TITLE 16. BUREAU OF AUTOMOTIVE REPAIR DEPARTMENT OF CONSUMER AFFAIRS INITIAL STATEMENT OF REASONS

Hearing Date: No hearing scheduled

<u>Subject Matter of Proposed Regulations:</u> Mobile and Referral Automotive Repair Dealers

<u>Section(s) Affected:</u> 3351.7.1, 3351.7.2, 3351.7.3, 3371.1, and 3371.2 of Chapter 1 of Division 33 of Title 16 of the California Code of Regulations (CCR)

Background and Statement of the Problem:

The Department of Consumer Affairs (DCA), Bureau of Automotive Repair (Bureau or BAR) is the state agency charged with licensing automotive repair dealers (ARDs), Smog Check stations, STAR stations, brake and lamp stations, Vehicle Safety Systems Inspection Stations, and their respective inspectors, repair technicians, and adjusters. The Bureau also accepts and mediates complaints from the public and investigates violations of the Automotive Repair Act and associated regulations. Pursuant to Article 1, Chapter 20.3 of Division 3 of the Business and Professions Code (BPC) (commencing with section 9880), the Bureau regulates automotive repair and has the authority to adopt, amend, and repeal necessary rules and regulations.

The Bureau regulates approximately 35,000 ARDs in the State of California. The Bureau ensures persons operating as ARDs are registered with the Bureau and comply with laws and regulations established to protect consumers in repair transactions. The Bureau proposes adopting new regulations specific to mobile ARDs and referral ARDs. These regulations are necessary to adequately ensure persons operating mobile ARDs and/or referral ARDs are registered with the Bureau and comply with consumer protection laws and regulations.

Mobile ARDs

Existing law defines mobile automotive repair and outlines the requirements of mobile ARDs. This regulatory proposal will update the definition of mobile ARD to include a geographical radius—in relation to where diagnosis or repair is performed—that will help specify who is a "mobile" ARD. This proposal will also specify additional information that must be included on an invoice when a mobile repair transaction takes place.

Referral ARDs

BPC section 9880.1(a) previously defined an automotive repair dealer (ARD) only as "a person who, for compensation, engages in the business of repairing or diagnosing malfunctions of motor vehicles." Assembly Bill (AB) 1263 (Berman, Chapter 681, Statutes of 2023) expanded this definition to additionally include any person that "engages in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than the dealer or their employees."

Although there are numerous circumstances under which this new definition applies, there are two specific business types that warrant further clarification. The first is a referral, broker, or concierge service that provides automotive repair services. With this business type, a consumer seeking a specific automotive service utilizes a third-party website for recommendations and scheduling of the service. The website provides a quote for the desired services and, if the consumer accepts, collects payment. Once the consumer pays for the service, they are referred to a physical location or to a mobile ARD who will perform the repairs at a place usually chosen by the consumer. In this situation, the business operating the website collects compensation for the repairs and, therefore, under the amended definition of an ARD, must be registered as an ARD with BAR. It is important to note that if the business only refers the consumer to a provider of repair services and does NOT collect payment for the repairs, there is no requirement for that business to register with BAR.

The second business is an online retailer of automotive parts that not only sells parts but also arranges for the installation of the parts. With this business type, the consumer is typically seeking a specific automotive part or component and some online retailers may offer an installation option as part of the purchase transaction. Collecting compensation for the installation of the parts is considered to be an automotive repair transaction and, therefore, the business is required to be registered with BAR.

These proposed regulations define when a person is considered to be an ARD within the meaning of the new definition that now includes when a person "engages in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than the dealer or their employees."

The Bureau proposes to: (1) amend existing sections 3351.7.1, 3351.7.2, and 3351.7.3 of Article 6.1 of Chapter 1 of Division 33 of Title 16 of the CCR, (2) amend existing section 3371.1 of Article 9 of Chapter 1 of Division 33 of Title 16 of the CCR, and (3) add section 3371.2 to Article 9 of Chapter 1 of Division 33 of Title 16 of the CCR as follows:

- Amend 16 CCR section 3351 to add on the Automotive Repair Dealer application that if an ARD performs mobile repairs, they shall provide the physical address where records are maintained and available for inspection and reproduction.
- Amend 16 CCR section 3351.7.1 to add a geographical radius (in relation to where diagnosis or repair is performed) for when automotive repair is to be considered mobile.
- Amend 16 CCR section 3351.7.2 to clarify the definition of "mobile automotive repair".
- Amend 16 CCR section 3351.7.3 to remove a portion of text that will be moved to 16 CCR section 3371.2, and add information that must be included on an invoice when mobile automotive repair is performed.

