CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1766

Chapter 424, Laws of 1993

53rd Legislature 1993 Regular Session

AUTO REPAIR FACILITIES -- REVISED CONSUMER PROTECTION REQUIREMENTS

EFFECTIVE DATE: 1/1/94

Passed by the House April 20, 1993 Yeas 97 Nays 0

BRIAN EBERSOLE

Speaker of the
House of Representatives

Passed by the Senate April 8, 1993 Yeas 47 Nays 0

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL** 1766 as passed by the House of Representatives and the Senate on the dates hereon set forth.

JOEL PRITCHARD

ALAN THOMPSON

President of the Senate

Chief Clerk

Approved May 15, 1993

FILED

May 15, 1993 - 1:39 p.m.

MIKE LOWRY

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE HOUSE BILL 1766

AS AMENDED BY THE SENATE

Passed Legislature - 1993 Regular Session

State of Washington 53rd Legislature 1993 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives G. Cole, Heavey, Ogden, Zellinsky, R. Meyers, Wang, Conway and J. Kohl; by request of Attorney General)

Read first time 03/03/93.

- 1 AN ACT Relating to automotive repair; amending RCW 46.71.060,
- 2 46.71.070, and 46.71.090; adding new sections to chapter 46.71 RCW;
- 3 creating a new section; repealing RCW 46.71.010, 46.71.020, 46.71.030,
- 4 46.71.040, 46.71.043, 46.71.047, 46.71.050, and 46.71.065; and
- 5 providing an effective date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 <u>NEW SECTION.</u> **Sec. 1.** The automotive repair industry supports good
- 8 communication between auto repair facilities and their customers. The
- 9 legislature recognizes that improved communications and accurate
- 10 representations between automotive repair facilities and the customers
- 11 will: Increase consumer confidence; reduce the likelihood of disputes
- 12 arising; clarify repair facility lien interests; and promote fair and
- 13 nondeceptive practices, thereby enhancing the safety and reliability of
- 14 motor vehicles serviced by auto repair facilities in the state of
- 15 Washington.
- 16 <u>NEW SECTION.</u> **Sec. 2.** For purposes of this chapter:
- 17 (1) An "after market body part" or "nonoriginal equipment
- 18 manufacturer body part is an exterior body panel or nonstructural body

- 1 component manufactured by someone other than the original equipment 2 manufacturer and supplied through suppliers other than those in the 3 manufacturer's normal distribution channels.
 - (2) "Automotive repair" includes but is not limited to:
- 5 (a) All repairs to vehicles subject to chapter 46.16 RCW that are commonly performed in a repair facility by a motor vehicle technician 6 including the diagnosis, installation, exchange, or repair of 7 8 mechanical or electrical parts or units for any vehicle, the 9 performance of any electrical or mechanical adjustment to any vehicle, 10 or the performance of any service work required for routine maintenance or repair of any vehicle. However, commercial fleet repair or 11 12 maintenance transactions involving two or more vehicles or ongoing 13 service or maintenance contracts involving vehicles used primarily for business purposes are not included; 14
- (b) All work in facilities that perform one or more specialties within the automotive repair service industry including, but not limited to, body collision repair, refinishing, brake, electrical, exhaust repair or installation, frame, unibody, front-end, radiators, tires, transmission, tune-up, and windshield; and
- (c) The removal, replacement, or repair of exterior body panels, the removal, replacement, or repair of structural and nonstructural body components, the removal, replacement, or repair of collision damaged suspension components, and the refinishing of automotive components.
- 25 (3) "Automotive repair facility" or "repair facility" means any 26 person, firm, association, or corporation who for compensation engages 27 in the business of automotive repair or diagnosis, or both, of 28 malfunctions of motor vehicles subject to licensure under chapter 46.16 29 RCW and repair and refinishing auto-body collision damage as well as 30 overall refinishing and cosmetic repairs.
- 31 (4) A "rebuilt" part consists of a used assembly that has been 32 dismantled and inspected with only the defective parts being replaced.
- 33 (5) A "remanufactured" part consists of a used assembly that has 34 been dismantled with the core parts being remachined and all other 35 parts replaced with new parts so as to provide performance comparable 36 to that found originally.
- NEW SECTION. Sec. 3. (1) Except as otherwise provided in section 5 of this act, all estimates that exceed one hundred dollars shall be

