
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 988 (Grayson) - California Motor Vehicle Glass Act

Version: April 16, 2026

Urgency: No

Hearing Date: April 27, 2026

Policy Vote: JUD. 11 - 0

Mandate: No

Consultant: Bob Franzoia

Bill Summary: SB 988 would establish the California Motor Vehicle Glass Act to address consumer protections related to the repair or replacement of damaged motor vehicle glass by a motor vehicle glass repair shop. This bill also places requirements on how motor vehicle glass repairs covered by an insurance policy are administered.

Fiscal Impact: Unknown, potentially significant court cost pressure for new court workload to adjudicate additional cases filed as a result of provisions of this bill, including prohibiting assignment of benefits or non-first party contracting by insured or persons. Insured and non-first party persons could seek relief by filing actions under the Unfair Competition Law, Consumer Legal Remedies Act or False Advertising Law. Actual costs will depend on the number of actions filed and the amount of time needed to adjudicate each case.

“Insured” means a person that is entitled, or may be entitled, to receive first party benefits or payments under an insurance policy.

“Person” means any individual, corporation, limited liability company, partnership, association, or other group authorized to conduct business in the state.

Hearing workload costs are difficult to estimate as the courts are not funded based on workload but instead funded largely based on judicial positions and needed staff. Court costs are estimated on an hourly rate of \$1,300 (this rate does not include clerk and staff time outside of the hearing time). The length of time to resolve these cases is unknown.

Increased pressure on the Trial Court Trust Fund may create a need for increased funding for courts from the General Fund. The Governor’s 2026-27 budget proposes \$70 million ongoing from the General Fund to backfill declining revenue to the Trial Court Trust Fund.

Background: Current law contains several provisions to protect state consumers from unfair, dishonest, or harmful market practices. These consumer-protection laws authorize consumers to enforce their own rights and seek remedies to make them whole.

The Unfair Competition Law (UCL) provides remedies for “anything that can properly be called a business practice and that at the same time is forbidden by law.” The UCL provides that a court “may make such orders or judgments...as may be necessary to restore to any person in interest any money or property, real or personal, which may

have been acquired by means of such unfair competition.” The law also permits courts to award injunctive relief and, in certain cases, to assess civil penalties against the violator.

The Consumer Legal Remedies Act (CLRA) was enacted “to protect the statute’s beneficiaries from deceptive and unfair business practices,” and to provide aggrieved consumers with “strong remedial provisions for violations of the statute.” The CLRA prohibits (1) “unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer,” and (2) conduct “likely to mislead a reasonable consumer.”

Among other things, the CLRA prohibits merchants from “representing that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law,” or representing that goods “are of a particular standard, quality, or grade” when they are of another. Consumers who are harmed by specified unlawful practices have a right of action under the CLRA to recover damages and other remedies, including actual damages; an order to enjoin the unlawful act; restitution; punitive damages; or any other relief that the court deems proper.

The False Advertising Law (FAL) proscribes making or disseminating any statement that is known or should be known to be untrue or misleading with intent to directly or indirectly dispose of real or personal property. Violators are subject to a civil penalty not to exceed \$2,500 for each violation in an action brought by the Attorney General or by any district attorney, county counsel, or city attorney. Similar to the UCL, the FAL provides that a person may bring an action for an injunction or restitution if the person has suffered injury in fact and has lost money or property as a result of a violation of the FAL.

Proposed Law: Among other provisions, this bill would:

- 1) Prohibit an insured under a motor vehicle insurance policy that covers windshield and calibration repair or replacement from, either before or after a claimed or covered loss, assigning, delegating, or otherwise transferring, in whole or in part, to any other person the insured’s duties under the policy or rights or benefits under the policy.
 - a) A contract entered in violation of this provision is void and unenforceable.
 - b) Provides that this provision is not to be construed to prohibit an insured from authorizing or directing payment to, or paying, a person for services, materials, or any other thing that may be, or is, covered under an insurance policy.
- 2) Prohibit a motor vehicle glass repair shop from contracting with a person for repair or replacement of damaged motor vehicle glass that would be paid by a first-party insurance policy until all of the following conditions are met:
 - a) The person has made a first party claim for the repair or replacement of damaged motor vehicle glass under a motor vehicle insurance policy;

- b) The motor vehicle glass repair shop has received a claim or referral number for the claim; and
- c) The requirements of paragraphs (1) and (2) of subdivision (a) of Government Code 1784.53 are satisfied (disclosure of vehicle status and service processes).

Civil Code 1784.58, as added by this bill, states that a person or entity that violates the California Motor Vehicle Glass Act, shall be liable for a civil penalty, as follows:

- (1) For the first violation, a civil penalty not to exceed \$500.00
- (2) For each subsequent violation, a civil penalty not to exceed \$2,000.

Civil penalties under this section may be assessed and recovered in a civil action brought in the name of the people of California by a city attorney, district attorney, county counsel, or the Attorney General. Such civil penalties could be on the backend of any court action brought under the UCL, CLRA or FAL.