

The Legislature will adjourn this Wednesday, August 31, 2016. With only three days left, there is a flurry of activity as many bills still have to pass both houses before reaching the Governor's desk. Below is a list of the latest automotive repair bills that Jack Molodanof, ASCCA's lobbyist, is closely monitoring.

SB 778(Allen) – *Concerns:* The bill was significantly amended last week. It now includes all of the language from AB 873 (Jones), which provides Bureau of Automotive Repair (BAR) authority to create regulations to provide oversight of shops that are currently exempt from BAR because of minor repairs. The bills are also double joined, which means the Governor has to either sign both bills, or veto both. The bill amendments also include a section that will allow BAR to streamline the purchases of used vehicles for BAR undercover operations. This is something the BAR has requested in the past.

This bill will require currently unlicensed oil change businesses to register with the BAR as an "Automotive Maintenance Provider" (AMP), which is defined as businesses engaged in the preventative automotive maintenance services associated with fluid and filter changes, fluid treatments, and belts and windshield wiper sales. This new AMP category has become controversial. Many in the industry believe that these maintenance providers should simply be registered as ARD's and that no new category/definition needs be created.

The bill also requires that if an ARD/AMP recommends a date or mileage oil drain interval, they must follow the vehicle manufacturer published schedules. If a recommendation deviates from the vehicle manufacturer schedule, then the basis must be noted on the invoice. Nothing prohibits consumers from selecting oil drain interval of choice. Also, the following disclosure language must be included on the invoice or attachment: "It is important to change your oil at proper intervals. Your vehicle manufacturer published oil change intervals in your owner's manual and on the manufacturer web site."

Status: The bill was heard in the Senate Business, Professions & Economic Development Committee and passed by a vote of 7-2. It is currently pending a vote on the Senate Floor, and is expected to reach the Governor. The DCA has raised concerns regarding the new AMP registration language, and is expected to urge the Governor to veto the bill. Since the bill is joined to AB 873 (Jones), the Governor will either sign or veto both.

AB 876 (Jones) – *Support:* The bill authorizes BAR to create regulations to provide oversight over "minor services." The language in this bill has been included and the bill was joined with SB 778 (Allen), discussed above.

Status: The bill passed the Senate Floor with a vote of 39-0 and now goes back to the Assembly, where it is expected to pass and then go to the Governor.

AB 1174 (Bonilla) – *Neutral:* As amended, the bill will require BAR to adopt policies and procedures for handling complaints and investigation. Originally, we opposed this bill because it included language that would have required BAR to post on its website all the complaints against a shop, without any due process, very similar to "Yelp." The bill would have also provided BAR citation of fine authority (up to \$5,000 per violations) for shops making simple paperwork

mistakes. There was strong opposition from the industry, leading the Assembly Member to remove those provisions from the bill.

Status: The bill passed the Assembly Business and Processions committee by a vote of (16-0) and will be heard on the Assembly Floor. It is expected to pass and go to the Governor.

AB 2167 (Achadjian) – Support: Current law requires businesses that accept vehicles from tow operators to obtain certain information, including the tow driver license number. This bill is intended to provide relief by allowing businesses to also accept a government authorized unique identifier or a motor club driver's identification number.

Status: The bill is on the Governor's desk, and he is expected to sign the bill.

AB 2153 (Garcia) – Concerns: This bill establishes new fees on lead-acid batteries to fund lead contamination cleanup. The bill requires retailers that sell batteries to collect \$1.00 per new battery sold and remit to the State Board of Equalization. It requires that the battery fee be separately listed on the invoice. Furthermore, it requires retailers to accept batteries from a customer for recycling and requires the battery dealer to post a written notice stating that the dealer is required by law to accept batteries and charge a fee on all replacement batteries.

Status: The bill is pending in the Senate Rules Committee and needs a two-thirds vote to pass. The Governor's office is in negotiations with the author about liability clean up language and inclusion of green chemistry council language.

AB 1239 (Gordon) – Concerns: This bill establishes a new tire fee up to \$1.00 per new tire sold. Also requires CalRecycle to adopt regulations to implement the fee. The bill imposes the fee directly on the retailer as opposed to the consumer. The retailer can choose to treat the fee as a cost of goods sold and increase the tire purchase price.

Status: The bill will be heard in Assembly Natural Resources Committee on Monday, August 29, 2016.