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- in writing and include the following information: The date; the name, address, and telephone number of the repair facility; the name, 2 address, and telephone number, if available, of the customer or the 3 4 customer's designee; if the vehicle is delivered for repair, the year, make, and model of the vehicle, the vehicle license plate number or 5 last eight digits of the vehicle identification number, and the 6 7 odometer reading of the vehicle; a description of the problem reported 8 by the customer or the specific repairs requested by the customer; and 9 a choice of alternatives described in section 5 of this act.
- 10 (2) Whether or not a written estimate is required, parts and labor provided by an automotive repair facility shall be clearly and 11 accurately recorded in writing on an invoice and shall include, in 12 addition to the information listed in subsection (1) of this section, 13 14 the following information: A description of the repair or maintenance 15 services performed on the vehicle; a list of all parts supplied, identified by name and part number, if available, part kit description 16 17 or recognized package or shop supplies, if any, and an indication whether the parts supplied are rebuilt, or used, if applicable or where 18 19 collision repair is involved, after market body parts or nonoriginal equipment manufacturer body parts, if applicable; the price per part 20 charged, if any, and the total amount charged for all parts; the total 21 amount charged for all labor, if any; and the total charge. Parts and 22 labor do not need to be separately disclosed if pricing is expressed as 23 24 an advertised special by the job, a predisclosed written repair menu 25 item, or a routine service package.
 - (3) Notwithstanding subsection (2) of this section, if the repair work is performed under warranty or without charge to the customer, other than an applicable deductible, the repair facility shall provide either an itemized list of the parts supplied, or describe the service performed on the vehicle, but the repair facility is not required to provide any pricing information for parts or labor.

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- 32 (4) A copy of the estimate, unless waived, shall be provided to the 33 customer or customer's designee prior to providing parts or labor as 34 required under section 5 of this act. A copy of the invoice shall be 35 provided to the customer upon completion of the repairs.
- 36 (5) Only material omissions, under this section, are actionable in 37 a court of law or equity.

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NEW SECTION. Sec. 4. Except for parts covered by a manufacturer's 1 2 or other warranty or parts that must be returned to a distributor, remanufacturer, or rebuilder, the repair facility shall return replaced 3 4 parts to the customer at the time the work is completed if the customer 5 requested the parts at the time of authorization of the repair. customer at the time of authorization of the repair requests the return 6 of a part that must be returned to the manufacturer, remanufacturer, 7 distributor, recycler, or rebuilder, or must be disposed of as required 8 by law, the repair facility shall offer to show the part to the 9 10 The repair facility need not show a replaced part if no charge is being made for the replacement part. 11

12 <u>NEW SECTION.</u> **Sec. 5.** (1) Except as provided in subsection (3) of this section, a repair facility prior to providing parts or labor shall 13 14 provide the customer or the customer's designee with a written price estimate of the total cost of the repair, including parts and labor, or 15 where collision repair is involved, after market body parts or 16 nonoriginal equipment manufacturer body parts, if applicable, or offer 17 18 the following alternatives:

- 19 "YOU ARE ENTITLED TO A WRITTEN PRICE ESTIMATE FOR THE REPAIRS YOU HAVE AUTHORIZED. YOU ARE ALSO ENTITLED TO REQUIRE THE REPAIR FACILITY TO 20 21 OBTAIN YOUR ORAL OR WRITTEN AUTHORIZATION TO EXCEED THE WRITTEN PRICE 22 YOUR SIGNATURE OR INITIALS WILL INDICATE YOUR SELECTION. ESTIMATE.
- 23 1. I request an estimate in writing before you begin repairs. 24 Contact me if the price will exceed this estimate by more than 25 ten percent.
- 26 2. Proceed with repairs but contact me if the price will exceed 27
- 28 3. I do not want a written estimate.
- 29 (Initial or signature) 30 Time: . . . " Date:

(2) The repair facility may not charge the customer more than one hundred ten percent, exclusive of retail sales tax, of the total shown on the written price estimate. Neither of these limitations apply if, before providing additional parts or labor the repair facility obtains either the oral or written authorization of the customer, or the customer's designee, to exceed the written price estimate. The repair facility or its representative shall note on the estimate the date and 37 time of obtaining an oral authorization, the additional parts and labor 38 required, the estimated cost of the additional parts and labor, or 39

