 days or less.
4 (3) Any person who repairs only motor vehicles which are operated
5 principally for agricultural or horticultural pursuits on farms, groves, or
6 orchards and which are operated on the highways of this State only
7 incidentally en route to or from the farms, groves, or orchards.
8 (4) Motor vehicle auctions or persons in the performance of motor vehicle
9 repairs solely for motor vehicle auctions.
10 (5) Any motor vehicle repair shop in the performance of a motor vehicle
11 repair if the cost of the repair does not exceed three hundred fifty dollars
12 (\$350.00).
13 (6) Any person or motor vehicle repair shop in the performance of repairs
14 on commercial construction equipment or motor vehicles that have a
15 GVWR of at least 26,001 pounds.
16 (7) When an insurer has authorized a motor vehicle repair shop to perform
17 the repair and had agreed to pay the cost of the repair.

18 **"§ 20-354B. Definitions.**

19 As used in this act:

- 20 (1) 'Customer' means the person who signs the written repair estimate or
21 any other person whom that person designates as a person who may
22 authorize repair work.
23 (2) 'Employee' means an individual who is employed full time or part time
24 by a motor vehicle repair shop and performs motor vehicle repairs.
25 (3) 'Motor vehicle' means any automobile, truck, bus, recreational vehicle,
26 motorcycle, motor scooter, or other motor-powered vehicle, but does
27 not include trailers, mobile homes, travel trailers, or trailer coaches
28 without independent motive power, or watercraft or aircraft.
29 (4) 'Motor vehicle repair' means all maintenance of and modification and
30 repairs to motor vehicles and the diagnostic work incident to those
31 repairs, including, but not limited to, the rebuilding or restoring of
32 rebuilt vehicles, body work, painting, warranty work, and other work
33 customarily undertaken by motor vehicle repair shops. Motor vehicle
34 repair does not include the sale or installation of tires when authorized
35 by the customer.
36 (5) 'Motor vehicle repair shop' means any person who, for compensation,
37 engages or attempts to engage in the repair of motor vehicles owned by
38 other persons and includes, but is not limited to:
39 a. Mobile motor vehicle repair shops.
40 b. Motor vehicle and recreational vehicle dealers.
41 c. Garages.
42 d. Service stations.
43 e. Self-employed individuals.

- 1 f. Truck stops.
2 g. Paint and body shops.
3 h. Brake, muffler, or transmission shops.
4 i. Shops doing glasswork.

5 Any person who engages solely in the maintenance or repair of the coach portion of a
6 recreational vehicle is not a motor vehicle repair shop.

7 **"§ 20-354C. Written motor vehicle repair estimate and disclosure statement**
8 **required.**

9 (a) When any customer requests a motor vehicle repair shop to perform repair
10 work on a motor vehicle, the cost of which repair work will exceed three hundred fifty
11 dollars (\$350.00) to the customer, the shop shall prepare a written repair estimate, which
12 is a form setting forth the estimated cost of repair work, including diagnostic work,
13 before effecting any diagnostic work or repair. The written repair estimate shall also
14 include a statement allowing the customer to indicate whether replaced parts should be
15 saved for inspection or return and a statement indicating the daily charge for storing the
16 customer's motor vehicle after the customer has been notified that the repair work has
17 been completed.

18 (b) The information required by subsection (a) of this section need not be provided
19 if the customer waives in writing his or her right to receive a written estimate. A
20 customer may waive his or her right to receive any written estimates from a motor
21 vehicle repair shop for a period of time specified by the customer in the waiver.

22 (c) Except as provided in subsection (e) of this section, a copy of the written repair
23 estimate required by subsection (a) of this section shall be given to the customer before
24 repair work is begun.

25 (d) If the customer leaves his or her motor vehicle at a motor vehicle repair shop
26 during hours when the shop is not open or if the customer permits the shop or another
27 person to deliver the motor vehicle to the shop, there shall be an implied partial waiver of
28 the written estimate; however, upon completion of the diagnostic work necessary to
29 estimate the cost of repair, the shop shall notify the customer as required by G.S. 20-
30 354E(a).

31 (e) Nothing in this section shall be construed to require a motor vehicle repair
32 shop to give a written estimate price if the motor vehicle repair shop does not agree to
33 perform the requested repair.