- Amend 16 CCR section 3371.1, which details when it will be presumed that a person is an Automotive Repair Dealer (ARD), to also apply to an entity, as well as to clarify that the presumption applies when one or more of the triggering actions occurs. This section is also amended to add that a person or entity will be presumed to be an ARD if that person or entity collects compensation or payment (for which a definition is also added) for automotive repair services that are referred or sublet to another person or entity to perform. This section is also amended to remove gendered pronouns.
- Add 16 CCR section 3371.2, which will be titled "Requirements for Advertising Automotive Repair." The language in this section is existing text that is being moved from 16 CCR section 3351.7.3 "Requirements of Mobile Automotive Repair." This text is being moved to a different section (with an amended title) to clarify that the requirements apply to all advertising, not just to advertising by mobile ARDs.

Anticipated benefits from this regulatory action:

The Bureau has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

The proposed changes will clarify the definition and responsibilities of an automotive repair dealer when performing mobile automotive repair.

Providing the above updates and definitions to regulatory text will also increase clarity for the industry regarding who is a mobile ARD and who shall be deemed to be an ARD as defined by subdivision (a) of section 9880.1 of the BPC based on the updated definition due the passage of AB 1263.

There are currently people engaged in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than an ARD or their employees and those people are now required to be registered as an ARD. This will allow the Bureau to have oversight over these business, in turn enhancing public protection, which benefits California residents.

This regulatory proposal does not affect worker safety or the state's environment.

Specific purpose of, and rationale for, each adoption, amendment, or repeal:

1. Amend section 3351. Registration of Automotive Repair Dealers.

Subdivision (a)(2)(M)

The Bureau proposes adding "following:" to subdivision (a)(2)(M).

Purpose: The purpose of this change is to introduce the requirements that will now be in subdivisions (a)(2)(M)(i) and (a)(2)(M)(ii).

Necessity: This change is necessary to establish the requirements with formatting consistent throughout the Bureau's regulations.

Making part of subdivision (a)(2)(M) into (a)(2)(M)(i)

The Bureau proposes making part of subdivision (a)(2)(M) (the part that states "vehicle license plate number for the vehicle used to perform mobile automotive repairs in accordance with California Code of Regulations, Title 16, Article 6.1 (commencing with section 3351.7.1)") into (a)(2)(M)(i).

Purpose: The purpose of this change is to establish that ARDs are required to submit additional information to the Bureau—not only the information (originally included as part of subdivision (a)(2)(M),) that is now becoming (a)(2)(M)(i), but also the information in the new (a)(2)(M)(ii), discussed below—if they affirmatively answer that the business will be engaged in mobile automotive repairs. Additionally, This is a nonsubstantive change made for the purpose of "renumbering, reordering, or relocating a regulatory provision" within the meaning of Title 1, CCR section 100(a)(1).

Necessity: This change is necessary to ensure that ARDs provide all the required information to the Bureau.

Changing the lowercase "v" in vehicle to a capital "V" in now (a)(2)(M)(i)

The Bureau proposes making the lowercase "v" in vehicle into a capital "V". This change is non-substantive because it is a grammatical change as part of an effort to "[revise] structure, syntax, cross-reference, grammar, or punctuation" within the meaning of Title 1, CCR section 100(a)(4). This is necessary for consistency throughout the Bureau's regulations. Inconsistent capitalization/lowercasing may result in misinterpretation and confusion.

Subdivision (a)(2)(M)(ii)

The Bureau proposes adding that if an ARD engages in mobile automotive repairs, they shall provide the "Physical address where records are maintained and available for inspection and reproduction in accordance with section 3358 of this Chapter. P.O. Boxes, business mailbox services, and virtual mailbox addresses may not be used for this purpose."