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- where collision repair is involved, after market body parts or nonoriginal equipment manufacturer body parts, if applicable, the name or identification number of the employee who obtains the authorization, and the name and telephone number of the person authorizing the additional costs.
- (3) A written estimate shall not be required when the customer's 6 7 motor vehicle or component has been brought to an automotive repair 8 facility's regular place of business without face-to-face contact between the customer and the repair facility. Face-to-face contact 9 10 means actual in-person discussion between the customer or his or her designee and the agent or employee of the automotive repair facility 11 authorized to intake vehicles or components. However, prior to 12 providing parts and labor, the repair facility must obtain either the 13 oral or written authorization of the customer or the customer's 14 15 designee. The repair facility or its representative shall note on the estimate or repair order the date and time of obtaining an oral 16 authorization, the total amount authorized, the name or identification 17 number of the employee who obtains the authorization, and the name of 18 19 the person authorizing the repairs.
- NEW SECTION. Sec. 6. An automotive repair facility shall post in a prominent place on the business premises one or more signs, readily visible to customers, in the following form:
- 23 "YOUR CUSTOMER RIGHTS
- 24 YOU ARE ENTITLED BY LAW TO:
- 25 1. A WRITTEN ESTIMATE FOR REPAIRS WHICH WILL COST MORE THAN ONE 26 HUNDRED DOLLARS, UNLESS WAIVED OR ABSENT FACE-TO-FACE 27 CONTACT (SEE ITEM 4 BELOW);
- 28 2. RETURN OR INSPECTION OF ALL REPLACED PARTS, IF REQUESTED AT TIME OF REPAIR AUTHORIZATION;
- 30 3. AUTHORIZE ORALLY OR IN WRITING ANY REPAIRS WHICH EXCEED THE ESTIMATED TOTAL PRESALES TAX COST BY MORE THAN TEN PERCENT;
- 32 4. AUTHORIZE ANY REPAIRS ORALLY OR IN WRITING IF YOUR VEHICLE 33 IS LEFT WITH THE REPAIR FACILITY WITHOUT FACE-TO-FACE 34 CONTACT BETWEEN YOU AND THE REPAIR FACILITY PERSONNEL.
- 35 IF YOU HAVE AUTHORIZED A REPAIR IN ACCORDANCE WITH THE ABOVE 36 INFORMATION YOU ARE REQUIRED TO PAY FOR THE COSTS OF THE REPAIR PRIOR 37 TO TAKING THE VEHICLE FROM THE PREMISES."

- 1 The first line of each sign shall be in letters not less than one
- 2 and one-half inch in height and the remaining lines shall be in letters
- 3 not less than one-half inch in height.
- 4 <u>NEW SECTION.</u> **Sec. 7.** An automotive repair facility that fails to
- 5 comply with the estimate requirements of section 5 of this act is
- 6 barred from recovering in an action to recover for automotive repairs
- 7 any amount in excess of one hundred ten percent of the amount
- 8 authorized by the customer, or the customer's designee, unless the
- 9 repair facility proves by a preponderance of the evidence that its
- 10 conduct was reasonable, necessary, and justified under the
- 11 circumstances. In an action to recover for automotive repairs the
- 12 prevailing party may, at the discretion of the court, recover the costs
- 13 of the action and reasonable attorneys' fees.
- 14 <u>NEW SECTION.</u> **Sec. 8.** A repair facility that fails to comply with
- 15 section 4, 5, or 6 of this act is barred from asserting a possessory or
- 16 chattel lien for the amount of the unauthorized parts or labor upon the
- 17 motor vehicle or component.
- 18 <u>NEW SECTION.</u> **Sec. 9.** Each of the following acts or practices are
- 19 unlawful:
- 20 (1) Advertising that is false, deceptive, or misleading. A single
- 21 or isolated media mistake does not constitute a false, deceptive, or
- 22 misleading statement or misrepresentation under this section;
- 23 (2) Materially understating or misstating the estimated price for
- 24 a specified repair procedure;
- 25 (3) Retaining payment from a customer for parts not delivered or
- 26 installed or a labor operation or repair procedure that has not
- 27 actually been performed;
- 28 (4) Unauthorized operation of a customer's vehicle for purposes not
- 29 related to repair or diagnosis;
- 30 (5) Failing or refusing to provide a customer, upon request, a
- 31 copy, at no charge, of any document signed by the customer;
- 32 (6) Retaining duplicative payment from both the customer and the
- 33 warranty or extended service contract provider for the same covered
- 34 component, part, or labor;
- 35 (7) Charging a customer for unnecessary repairs. For purposes of
- 36 this subsection "unnecessary repairs" means those for which there is no

