

Federal News

REPAIRERS AND OEMS CO-AUTHOR FEDERAL SAFE AUTO REPAIR BILL

The Automotive Service Association (ASA), Society of Collision Repair Specialists (SCRS), and the Alliance for Automotive Innovation – which represents OEMs responsible for about 98 percent of vehicles sold in the U.S. – have drafted a bill that addresses many independent mechanical and collision auto repair shops' biggest issues. It's called the <u>Safety as First Emphasis (SAFE) Repair Act</u>.

If passed, the SAFE Repair Act would make it easier for independent repairers to properly repair more vehicles and return them to safe operating condition by:

- Ensuring access to the data and tools needed for repairs
- Empowering auto repairers to follow OEM repair procedures
- Promoting regular auto safety inspections and post-collision repair inspections
- Allowing greater consumer choice in aftermarket parts
- Applying OEM part safety and recall rules to non-OEM parts
- Creating a right to reject a total loss settlement if the repair cost is less than actual cash value
- Requiring disclosure of prior alterations or repairs when selling used vehicles

The SAFE Repair Act represents the best chance to create a level playing field for independent auto repairers across the country and prioritize safe repairs. In addition, the REPAIR Act has been re-introduced by U.S. Congressman Neil Dunn of Florida.

More Federal News

- H.R. 736, the "Protect Small Businesses from Excessive Paperwork Act" would extend the deadline for certain companies that are required to file <u>beneficial ownership information</u> with the Financial Crimes Enforcement Network (FinCEN). This reporting requirement was created through the <u>Corporate Transparency Act</u>, which the Trump Administration is arguing, in court, is unconstitutional. Under the CTA, most businesses registered as corporations, LLCs, or those created through filings with state secretaries of state (or similar offices) would need to disclose their beneficial owner(s). H.R. 736 passed the U.S. House of Representatives 408-0 and now awaits the U.S. Senate's action.
- Repairers should expect to see tariffs on vehicles and aftermarket parts imports. Anticipating when those tariffs will go into effect, the targeted countries, the tariff rates, and the exempted products remains challenging. Currently, vehicles and aftermarket parts imported from Canada and Mexico can avoid a 25 percent tariff, but that exemption is slated to vanish on April 2. ASA will keep you updated on relevant developments on this topic.
- By a 217-215 vote, the U.S. House of Representatives passed a resolution (H.Con.Res.14) calling on the Education and Workforce Committee to find \$330 billion in cuts to the budgets of agencies under its jurisdiction. Funding for programs that help expand the automotive technician workforce, such as the Registered Apprenticeship Program, could see reduced funding in order to meet the budget cut goals.





State News

- **Arizona** <u>HB 2104</u>: The Arizona Department of Environmental Quality has a Voluntary Vehicle Repair and Retrofit program, which offers vehicle owners up to \$900 towards the cost of emissions related vehicle repairs after a failed emissions test. This bill would require vehicle owners to apply for the program within 60 days of failing the emissions inspection and conduct the repair within 60 days from the date they are accepted into the program. It passed out of the full House unanimously.
- **California's** Bureau of Automotive Repair (BAR) approved <u>changes to its Consumer Assistance Program</u>. Income-eligible consumers can now receive up to \$2,000 to retire certain vehicles or up to \$1,450 for emissions repairs. Previously, support amounted to \$1,500 and \$1,250 respectively. Also, vehicle owners can now receive financial help more than once for repairs on the same vehicle.
- **Colorado** <u>HB 1118</u> would allow the installation of catalytic converters that comply with federal regulations but conflict with California regulations if the previous catalytic converter was stolen or mechanically failed. The owner would first need to make a reasonable effort to find a California-compliant converter without success. The vehicle would need to pass an emissions inspection within 30 days after the federally compliant catalytic converter was installed. Prior to repairing or replacing a converter, repairers would have to inform the customer about state programs to replace ICE vehicles with zero-emission alternatives, such as the Vehicle Exchange Colorado program. It advanced out of committee on a 12-1 vote.
- **Florida** <u>SB 92/HB 807</u> passed committee 8-0. It would require body shops to ask customers to provide a crash report on repairs estimated to cost over \$5,000. If the customer doesn't provide a report, the repairer must submit the vehicle's information to police.
- **Georgia** <u>HB 663</u> would eliminate the \$10-25 range for emission inspection fees and would instead base it on the cost of performing such inspection in an adequate and proper manner, including the cost of equipment, testing, labor, training, record keeping, reporting, and other overhead expenses."
- **Hawaii** <u>SB 327</u> passed the full senate 25-0. It would create a program for state-funded private-sector apprenticeships. The state would reimburse the employer \$20/hour in wages for time spent training and supervising the apprentice. Employers would have to pay apprentices at least \$20/hour. Apprentices and employers would have to meet other requirements as well.
- **Hawaii** <u>SB 1216</u> passed 20-5 in the full senate. If signed into law, it 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.
- **Maryland** <u>HB 352/SB 321</u> would, among many other things, raise the fee for an emissions inspection from \$12 to \$30 starting in July 2025.
- Maryland <u>SB 742</u> would create a safety inspection program for vehicles that are over six years old.
- **Montana** <u>SB 67</u> would allow AVs to operate on roads in the state with certain conditions. It would leave significant rulemaking authority to the Department of Transportation. No safety inspection requirements are included, but theoretically the DOT could require that in its rulemaking. It passed Senate in the State Senate on a 40-9 vote.