Purpose: The purpose of this change is to require that an ARD provides the Bureau with a physical address where records are maintained and available for inspection and reproduction, and that the address not be a P.O. Box, business mailbox service, or virtual mailbox.

Rationale: This change is necessary to ensure that the ARD has a location where records are maintained and that, if needed for the purposes of conducting complaint investigations, the records are accessible to the Bureau for inspection and reproduction,

as required by BPC section 9884.11 and CCR section 3358. A P.O. box, mailbox service, or virtual mailbox would not allow Bureau representatives access to records to conduct inspections and investigations.

2. Amend section 3351.7.1. Scope.

Subdivision (a)

The Bureau proposes adding "within a geographical radius of 50 miles."

Purpose: The purpose of this change is to alleviate the need for businesses already registered to have separate registrations for emergency roadside services that only operate locally.

Rationale: This change is necessary to establish the geographical radius. The Bureau chose a 50-mile radius because the Bureau determined that 50 miles was an appropriate maximum distance close enough to the already registered ARD. For example, an ARD may have pickup trucks that operate locally. The roadside services may be limited to flat repairs or other minor repairs, but this would allow the business to "rescue" their local customers who may become stranded and not require the ARD to have a separate mobile ARD registration.

3. Amend section 3351.7.2. Definitions.

Subdivision (a)

The Bureau proposes amending the definition of "mobile automotive repair" to the following: "Mobile automotive repair' means the repair of motor vehicles as defined in Business and Professions Code section 9880.1, performed by an automotive technician as defined in that same section who, along with the tools and equipment necessary, travels to the customer's location to perform the repair."

Purpose: The purpose of this change is to remove "which relies on a motor vehicle to transport" because the automotive technician may use a bicycle or other means of transportation to travel to the customer's location to perform the repair.

The purpose of the remainder of the edits to this section is to provide clarity and emphasize that the automotive technician "travels to the customer's location to perform the repair."

Rationale: This change is necessary because the Bureau doesn't want to unnecessarily limit an automotive technician to the use of a motor vehicle when performing a mobile automotive repair. If the technician travels to the customer's location to perform the repair, along with the necessary tools and equipment, then the technician may use any mode of transportation to get there.

This amendment is also necessary to create more clear and concise language for the definition of "mobile automotive repair" confirming that the automotive technician travels to the customer's location to perform the repair and this does not apply to when a customer brings their vehicle to the repair technician.

4. Amend section 3351.7.3. Requirements of Mobile Automotive Repair.

Subdivision (c)

The Bureau proposes removing the existing text from 3351.7.3(c) and moving it to new section 3371.2. Requirements for Advertising Automotive Repair.

Purpose: The purpose of this change is to have all requirements related to advertising in the article dedicated to advertising. This will make it clear to the regulated public what the advertising requirements are, as these requirements can be more easily found when they are not buried in different articles.

Rationale: This change is necessary for clarity. This subdivision deals with internetbased advertising and should be in the article that deals with advertising so that all the advertising requirements are easier to locate.

This is a nonsubstantive change made for the purpose of "renumbering, reordering, or relocating a regulatory provision" within the meaning of Title 1, CCR section 100(a)(1).

Subdivisions (d), (e), and (f)

The Bureau proposes re-lettering the subdivisions.

Purpose: The purpose of this change is to accommodate the removal of the existing subdivision (c) above.

Rationale: This is a nonsubstantive change made for the purpose of "renumbering, reordering, or relocating a regulatory provision" within the meaning of Title 1, CCR section 100(a)(1). This change is necessary for clarity and to ensure consistent lettering and formatting throughout the entire section.

Proposed new subdivisions (e)(1) and (2)

The Bureau proposes adding subdivisions (e)(1) and (e)(2).

Purpose: The purpose of these additions is to include on the customer's invoice, the location where a mobile repair was performed. Additionally, if the repair was performed at a location that does not have a physical address, such as on the side of the road, then the invoice shall include a description of the location sufficient to identify the location, which may include, but is not limited to, the street and nearest cross-street, a landmark or mile-marker, or freeway on-ramp or off-ramp.

Rationale: This change is necessary in order to ensure that the location where a mobile repair is performed is included on an invoice in case a customer files a complaint with the Bureau. It is necessary for the Bureau know the location of the repair in order to conduct a thorough investigation and enforce and investigate complaints.