- 1 reasonable basis for performing the service. A reasonable basis
- 2 includes, but is not limited to: (a) That the repair service is
- 3 consistent with specifications established by law or the manufacturer
- 4 of the motor vehicle, component, or part; (b) that the repair is in
- 5 accordance with accepted industry standards; or (c) that the repair was
- 6 performed at the specific request of the customer.
- 7 <u>NEW SECTION.</u> **Sec. 10.** The repair facility shall make available,
- 8 upon request, a copy of any express warranty provided by the repair
- 9 facility to the customer that covers repairs performed on the vehicle.
- 10 **Sec. 11.** RCW 46.71.060 and 1982 c 62 s 7 are each amended to read
- 11 as follows:
- 12 Every automotive ((repairman)) repair facility shall retain and
- 13 make available for inspection, upon request by the customer or the
- 14 customer's authorized representative, true copies of the written price
- 15 estimates and invoices required under this chapter for at least one
- 16 year after the date on which the repairs were performed.
- 17 **Sec. 12.** RCW 46.71.070 and 1982 c 62 s 9 are each amended to read
- 18 as follows:
- 19 The legislature finds that the practices covered by this chapter
- 20 are matters vitally affecting the public interest for the purpose of
- 21 applying the consumer protection act, chapter 19.86 RCW. Violations of
- 22 this chapter are not reasonable in relation to the development and
- 23 preservation of business. A violation of this chapter is an unfair
- 24 ((act or practice in violation of)) or deceptive act in trade or
- 25 commerce and an unfair method of competition for the purpose of
- 26 applying the consumer protection act, chapter 19.86 RCW. In an action
- 27 under chapter 19.86 RCW due to an automotive ((repairman's)) repair
- 28 <u>facility's</u> charging ((or attempt to charge)) a customer an amount in
- 29 excess of one hundred ten percent of the amount authorized by the
- 30 customer, a violation shall not be found if the automotive
- 31 ((repairman)) repair facility proves by a preponderance of the evidence
- 32 that ((his or her)) its conduct was reasonable, necessary, and
- 33 justified under the circumstances.
- Notwithstanding RCW 46.64.050, no violation of this chapter shall
- 35 give rise to criminal liability under that section.

- 1 **Sec. 13.** RCW 46.71.090 and 1982 c 62 s 11 are each amended to read 2 as follows:
- When the department of revenue issues a registration certificate under RCW 82.32.030 to an automotive ((repairman)) repair facility, it
- 5 shall give written notice to the person of the requirements of this
- 6 chapter in a manner prescribed by the director of revenue. The
- 7 department of revenue shall thereafter give the notice on an annual
- 8 basis in conjunction with the business and occupation tax return
- 9 provided to each person holding a registration certificate as an
- 10 automotive ((repairman)) repair facility.
- 11 <u>NEW SECTION.</u> **Sec. 14.** The attorney general shall study the
- 12 recommendations of the national association of attorneys general
- 13 automotive repair task force and make findings on the possible use of
- 14 the task force's recommendations in this state. The attorney general
- 15 may submit a report of its findings to the appropriate standing
- 16 committees of the legislature by December 1, 1994.
- 17 <u>NEW SECTION.</u> **Sec. 15.** If any provision of this act is declared
- 18 unconstitutional, or the applicability thereof to any person or
- 19 circumstances is held invalid, the constitutionality of the remainder
- 20 of the act and the applicability thereof to persons and circumstances
- 21 shall not be affected thereby.
- 22 <u>NEW SECTION.</u> **Sec. 16.** The following acts or parts of acts are
- 23 each repealed:
- 24 (1) RCW 46.71.010 and 1982 c 62 s 1 & 1977 ex.s. c 280 s 1;
- 25 (2) RCW 46.71.020 and 1977 ex.s. c 280 s 2;
- 26 (3) RCW 46.71.030 and 1982 c 62 s 2 & 1977 ex.s. c 280 s 3;
- 27 (4) RCW 46.71.040 and 1982 c 62 s 3 & 1977 ex.s. c 280 s 4;
- 28 (5) RCW 46.71.043 and 1982 c 62 s 4;
- 29 (6) RCW 46.71.047 and 1982 c 62 s 5;
- 30 (7) RCW 46.71.050 and 1982 c 62 s 6 & 1977 ex.s. c 280 s 5; and
- 31 (8) RCW 46.71.065 and 1982 c 62 s 8.
- 32 <u>NEW SECTION.</u> **Sec. 17.** Sections 1 through 10 of this act are each
- 33 added to chapter 46.71 RCW.
- 34 <u>NEW SECTION.</u> **Sec. 18.** This act shall take effect January 1, 1994.

Passed the House April 20, 1993.
Passed the Senate April 8, 1993.
Approved by the Governor May 15, 1993.
Filed in Office of Secretary of State May 15, 1993.