LEGISLATION AND REGULATIONS UPDATE



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BAR ADVISORY GROUP MEETING
JULY 21, 2022

LEGISLATION IMPORTANT DATES (1 OF 2)

- July 1 August 1, 2022 Summer Recess
- August 12 Last day for fiscal committees to meet and report bills to the Floor
- August 25 Last day to amend bills on the Floor
- August 31 Last day for each house to pass bills. Final recess
- September 30 Last day for Governor to sign or veto bills

LEGISLATION IMPORTANT DATES (2 OF 2)

*Disclaimer: Though every effort is made to ensure information provided on these slides is the most current, given the nature of the legislative process, hearing dates or bill summaries shown here may not reflect the latest updates. Please be sure to check www.leginfo.legislature.ca.gov for the most current bill information.

2022 LEGISLATIVE BILLS (1 OF 2)

- AB 646 (Low): Expunged Convictions
- AB 1733 (Quirk): Open Meetings
- AB 2350 (Wilson/Grayson): Zero-Emission Aftermarket Conversion Project
- AB 2496 (Petrie-Norris): Vehicle Exhaust Systems

2022 LEGISLATIVE BILLS (2 OF 2)

Catalytic Converter Bills

- AB 1740 (Murtasuchi): Core Recycler Record Keeping Requirements
- AB 2407 (O'Donnell): Core Recycler Reporting Requirements
- AB 2682 (Gray): VIN Marking Requirements
- SB 986 (Umberg): Core Recycler Payment and VIN Requirements for Vehicle Sales
- SB 1087 (Gonzalez): Prohibited Purchases

AB 646 (LOW): Expunged Convictions

Status: This bill was re-referred to the Assembly Committee on Public Safety on June 20, 2022.

Summary: This bill would:

- Require DCA Boards/Bureaus posting information on their online license search system about a license revocation due to a criminal conviction, to update or remove information about the revoked license should it receive an expungement order related to the conviction.
- Authorize a \$25 fee, unless there are no costs to perform these activities.

AB 1733 (Quirk): Open Meetings (1 of 2)

Status: The hearing on this bill before the Assembly Committee on Governmental Organization was postponed.

<u>Summary</u>: This bill would specify that a "meeting" held under the Bagley-Keene Open Meeting Act includes a meeting held entirely by teleconference so long as the state body adheres to certain specified requirements, such as:

- Ensuring the public has the means to hear, observe, and address the state body during the meeting;
- Providing the public with at least one physical location where they can participate;

AB 1733 (Quirk): Open Meetings (2 of 2)

- Posting the meeting agendas online and at the physical meeting location with information indicating how the meeting can be accessed; and
- Ensuring that if a means of remote participation fails, the meeting must adjourn.

AB 2350 (Wilson/Grayson): Zero-Emission Aftermarket Conversion Project (1 of 2)

Status: This bill was referred to the Senate Committee on Transportation June 22, 2022.

Summary: This bill would:

• Require the Air Resources Board (ARB) to establish the Zero-Emission Aftermarket Conversion Project (ZACP) by allocating up to \$2 million annually from the Clean Vehicle Rebate Project to provide an applicant with a rebate for an eligible vehicle converted into a zero-emission vehicle.

AB 2350 (Wilson/Grayson): Zero-Emission Aftermarket Conversion Project (2 of 2)

- Require the rebate issued pursuant to ZACP to be limited to one per vehicle and a value up to \$2,000.
- Require ARB to establish guidelines for the program and minimum eligibility criteria for the rebate.

AB 2496 (Petrie-Norris): Vehicle Exhaust Systems (1 of 2)

Status: This bill was referred to the Senate Committee on Transportation on June 20, 2022.

Summary: This bill would:

 Require a court to require a certificate of compliance for a violation of existing law that: (1) mandates every motor vehicle to have an adequate muffler and prohibits a muffler or exhaust system from being equipped with a cutout, bypass, or similar device; and (2) prohibits the modification of a motor vehicle exhaust system in a manner that amplifies or increases the noise beyond existing limits.

AB 2496 (Petrie-Norris): Vehicle Exhaust Systems (2 of 2)

- Require the Department of Motor Vehicles to place a hold on the vehicle registration and prohibit the department from renewing registration until a certificate of compliance is received by the court.
- Become operative on January 1, 2027.