5. Amend section 3371.1. Presumption as Automotive Dealer.

Section Title

The Bureau proposes adding "an" so that the section title reads: "Presumption as an Automotive Dealer."

Purpose: Correct a typo in the original text.

Rationale: This is a non-substantive change that is part of an effort to "[revise] structure, syntax, cross-reference, grammar, or punctuation" within the meaning of Title 1, CCR section 100(a)(4), correcting a typo, as "an" should have been included.

Section Title

The Bureau proposes adding "or entity" and "or entity that does one or more of the following:"

Purpose: Ensure that it is clear that an entity may also be an ARD, not just a person.

Rationale: This change clarifying that an ARD may be an entity is necessary for clarity and to make this regulation section consistent with other sections of the CCR. Section 3351(a) states that any person or entity seeking Bureau registration as an automotive repair dealer shall submit a completed application including the legal name of the applicant, and if it is a business entity, the business entity must apply using the business' legal name.

Subdivisions (a) - (d)

The Bureau proposes capitalizing the first letter of existing subdivisions (b) through (d), and making every existing subdivision its own sentence. These non-substantive changes, part of an effort to "[revise] structure, syntax, cross-reference, grammar, or punctuation" within the meaning of Title 1, CCR section 100(a)(4), make the regulation format consistent throughout the entire section.

Subdivisions (d) and (d)(1)

The Bureau proposes to amend "himself or herself" to "themself", a nonsubstantive change. This is revised for gender neutrality to promote equality.

Additionally, the second paragraph in (d) is being made (d)(1), a nonsubstantive change

for the purpose of "renumbering, reordering, or relocating a regulatory provision" within the meaning of Title 1, CCR section 100(a)(1).

Subdivision (e)

The Bureau proposes adding subdivision (e), which stems from the intro to section 3371.1 which states: A person <u>or entity</u> shall be deemed to be an automotive repair dealer as defined by subdivision (a) of section 9880.1 of the Business and Professions Code when such person <u>or entity does one or more of the following:</u>", adding that the person or entity "Collects compensation for automotive repair services that are referred <u>or sublet to another person or entity to perform.</u>"

Purpose: Expand the definition of who shall be deemed to be an ARD.

Rationale: AB 1263 expanded the definition of an ARD, so adding this language is necessary to align the section with statute, and increases clarity regarding who is an ARD.

Subdivision (e)(1)

The Bureau proposes adding subdivision (e)(1) stating "A person or entity is deemed to be collecting compensation for automotive repair services that are referred or sublet to another person or entity to perform within the meaning of subdivision (e) above when the person or entity:

- (A) Is a referral, broker, or concierge service that collects payment for the repairs performed by another person or entity.
- (B) Is an online retailer of automotive parts that, in addition to selling parts, arranges for the installation of the parts and the installation is part of the purchase transaction."

Purpose: The Bureau proposes adding this subdivision to explain specifically when a person or entity collects compensation for automotive repair services.

Rationale: Subdivision (e)(1)(A) is a referral, broker, or concierge service that provides automotive repair services. In this situation, a consumer seeking a specific automotive service utilizes a third-party for recommendations and scheduling of the service. The referral, broker, or concierge service provides a quote for the desired services and, if the consumer accepts, collects payment. Once the consumer pays for the service, they are referred to a physical location or to a mobile ARD who will perform the repairs. In this situation, the referral, broker, or concierge service is collecting compensation for the repairs and, therefore, under the amended definition of an ARD, must be registered as an ARD with BAR. Adding this is necessary to clarify what constitutes "collecting compensation for automotive repair services."

Subdivision (e)(1)(B) is an online retailer of automotive parts that, in addition to selling parts, arranges for the installation of the parts and the installation is part of the purchase transaction. In this situation, the consumer is typically seeking a specific automotive part

or component and an online retailer offers an installation option as part of the purchase transaction. In this situation, the online retailer of automotive parts is collecting compensation for the installation and, therefore, under the amended definition of an ARD, must be registered as an ARD with BAR. Adding this is necessary to clarify what constitutes "collecting compensation for automotive repair services."

