

Happy 2025! The start of the new year coincides with many changes in the world of public policy. For starters, a new president is in the White House and almost all 50 state legislatures are in session or will be soon. This special edition of ASA's Repair Policy Scan Tool newsletter will be longer than most because there is so much catching up to do!

Federal News

- <u>H.R. 643</u> would eliminate the Federal Insurance Office (FIO). It was introduced by new U.S. Representative Troy Downing (R-MT). Downing was Montana's Commissioner of Securities and Insurance. He also founded a national commercial insurance company. The bill, titled "The Federal Insurance Office Elimination Act," has nine cosponsors so far. ASA opposes legislation that would weaken or eliminate FIO.
- ASA signed <u>a letter in support of making the Section 199A tax deduction permanent</u>. Section 199A allows S corporations which comprise 95 percent of all U.S. businesses and employ 63 percent of the country's workforce to deduct 20 percent of qualified income for tax purposes. The next day, U.S. Senator Steve Daines (R-MT) and U.S. Representative Lloyd Smucker (R-PA) introduced the <u>Main</u> <u>Street Tax Certainty Act</u>, which would eliminate the deduction's sunset at the end of 2025.
- President Trump signed 26 executive orders on the first day that he took office for his second term. One bundle of orders, called "<u>Unleashing American Energy</u>," includes orders with instructions to rescind the "electric vehicle (EV) mandate." While technically no EV mandate exists, the Biden administration approved vehicle emissions regulations that would make it nearly impossible for OEMs to comply without 50 percent of their new cars sold in the U.S. being EVs by 2032. Another order froze disbursement of funds appropriated to significantly boost EV charging stations through programs such as the National Electric Vehicle Infrastructure program. Opponents of these orders launched lawsuits arguing that President Trump lacks the legal authority to take these actions.

State News

California

• <u>AB 272</u> would require that the State Air Resources Board submit its first report on the effectiveness (enforcement, operational downtime, and an estimate of emissions reduced and cost-effectiveness) of its non-gasoline heavy-duty emissions inspection program by February 1, 2026.

Connecticut

- <u>HB 5386</u> would create a \$2,000 rebate for every vehicle converted from and ICE vehicle to an EV
- <u>SB 290</u> would permit the Commissioner of Motor Vehicles to register a motor vehicle even if such motor vehicle is not in compliance with the emissions inspection requirements.





Florida

• <u>SB 92</u> would require repair shops to get written crash reports from a customer if the work on a vehicle that is damaged in an accident or collision is estimated to be \$5,000 or more

Hawaii

- <u>SB 795/HB 1464</u> would create rights to access certain vehicle repair data. The bill shares many similarities to laws passed in Massachusetts and Maine. Those laws haven't taken effect due to legal, cybersecurity, and logistical concerns in the law requiring standardized access to OBD systems and an "inter-operable, standardized, and open-access platform" for telematics access. This bill in Hawaii contains those same requirements that have undermined implementation in Massachusetts and Maine.
- <u>SB 1216</u> would make it illegal to install a muffler, including but not limited to a cut-out, bypass, or similar device, that will noticeably increase the noise emitted by a motor vehicle above factory condition.
- <u>HB 1444</u> would require motor vehicle safety inspections to be conducted every two years rather than annually
- <u>SB 327</u> would create a program for state-funded private-sector internships/apprenticeships. The state would reimburse the employer \$20/hour in wages for time spent training and supervising the apprentice. Employers would have to pay their apprentice at least \$20.00 per hour for a maximum of forty hours per week, among other requirements. The state would be responsible for covering workers' compensation.

Massachusetts

- <u>HD 2268</u> mostly concerns insurance coverage requirements for autonomous vehicles (AVs), but it would also require AVs operating on roads in the state to pass vehicle safety inspections.
- <u>HD 3444/SD 2554</u> would require the executive office of education to conduct a study into the current state of financing related to capital improvements in facilities providing primarily vocational-technical education. Improved resources in vocational education could help with student recruitment efforts and higher standards of training, which could contribute to reducing the skilled workforce shortage in the auto repair industry.
- <u>HD 3356</u> would require vehicles used for Uber, Lyft, DoorDash, etc. to undergo annual safety inspections.
- <u>HD 3658/SD 2053</u> would allow a vehicle owner or lessee to void the purchase or lease agreement if the vehicle fails a safety inspection test within 7 days of the sale or lease, the problems causing the failed inspection were not caused by the new owner or lessee, and the cost of repairs needed for the vehicle to pass an inspection exceeds ten percent total purchase price or amount of payments due by the consumer to the lessor over the full term of the lease.
- <u>SD 76</u> would set a \$55/hour minimum labor rate for auto body repairs. It would also create an auto body labor rate advisory board tasked with creating, implementing and overseeing an annual survey collecting data on body shop labor rates and related info and recommending a fair labor rate based on the findings in the survey. The State Insurance Commissioner would have to set a minimum labor rate within 30 days of receiving the auto body labor rate advisory board's annual report





• <u>SD 340</u> would increase limitations on the installation of certain aftermarket safety glasses on vehicles. Vehicles found to have aftermarket safety glass installed that isn't on the state's approved list would have their registration stripped.