- **Montana** <u>SB 356</u> would make it an unfair trade practice for an auto insurer to instruct an auto body repairer to disregard OEM repair instructions or safety inspections of collision-damaged automobiles recommended by an OEM. It would only apply to vehicles manufactured after the bill became law. It passed Senate 49-1.
- **Nevada** <u>SB 243</u> would allow businesses, such as auto repair shops, to obtain Class I and Class II licenses, which would allow them to provide certain services pertaining to vehicle registrations, titles, license plates, and other specified services that currently only the DMV can perform.
- New Hampshire <u>HB 649</u> would end the requirement for physical safety inspections and on-board diagnostic tests for passenger vehicles. It passed the state house on a 212-143 vote.
- **Oklahoma** <u>SB 784's</u> author has amended his bill that would limit what auto repairers can charge for vehicle storage and other repair costs. Some changes improve it while others make it worse. For example, removing activities related to pre-repair diagnostic scanning from the definition of "administrative costs" represents a positive change. However, the new version reduces the maximum number of labor hours that can be billed for administrative costs from four hours to three hours. Long story short, SB 784, which sets unfair limits on auto repair charges, is still a very bad bill.
- **Oklahoma** <u>HB 2882</u> would require a vehicle owner applying for a rebuilt title to file an affidavit stating that all repairs of damage have been performed and provide corresponding receipts.
- **Pennsylvania** <u>SB 35/HB 761</u> would exempt certain counties, which host a combined population of 1,366,842 people, from the vehicle emissions testing requirement. It passed in the State Senate 27-21.
- **Pennsylvania** <u>SB 149</u> would exempt new vehicles from undergoing an emission inspection for five years after the vehicle is manufactured. It passed in the State Senate 28-0.
- **South Carolina** <u>H. 4039</u> would create a right to appraisal within 19 days after a claim is filed. Insurers would have to pay for an appraisal if the appraisal says the repair cost is more than the insurer estimate.
- **Texas** <u>HB 722</u> would require insurers to provide policyholders a written explanation of any procedures, formulas, calculations, or other methods used by its appraisers to determine the amount of loss, including the cost of observed or predicted repairs and the salvage value of the automobile, if the policyholder requests such information.
- **Utah** <u>HB 112</u> would eliminate a police officer's ability to request that the state suspend a vehicle's registration due to a window tinting issue. It passed the state senate 26-0 after passing the house 69-1.
- **Vermont** <u>S. 103</u> would require that "rust, corrosion, or torn metal on a vehicle body, frame, component, or part that is cosmetic in nature and does not materially diminish the structural integrity of the vehicle or pose a danger shall not be grounds for a vehicle to fail its annual inspection."
- West Virginia <u>HB 2977/SB 679</u> would eliminate vehicle safety inspections.

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