AB 1740 (Muratsuchi): Core Recycler Record Keeping Requirements (1 of 2)

Status: This bill was referred to the Senate suspense file on June 27, 2022.

Summary: This bill would:

- Require a core recycler to include additional information in the written record of their transactions including the year, make, model and a copy of the title of the vehicle from which a catalytic converter was removed.
- Prohibit a core recycler from purchasing or receiving a catalytic converter from any person that is not a commercial enterprise, or verifiable owner of the vehicle from which a catalytic converter was removed.

AB 1740 (Muratsuchi): Core Recycler Record Keeping Requirements (2 of 2)

 Require the written agreement between a core recycler and a seller to include a log or other record of all catalytic converters received, and a description of each catalytic converter so that each catalytic converter in the core recycler's inventory can reasonably be matched to its description.

AB 2407 (O'Donnell): Core Recycler Reporting Requirements

Status: The hearing on this bill before the Senate Business, Professions, and Economic Development Committee was postponed.

Summary: This bill would:

- Require a core recycler to report information collected regarding the purchase and sale of the catalytic converters to the chief of police or sheriff and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system.
- Require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for two years.

AB 2682 (Gray): VIN Marking Requirements (1 of 2)

Status: This bill was referred to the Senate Committee on Public Safety on June 27, 2022.

Summary: This bill would:

- Prohibit a manufacturer from delivering a new vehicle equipped with a catalytic converter and assembled after January 1, 2024, unless it has been permanently marked with the VIN.
- Prohibit a person from removing or altering the VIN on a catalytic converter or from knowingly possessing a catalytic converter that has been altered.

AB 2682 (Gray): VIN Marking Requirements (2 of 2)

- Require any automotive repair dealer that installs or replaces a catalytic converter to ensure that it is permanently marked with the VIN. The bill would require a Smog Check station to only perform a visual inspection to satisfy this requirement.
- As part of a Smog Check, require stations to inspect the exterior of the catalytic converter and notify the customer whether or not it is permanently marked with the VIN.

SB 986 (Umberg): Core Recycler Payment and VIN Requirements for Vehicle Sales

<u>Status</u>: This bill was referred to the Assembly Appropriations Committee on June 28, 2022.

Summary: This bill would:

- Require any core recycler that accepts, ships, or sells used catalytic converters to provide payment by any traceable method, other than cash.
- Prohibit a motor vehicle dealer or retailer from selling a new or used motor vehicle equipped with a catalytic converter unless it has been engraved or etched with the VIN of the vehicle.

SB 1087 (Gonzalez): Prohibited Purchases (1 of 2)

Status: This bill was re-referred to the Assembly Appropriations Committee on June 28, 2022, with a recommendation to refer to the consent calendar.

<u>Summary</u>: This bill would prohibit any person or core recycler from purchasing a catalytic converter from anybody other than certain specified sellers, including:

- Automobile dismantlers;
- Core recyclers;
- Motor vehicle manufacturers, dealers, or retailers;

SB 1087 (Gonzalez): Prohibited Purchases (2 of 2)

- Automotive repair dealers; or,
- An individual possessing documentation that they are the lawful owner of the catalytic converter.

BAR REGULATION PROPOSALS (1 OF 2)

Regulations Adopted in 2022

- Smog Check Repair Assistance
- Laws and Regulations Training
- STAR Program Updates

Pending Regulation Packages

 Smog Check Equipment Security and Fraud Prevention (Biometrics)

BAR REGULATION PROPOSALS (2 OF 2)

- Smog Check Inspection Equipment and Station Requirements (DAD Specification Update)
- Citation and Remedial Training Program for Automotive Repair Dealers
- Automotive Repair Dealer Registration Application Requirements
- Vehicle Safety Inspection Program

SMOG CHECK REPAIR ASSISTANCE (1 OF 2)

- Outcome: This package was filed with the Secretary of State and became effective on January 20, 2022.
- Purpose: Makes Smog Check repair assistance more available to low-income consumers and increases participation by:
 - Providing up to \$1,200 in repair contributions for 1996 and newer vehicles and up to \$900 for 1976-1995 vehicles;
 - Modifying the consumer share of diagnostic and repair costs so that BAR pays 80% of the cost of diagnosis and repair up to the maximum contribution; and

SMOG CHECK REPAIR ASSISTANCE (2 OF 2)

 Removing eligibility restrictions due to vehicle registration lapses in the past two years or due to an expired registration.