Subdivision (e)(2)

The Bureau proposes adding "For purposes of this section, collection of compensation or payment shall mean any payment or other benefit provided to the person or entity that confers value, including discounts, rebates, or gift cards, unless such offer is made to members of the public."

Purpose: The Bureau is adding this to further explain and make clear what "collection of compensation or payment" means in this section.

Reference NOTE

The Bureau proposes adding BPC section 9880.1(a) to the reference section of the notes.

Purpose: The purpose of this change is to add a reference to the BPC section that defines "automotive repair dealer".

Rationale: Since this section defines who shall be deemed to be an ARD, having the definition of ARD as a reference is necessary to make the regulation more clear.

6. Add section 3371.2. Requirements for Advertising Automotive Repair.

Subdivision (a)

The Bureau proposes creating this new section and non-substantively moving language from current section 3351.7.3(c).

Purpose: The purpose of this change is to have all requirements related to advertising in the article dedicated to advertising. This will make it clear to the regulated public what the advertising requirements are, as these requirements can be more easily found when they are not buried in different articles.

Rationale: This change is necessary for clarity. This subdivision deals with internet-based advertising and should be in the article that deals with advertising so that all the advertising requirements are easier to locate.

This is a nonsubstantive change made for the purpose of "renumbering, reordering, or relocating a regulatory provision" within the meaning of Title 1, CCR section 100(a)(1).

Underlying Data:

Technical, theoretical, or empirical studies, reports, or documents relied upon:

- Assembly Bill 1263 (Berman, Chapter 681, Statutes of 2023) (https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240 AB1263)
- 2. The Bureau of Automotive Repair Sunset Review Report 2022 (page 62) (www.bar.ca.gov/pdf/reports/sunset.pdf)
- 3. Background Paper for the Bureau of Automotive Repair- Joint Sunset Review Oversight Hearing, March 14, 2023 (page 29)

 (https://abp.assembly.ca.gov/sites/abp.assembly.ca.gov/files/BAR%20Sunset
 %20Background%20Paper.pdf)

Business Impact:

BAR has made the initial determination that the proposed regulations will not have a significant statewide adverse economic impact directly affecting businesses including the inability of California businesses to compete with businesses in other States. The initial determination is based on the fact that this proposal is designed to update and clarify the definition of mobile ARD.

The Bureau estimates up to 30 currently unlicensed individuals or entities will be required to register as an ARD per year under the proposed regulations, which would result in costs ranging from approximately \$6,000 to \$30,000 per year and up to \$180,000 over a ten-year period as follows:

Bureau of Automotive Repair Automotive Repair Dealer Registration - Economic Impact (costs)												
Years Ongoing												
Item	Cost	1	2	3	4	5	6	7	8	9	10	Total
		30	30	30	30	30	30	30	30	30	30	300
ARD Initial Registration	\$200	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000
Subtotal Costs:		\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000
ARD Renewal Registration	\$200	-	-	30	30	60	60	90	90	120	120	600
Subtotal Costs:		-	-	\$6,000	\$6,000	\$12,000	\$12,000	\$18,000	\$18,000	\$24,000	\$24,000	\$120,000
Total Costs:		\$6,000	\$6,000	\$12,000	\$12,000	\$18,000	\$18,000	\$24,000	\$24,000	\$30,000	\$30,000	\$180,000

Economic Impact Assessment:

This regulatory proposal is intended to clarify the definition of mobile ARD and ensure that a person or entity who is engaged in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than that person or entity registers as an ARD.

Of the over 35,000 currently registered ARDs, the Bureau indicates this proposal will have minimal impact to the state.

This Bureau has determined that this regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California because the
 proposal will only require a person or entity to register with the Bureau if they
 collect compensation for automotive repair services that are referred or sublet
 to another person or entity to perform.
- It will not create new businesses or eliminate existing businesses within the State of California because the proposal will only require a person or entity to register with the Bureau if they collect compensation for automotive repair services that are referred or sublet to another person or entity to perform.
- It will not affect the expansion of businesses currently doing business within the State of California because the proposal will only require a person or entity to register with the Bureau if they collect compensation for automotive repair services that are referred or sublet to another person or entity to perform.
- This regulatory proposal benefits the health and welfare of California residents because it increases transparency regarding who is a mobile ARD and who must register as an ARD.
- This regulatory proposal does not affect worker safety because it does not involve worker safety.
- This regulatory proposal does not affect the state's environment because it does not involve the environment.

