

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 471 (Low) – As Amended March 25, 2021

Policy Committee: Business and Professions

Vote:

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill makes a variety of changes to the Automotive Repair Act, which provides for the registration and regulation of automotive repair dealers by the Bureau of Automotive Repair (BAR), within the department of consumer Affairs (DCA). Specifically, this bill:

- 1) Authorizes the DCA director (director) to include in the citation system a process for informal review of and recommendation on citations, including the establishment of an informal citation conference, as specified.
- 2) Requires the director to appoint at least one administrative law judge for each regional office of BAR to conduct proceedings under the act, and to appoint a chief administrative law judge to organize, coordinate, supervise and direct the operations of the administrative law judges.
- 3) Requires the director to employ legal counsel, legal assistants and other personnel that may be necessary for the administration and enforcement of the Automotive Repair Act.
- 4) Authorizes the director to establish a process for an automotive repair dealer, upon successful completion of a specified remedial training, to prevent disclosure of the citation on the internet, except if the violation constitutes fraud. Further requires the director to establish through regulation a program to certify providers of remedial training.
- 5) Recasts and revises dealer registration forms to additionally include, among other things, the automotive repair dealer's telephone number, email address and motor vehicle license plate number if engaged in mobile automotive repairs.
- 6) Requires the director to issue vehicle safety systems inspection licenses to stations and technicians to conduct inspections of, and repairs to, safety systems of vehicles. Requires the director to develop inspection criteria and standards for specific safety systems and components of the vehicle in order to promote the safe and uniform installation, maintenance and servicing of vehicle safety systems and components. Requires the director to adopt regulations by January 1, 2023, including, but not limited to, the application process for licensees and the certification process for vehicles, as specified.
- 7) Provides the vehicle safety systems inspection license replaces licenses issued pursuant to the existing provisions governing the licensure of lamp and brake adjusting stations and adjusters and would repeal those provisions on the effective date of the new regulations.

**FISCAL EFFECT:**

BAR estimates it will incur the following costs:

1) BAR Administrative Cases.

- a) Estimated ongoing, absorbable costs of \$2.6 million (special fund) to appoint at least one Administrative Law Judge and others for each of BAR's regional offices to conduct proceedings under the Automotive Repair Act. BAR anticipates these costs will be offset by eliminating, or at least reducing, the current costs paid by BAR to the Office of Administrative Hearings and Attorney General's Office in support of its administrative cases against licensees. Therefore, BAR considers these costs to be absorbable within existing resources.

2) Vehicle Inspection and Certification Program.

- a) Estimated absorbable costs of \$355,000 (special fund) for issuing a new vehicle safety systems inspections license to stations and technicians to conduct inspections and repairs to safety systems of vehicles, develop inspection criteria and standards and adopt regulations.
- b) Estimated one-time information technology (IT) costs of \$100,000 (special fund) for the Office of Information Services (OIS) to update the CAS/ATS information technology programing for two license categories.
- c) Estimated one-time IT costs of approximately \$2 million (special fund) to electronically transmit vehicle safety inspection results and certificates issued by licensees to DCA and BAR.
- d) Unknown, ongoing costs to support the online transactional processing (OLTP) of electronic certificates. As similarly done with the Smog Check Program, BAR indicates it could charge a transactional fee to cover the cost to support the electronic system. The Smog Check transactional fee is currently \$0.70 per inspection. This bill strikes the fee authority for the existing certificate program, but does not reinstate it for the new electronic system proposed in this bill. DCA indicates if the fee authority was reinstated, the revenue generated by the electronic certificate process would likely offset the costs. The existing certificate fee generated \$1.575 million in 2020.
- e) Estimated ongoing annual revenue loss of \$1.7 million (special fund) from eliminating two existing license types and their corresponding fee authorities upon adoption of the new regulations for the proposed vehicle safety systems inspections license.

3) All other costs are anticipated to be minor and absorbable.

**COMMENTS:**

- 1) **Purpose.** This bill seeks to enhance consumer protections by improving the laws governing the automotive repair industry. The bill does this by (a) improving BAR's citation and fine regulatory program by creating an independent citation panel to review citations, (b) expediting BAR's disciplinary and hearing process by allowing BAR to hire in-house legal assistants to prepare complaint accusations and pre-assigning administrative law judges to hear cases, (c) creating a process for dealers to prevent disclosure of citations on the internet

if they have completed remedial training for minor violations, (d) updating dealer registration forms and (e) establishing a vehicle safety inspection program by creating a licensure program for stations and technicians and adopting regulations, in order to protect consumers from unsafe salvage vehicle repairs, among other changes.

- 2) **Background.** Senate Bill 51 (Beilenson, Chapter 1578, Statutes of 1971) established BAR in 1972, which created a statewide automotive consumer protection program and mandatory registration and regulation of automotive repair dealers for the first time. BAR enforces the Automotive Repair Act, which provides an additional layer of consumer protection from unsafe and unethical automotive repair practices and improves consumer confidence.

In 1984, BAR implemented the Smog Check Program to license and regulate smog check stations and technicians. This program seeks to reduce emissions through biennial inspections and repair of 1976 model-year and newer vehicles. In 2013, BAR implemented performance standards for smog check stations and inspectors as part of the STAR Program created by AB 2289 (Eng, Chapter 258, Statutes of 2010). The Smog Check Program is administered jointly by BAR, the Department of Motor Vehicles and the Air Resources Board.

BAR issues eleven license, registration and certificate types with a licensing population over 75,000, including over 36,000 automotive repair dealers.

- 3) **Prior Legislation.** AB 3141 (Low), Chapter 503, Statutes of 2018, extends BAR until January 1, 2023.

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