34 **"§ 20-354D. Charges for motor vehicle repair estimate; requirement of waiver of**
35 **rights prohibited.**

36 (a) Before proceeding with preparing an estimate, the shop shall do both of the
37 following:

- 38 (1) Disclose to the customer the amount, if any, of the charge for preparing
39 the estimate.
40 (2) Obtain a written authorization to prepare an estimate if there is a charge
41 for that estimate.

42 (b) It is a violation of this Article for any motor vehicle repair shop to require that
43 any person waive his or her rights provided in this Article as a precondition to the repair

1 of his or her vehicle by the shop or to impose or threaten to impose any charge which is
2 clearly excessive in relation to the work involved in making the price estimate for the
3 purpose of inducing the customer to waive his or her rights provided in this Article.

4 **"§ 20-354E. Notification of charges in excess of repair estimate; prohibited charges;**
5 **refusal to return vehicle prohibited; inspection of parts.**

6 (a) In the event that any of the following applies, the customer shall be promptly
7 notified by telephone, telegraph, mail, or other means of the additional repair work and
8 estimated cost of the additional repair work:

9 (1) The written repair estimate contains only an estimate for diagnostic
10 work necessary to estimate the cost of repair and such diagnostic work
11 has been completed.

12 (2) A determination is made by a motor vehicle repair shop that the actual
13 charges for the repair work will exceed the written estimate by more
14 than ten percent (10%).

15 (3) An implied partial waiver exists for diagnostic work, and the diagnostic
16 work has been completed.

17 When a customer is notified, he or she shall, orally or in writing, authorize, modify, or
18 cancel the order for repair.

19 (b) If a customer cancels the order for repair or, after diagnostic work is
20 performed, decides not to have the repairs performed, and if the customer authorizes the
21 motor vehicle repair shop to reassemble the motor vehicle, the shop shall expeditiously
22 reassemble the motor vehicle in a condition reasonably similar to the condition in which
23 it was received unless the reassembled vehicle would be unsafe.

24 After cancellation of the repair order or a decision by the customer not to have repairs
25 made after diagnostic work has been performed, the shop may charge for and the
26 customer is obligated to pay the cost of repairs actually completed that were authorized
27 by the written repair estimate as well as the cost of diagnostic work and teardown, the
28 cost of parts and labor to replace items that were destroyed by teardown, and the cost to
29 reassemble the component or the vehicle, provided the customer was notified of these
30 possible costs in the written repair estimate or at the time the customer authorized the
31 motor vehicle repair shop to reassemble the motor vehicle.

32 (c) It is a violation of this Article for a motor vehicle repair shop to charge more
33 than the written estimate and the amount by which the motor vehicle repair shop has
34 obtained authorization to exceed the written estimate in accordance with subsections (a)
35 or (b) of this section, plus ten percent (10%).

36 (d) It is a violation of this Article for any motor vehicle repair shop to refuse to
37 return any customer's motor vehicle because the customer refused to pay for repair
38 charges that exceed a written estimate and any amounts authorized by the customer in
39 accordance with subsection (a) or (b) of this section by more than ten percent (10%),
40 provided that the customer has paid the motor vehicle repair shop the amount of the
41 estimate and the amounts authorized by the customer in accordance with subsections (a)
42 and (b) of this section, plus ten percent (10%).

1 (e) Upon request made at the time the repair work is authorized by the customer,
2 the customer is entitled to inspect parts removed from his or her vehicle or, if the shop
3 has no warranty arrangement or exchange parts program with a manufacturer, supplier, or
4 distributor, have them returned to him or her.

5 **"§ 20-354F. Invoice required of motor vehicle repair shop.**

6 The motor vehicle repair shop shall provide each customer, upon completion of any
7 repair, with a legible copy of an invoice for such repair. The invoice shall include the
8 following information:

- 9 (1) A statement indicating what was done to correct the problem or a
10 description of the service provided.
11 (2) An itemized description of all labor, parts, and merchandise supplied
12 and the costs thereof, indicating what is supplied to the customer
13 without cost or at a reduced cost because of a shop or manufacturer's
14 warranty.
15 (3) A statement identifying any replacement part as being used, rebuilt, or
16 reconditioned, as the case may be.