Fiscal Impact Assessment:

The Bureau estimates up to 30 currently unlicensed individuals or entities will be required to register as an ARD per year under the proposed regulations.

Expenditures: The Bureau estimates costs ranging from approximately \$9,000 to \$48,000 per year and up to \$273,000 over a ten-year period as follows:

Bureau of Automotive Repair Automotive Repair Dealer Registration - Fiscal Impact (costs)												
		Years Ongoing*										
	Cost	1	2	3	4	5	6	7	8	9	10	Total
Item		30	30	30	30	30	30	30	30	30	30	300
ARD Initial Registration	\$293	\$8,790	\$9,054	\$9,325	\$9,605	\$9,893	\$10,190	\$10,496	\$10,811	\$11,135	\$11,469	\$100,767
Subtotal Costs:		\$8,790	\$9,054	\$9,325	\$9,605	\$9,893	\$10,190	\$10,496	\$10,811	\$11,135	\$11,469	\$100,767
ARD Renewal Registration	\$236	-	-	30	30	60	60	90	90	120	120	600
Subtotal Costs: -		-	-	\$7,511	\$7,737	\$15,937	\$16,415	\$25,362	\$26,123	\$35,875	\$36,951	\$171,911
Total Costs: \$8,790		\$9,054	\$16,836	\$17,342	\$25,830	\$26,605	\$35,857	\$36,933	\$47,010	\$48,420	\$272,678	
*Includes 3-percent annual growth fa	ctor		,	,	,	,	,	,	,	,	,	,

Additionally, the Bureau may be required to issue a citation and fine of up to \$500 for non-compliance. In the event the Bureau issues a citation and fine, it will incur costs of approximately \$400 per citation. The Bureau does not have an estimate of the number of

citations and fines for non-compliance, and therefore does not have a cost or revenue estimate at this time.

The Bureau notes, it does not anticipate an individual or entity will appeal the citation and fine because of the additional costs and because any appeal would likely be denied.

The Bureau further notes, it does not have an estimate of future enforcement-related workload or costs resulting from the additional ARD registrants at this time.

Revenues: The Bureau estimates ARD registration revenues ranging from approximately \$6,000 to \$30,000 per year and up to \$180,000 over a ten-year period as follows:

Bureau of Automotive Repair Automotive Repair Dealer Registration - Fiscal Impact (revenues)												
		Years Ongoing										
Item	Fee	1	2	3	4	5	6	7	8	9	10	Total
	ree	30	30	30	30	30	30	30	30	30	30	300
ARD Initial Registration	\$200	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$60,000
Subtotal Revenues:		\$6,000	\$6,000	\$6,0 00	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,00 0	\$60,000
ARD Renewal Registration	\$200	-	-	30	30	60	60	90	90	120	120	600
Subtotal Revenues:		-	-	\$6,000	\$6,000	\$12,000	\$12,000	\$18,000	\$18,000	\$24,000	\$24,000	\$120,000
Total Revenues:		\$6,000	\$6,000	\$12,000	\$12,000	\$18,000	\$18,000	\$24,000	\$24,000	\$30,000	\$30,000	\$180,000

The regulations do not result in costs or savings in federal funding to the state.

Specific Technologies or Equipment:

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives:

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Bureau would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the adopted regulation.

Set forth below is the alternative that was considered and the reason the alternative was rejected:

Alternative 1: The Bureau considered taking no action. However, with no action, the definition of mobile ARD was vague and inconsistent with other CCR sections, and did not require the ARD to include important information on the customer's invoice. In addition, taking no action would not make clear that a person who is engaged in the business of collecting compensation for automotive repair services that are referred or sublet to someone other than an ARD or their employees and that those people are now required to be registered as an ARD. An person or entity not being registered as an ARD

could make it very difficult for a consumer to have any recourse if they need to file a complaint or grievance.

Description of reasonable alternatives to the regulation that would lessen any adverse impact on small business:

No such alternatives have been proposed, however, the Bureau welcomes comments from the public.

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No such alternatives have been proposed, however, the Bureau welcomes comments from the public.