Mississippi

• <u>SB 2411</u> would specify that the most an insurer would have to cover in repair costs is the typical cost of the proper, full, and fair repair in that geographic market. Under current law, an insurer is not required to pay for repairs that cost more than the lowest amount that a such vehicle or glass could be properly and fairly repaired in that area. This bill would also define a "properly, fully, and fairly" repaired vehicle to mean that it was repaired according to OEM repair procedures and with OEM parts or "equivalent parts that have been properly tested pursuant to or meet the manufacturer's specifications." The bill would also forbid practices that steer consumers to certain repair businesses.

Missouri

- <u>HB 960</u> would require the Air Conservation Commission to suspend by January 1, 2027, any motor vehicle emissions inspection program established under the Air Quality Attainment Act
- <u>HB 1018</u> would eliminate the safety inspection required when vehicles are sold if the vehicle has less than fifty thousand miles for the three-year period following the model year of manufacture and sold by a private seller or a vehicle dealership that sold at least 200 vehicles in the previous year

Montana

- <u>SB 67</u> would allow AVs to operate in MT with certain conditions. It would leave significant rulemaking authority to the Department of Transportation. No safety inspection requirements are explicitly included in the bill, but theoretically the DOT could require that in its rulemaking.
- <u>HB 297</u> would require employers with 10 or more employees to provide an employee an hour of paid sick leave for every 40 hours worked.

Nebraska

- <u>LB 112</u> would make it so that a structurally totaled vehicle has to receive a salvage title. It also states that a structurally totaled vehicle is not one that received damage from hail or on which the damage is strictly cosmetic. Most importantly, a structurally total-loss vehicle is not one on which the cost to perform repairs is less than 75% of the vehicle's actual cash value.
- <u>LB 111</u> would forbid an insurer from directly or indirectly requiring the installation of non-OEM parts if the part doesn't have a permanent manufacturer identification marking, the part is not equal to the OEM part in terms of fit and performance, or the vehicle was manufactured within 36 months of the date of the collision. It is scheduled to be heard in committee on March 4, 2025.

New Hampshire

• <u>HB 209</u> would allow a new vehicle purchased in the model year or before to be inspected in the second year after purchase. The bill is scheduled to be considered before a House Transportation Committee meeting scheduled for January 28 at 10:40am





- <u>HB 649</u> would remove the requirement for physical safety inspections and on-board diagnostic tests for passenger vehicles
- SB 157 would exempt rental vehicles from the annual safety inspection for two years after the vehicle's initial inspection that occurred upon purchase.

New York

- <u>A. 2486</u> would make it illegal to install an aftermarket defeat device on a vehicle.
- <u>A. 245</u> would make it so that collision repairers can't deviate from the OEM repair procedures unless given written consent from the vehicle owner. Insurers also wouldn't be allowed to force collision repairers to deviate from OEM repair procedures unless the vehicle owner gives written consent. Scans, calibrations, and diagnostic tests in an OEM repair procedure are considered required procedures.

Oklahoma

• <u>SB 784</u> would set vehicle storage fee caps and other rules that would impact collision repair shops.

Oregon

- <u>HB 2671</u> would allow for AVs to be tested on roads in Oregon. No inspection requirements included in the legislation
- <u>SB 209</u> would create a tax credit up to \$2,500 per employee for employers who employ workers aged 14-24 as part of an internship, apprenticeship, or summer job through the Oregon Youth Employment Program.
- <u>SB 709</u> would create a tax credit up to \$1,000 per apprentice employed aged 16-30 for at least 500 hours of the tax year.

Pennsylvania

- <u>SB 35</u> would eliminate the vehicle emissions inspection program in many counties in Pennsylvania.
- <u>SB 149</u> would exempt new vehicles from undergoing an emission inspection for five years after the vehicle is manufactured.

Virginia

• <u>HB 1921</u> would mandate that all private sector employers provide their employees one hour of paid sick leave for every 30 hours worked. Employees may use the leave to address their physical or mental illness, care for a family member, or relocate due to domestic abuse, sexual assault, or stalking. It was approved in subcommittee by a vote of 5-3.

Other useful links!

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