17 **"§ 20-354G. Required disclosure; signs; notice to customers.**

18 A sign, at least 24 inches on each side, shall be posted in a manner conspicuous to the
19 public. The sign shall contain:

- 20 (1) That the consumer has a right to receive a written estimate or to waive
21 receipt of that estimate if the cost of repairs will exceed three hundred
22 fifty dollars (\$350.00).
23 (2) That the consumer may request, at the time the work order is taken, the
24 return or inspection of all parts that have been replaced during the motor
25 vehicle repair.

26 **"§ 20-354H. Prohibited acts and practices.**

27 It shall be a violation of this Article for any motor vehicle repair shop or employee of
28 a motor vehicle repair shop to do any of the following:

- 29 (1) Charge for repairs which have not been expressly or impliedly
30 authorized by the customer.
31 (2) Misrepresent that repairs have been made to a motor vehicle.
32 (3) Misrepresent that certain parts and repairs are necessary to repair a
33 vehicle.
34 (4) Misrepresent that the vehicle being inspected or diagnosed is in a
35 dangerous condition or that the customer's continued use of the vehicle
36 may be harmful or cause great damage to the vehicle.
37 (5) Fraudulently alter any customer contract, estimate, invoice, or other
38 document.
39 (6) Fraudulently misuse any customer's credit card.
40 (7) Make or authorize in any manner or by any means whatever any written
41 or oral statement which is untrue, deceptive, or misleading, and which is
42 known, or which by the exercise of reasonable care should be known, to
43 be untrue, deceptive, or misleading, related to this Article.

- 1 (8) Make fraudulent promises of a character likely to influence, persuade,
2 or induce a customer to authorize the repair, service, or maintenance of
3 a motor vehicle.
- 4 (9) Substitute used, rebuilt, salvaged, or straightened parts for new
5 replacement parts without notice to the motor vehicle owner and to his
6 or her insurer if the cost of repair is to be paid pursuant to an insurance
7 policy and the identity of the insurer or its claims adjuster is disclosed to
8 the motor vehicle repair shop.
- 9 (10) Cause or allow a customer to sign any work order that does not state the
10 repairs requested by the customer.
- 11 (11) Refuse to give to a customer a copy of any document requiring the
12 customer's signature upon completion or cancellation of the repair work.
- 13 (12) Rebuild or restore a rebuilt vehicle without the knowledge of the owner
14 in a manner that does not conform to the original vehicle manufacturer's
15 established repair procedures or specifications and allowable tolerances
16 for the particular model and year.
- 17 (13) Perform any other act that is a violation of this Article or that constitutes
18 fraud or misrepresentation under this Article.

19 **"§ 20-354I. Remedies.**

20 Any customer injured by a violation of this Article may bring an action in the
21 appropriate court for relief. The prevailing party in that action may be entitled to
22 damages plus court costs and reasonable attorneys' fees. The customer may also bring an
23 action for injunctive relief in the appropriate court. A violation of this Article is not
24 punishable as a crime; however, this Article does not limit the rights or remedies which
25 are otherwise available to a consumer under any other law."

26 Section 2. Chapter 66 of the General Statutes is amended by adding a new
27 Article to read:

28 **"ARTICLE 35.**
29 **"TRUTHFUL ADVERTISEMENTS OF COSTS OF SERVICING OR**
30 **REPAIRING**
31 **PRIVATE PASSENGER VEHICLES.**

32 **"§ 66-280. Advertisements of servicing or repairing private passenger vehicles.**

33 (a) Any business that services or repairs private passenger vehicles and advertises
34 the cost of a specified service or repair of private passenger vehicles shall disclose in the
35 advertisement all additional charges routinely charged for that service or repair, including
36 shop supplies or charges, except any fees and taxes that are required by law, that a
37 consumer will be charged.

38 (b) If a business that services or repairs private passenger vehicles fails to comply
39 with the requirements of this section, then, upon written notice to that business, the
40 consumer is required to pay only those charges disclosed in the advertisement, plus any
41 fees and taxes that are required by law.

42 (c) A violation of this section shall constitute an unfair trade practice under G.S.
43 75-1.1.

1 (d) For purposes of this section, 'private passenger vehicle' has the same meaning
2 as in G.S. 20-4.01."

3 Section 3. This act becomes effective January 1, 2000.