LAWS AND REGULATIONS TRAINING

 Outcome: This package was filed with the Secretary of State on February 24, 2022 and became effective on April 1, 2022.

• Purpose:

- Amends BAR Disciplinary Guidelines to establish laws and regulations training as a rehabilitative option for BAR licensees.
- Administrative Law Judges and BAR have the option to require- as a condition of probation or relicensure and based upon the violation(s) training in compliance with the Automotive Repair Act and BAR regulations.

STAR PROGRAM UPDATES

- Outcome: This package was filed with the Secretary of State on May 5, 2022 and became effective on July 1, 2022.
- <u>Purpose</u>: (1) Amends STAR Program eligibility requirements. (2) Establishes a STAR certification suspension- rather than invalidation and reapplication-process for STAR stations that fail to meet program requirements. (3) Deletes outdated Gold Shield Program provisions.

SMOG CHECK EQUIPMENT SECURITY AND FRAUD PREVENTION (BIOMETRICS) (1 OF 2)

- Purpose: (1) Require the use of biometric and web camera devices when performing a Smog Check. (2)
 Require that Smog Check stations allow BAR access whenever inspections are being performed, even if the inspections occur outside normal business hours. (3)
 Require that Smog Check inspectors allow BAR staff remote access to the inspection process, via the internet, when prompted by the BAR-OIS software.
- History: Public workshop held on October 22, 2020.
 Public hearing and comment period ended on November 12, 2021. 15-day comment period on revised text ended on May 2, 2022.

SMOG CHECK EQUIPMENT SECURITY AND FRAUD PREVENTION (BIOMETRICS) (2 OF 2)

- Status: Final package with FSOR submitted to OAL on December 31, 2021. On February 10, 2022, BAR withdrew the package in response to OAL comments.
- Next Steps: Finalize and resubmit package with OAL for adoption.

SMOG CHECK EQUIPMENT AND STATION REQUIREMENTS (DAD SPECIFICATION UPDATE)

- Purpose: (1) Replace the current OBD Data Acquisition Device (DAD) Specification with a more comprehensive and updated version to provide additional tools to combat Smog Check fraud. (2) Allow the DAD to communicate with new vehicles that use a communication protocol not supported by the current generation of DADs.
- <u>Status</u>: BAR is working with DCA Legal to prepare the package for formal review.
- Next Steps: Submit to DCA Legal for formal review.

CITATION AND REMEDIAL TRAINING PROGRAM FOR AUTOMOTIVE REPAIR DEALERS (1 OF 2)

• Purpose:

- Expand BAR's citation program to cover ARD violations of the Automotive Repair Act by establishing a fee structure for citations and clarifying regulatory language under existing sections.
- Specify the process for an ARD to contest a citation and request its review by a 3-member (BAR-consumerindustry) panel.
- Establish an application process to obtain a Provider
 Certification for BAR laws and regulations training and establish grounds for revocation of the certification.

CITATION AND REMEDIAL TRAINING PROGRAM FOR AUTOMOTIVE REPAIR DEALERS (2 OF 2)

- Create remedial training course content and a course approval process.
- History: Public workshops held on April 22, 2021 and January 27, 2022.
- <u>Status</u>: BAR is working with DCA Legal to prepare the package for formal review.
- Next Steps: Submit to DCA Legal for formal review.

AUTOMOTIVE REPAIR DEALER REGISTRATION APPLICATION REQUIREMENTS

- Purpose: (1) Define "nationally recognized and industry-accepted educational certifications". (2) Establish a process for Bureau review and approval of educational certifications that do not meet this definition. (3) Establish a process for recognizing educational certifications on the ARD application. (4) Require ARD applicants to provide an email address.
- Status: BAR is working with DCA Legal to prepare the package for formal review.
- Next Steps: Submit to DCA Legal for formal review.

VEHICLE SAFETY INSPECTION PROGRAM

- Purpose: Creates a new Article 2.5 in Title 16, California Code of Regulations "Vehicle Safety Inspection Program" which:
 - Incorporates a Vehicle Safety Inspection Manual
 - Creates license requirements for vehicle safety stations and technicians
 - Sunsets the lamp and brake inspection programs six months after adoption of the regulations
- Status: Public workshop on July 21, 2022.
- Next Steps: Submit to DCA Legal for informal review.

QUESTIONS AND COMMENTS

Submit questions and/or comments to:

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