

**DEPARTMENT OF CONSUMER AFFAIRS**  
**Title 16. PROFESSIONAL AND VOCATIONAL REGULATIONS**  
**Division 33.**  
**BUREAU OF AUTOMOTIVE REPAIR**

**NOTICE OF PROPOSED REGULATORY ACTION CONCERNING**

**Storage Fees Charged by Automotive Repair Dealers**

**NOTICE IS HEREBY GIVEN** that the Bureau of Automotive Repair (Bureau or BAR) is proposing to take the rulemaking action described below under the heading “Informative Digest/Policy Statement Overview”, after considering all comments, objections, and recommendations regarding the proposed action.

**PUBLIC HEARING**

The Bureau has not scheduled a public hearing on this proposed action. The Bureau will, however, hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under “Contact Person” in this notice.

**WRITTEN COMMENT PERIOD**

Written comments relevant to the action proposed, including those sent by mail, facsimile, or e-mail to the addresses listed under “Contact Person” in this Notice, must be received by the Bureau at its office no later than **Wednesday, December 31, 2025**, or must be received by the Bureau at the hearing, should one be scheduled.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by Business and Professions Code (BPC) sections 9882, 9884, 9884.2, 9884.4, 9884.9, 9884.16, 9884.19 and 9887.1 to implement, interpret, and make specific BPC sections 27, 30, 31, 114.5, 115.4, 135.4, 141, 142, 480, 490, 9880.1, 9882, 9884, 9884.1, 9884.2, 9884.4, 9884.7, 9884.6, 9884.8, 9884.9, 9884.16, 9888.5, 9889.50, 9889.51 and 9889.52; Civil Code sections 3068 and 3068.1; and Vehicle Codes sections 22524.5, 22651.07, and 34620, the Bureau proposes adopting the following changes to California Code of Regulations (CCR) Title 16, Division 33, Chapter 1.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

The Bureau, within the Department of Consumer Affairs, is the state agency authorized to adopt, amend, repeal, and enforce regulations necessary for the regulatory oversight of licensees.

The laws governing the authority and process for charging vehicle storage fees are spread across the Business and Professions, Civil, and Vehicle Codes and there are no unifying regulations about how and when vehicle storage fees should be charged or how much should be charged. This has led to confusion and abuse when charging vehicle storage fees by the automotive repair industry. Additionally, since the statutes are in three different Codes of California law, there is confusion about which statutes apply when charging vehicle storage fees.

BAR, as the regulatory authority overseeing the automotive repair industry, is exercising its rulemaking authority to draft regulations to clarify how and when vehicle storage fees may be charged.

Assembly Bill 1263 (“AB 1263”; Berman, Chapter 681, Statutes of 2023) amended section 9884.16 of the Business and Professions Code to read:

(a) A person required to have a valid registration under the provisions of this chapter shall not have the benefit of any lien for labor or materials, including the ability to charge storage fees in accordance with applicable laws, or the right to sue on a contract for motor vehicle repairs unless the person possesses a valid registration.

(b) The bureau may adopt regulations, as necessary, in accordance with Chapter 6.5 (commencing with Section 3067) of Title 14 of Part 4 of Division 3 of the Civil Code and Section 22524.5 of the Vehicle Code, and any regulations of the Insurance Commissioner pertaining to vehicle towing or storage fees, or both, adopted pursuant to Sections 758.5 and 790.03 of the Insurance Code, to carry out the provisions of this section.

As a result, the Bureau proposes (1) amending existing section 3303 of Article 1 of Chapter 1 of Division 33 of Title 16 of the CCR; (2) amending existing section 3351 of Article 6 of Chapter 1 of Division 33 of Title 16 of the CCR; and (3) adding Article 6.2, sections 3351.8.1, 3351.8.2, and 3351.8.3 of Chapter 1 of Division 33 of Title 16 of the CCR as follows:

- Amend section 3303 to add a definition for “Vehicle Storage”

- Amend section 3351 to include on the Automotive Repair Dealer (ARD) Registration Application that an applicant shall provide the Bureau with the ARD's maximum daily rate charged for storing a non-electric passenger vehicle, and that the registrant may make a change to their reported maximum daily storage rate once per registration cycle, and shall notify the Bureau in writing if the registrant makes a rate change.
- Add section 3351.8.1 to provide that:
  - An ARD charging storage fees shall display their daily storage rate(s), in a conspicuous place and storage rate(s) shall be based on their costs associated with storing vehicles.
  - Where a vehicle may be stored and that an ARD storing a vehicle shall permit the customer or the customer's third-party payor access to that vehicle for inspection.
  - What forms of payment an ARD shall accept (at a minimum).
  - One year after the effective date of the regulations, the Bureau shall create a search tool on its website as a reference for the public, third-party payors, and other stakeholders to identify average and median daily storage rates for a locale.
  - When an ARD receives a vehicle for the purposes of repair, but the customer does not authorize the repairs, or the ARD declines to repair the vehicle, the ARD shall notify the customer if the ARD intends to begin charging for storage.
  - An ARD that maintains a motor carrier permit shall conspicuously display the Towing and Storage Fees Access Notice and have copies available to the public.
- Add section 3351.8.2 to provide that:
  - After an ARD obtains authorization to perform repairs, an ARD charging storage fees for a vehicle received as a result of an accident, or one that was recovered after being stolen, shall charge rates that are comparable to those charged by other ARDs in the same locale unless the rates are otherwise determined to be reasonable.
  - When obtaining authorization to perform a tear down, the ARD shall inform the customer—on the initial tear down estimate—1) the number of business days (to be no less than three business days) the customer has

to authorize repairs or remove the vehicle prior to the accrual of storage fees, and 2) the daily storage rate.

- An ARD shall not charge storage fees while the vehicle is undergoing repairs.
  - To charge for vehicle storage incurred after completion of repairs, an ARD shall have obtained customer authorization for the specific repair(s) being performed, generated an itemized invoice, and notified the customer that the repairs are complete.
  - Upon completion of authorized repairs, the ARD shall not dismantle, disengage, remove, or strip from the vehicle any of the parts used to complete the repairs without customer authorization.
  - An ARD that charges storage fees shall include the daily storage rate and number of days charged, along with any other storage related fees or services, on the invoice.
- Add section 3351.8.3 to provide that: Unless notifying a customer that the ARD is declining to repair the vehicle pursuant to section 3351.8.1(h),
    - If an ARD receives a vehicle and the registered owner or their representative is not present at the time of vehicle delivery, the ARD shall attempt to contact the registered owner to notify them of receipt of the vehicle and obtain authorization to repair the vehicle.
    - After three unsuccessful attempts (each of which shall be documented as specified in the section) to contact the registered owner on three separate business days, storage fees for the vehicle may accrue.

## **ANTICIPATED BENEFITS OF THE PROPOSED REGULATION**

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

The proposed regulations will clarify laws regarding storage fees as well as protect and inform consumers.

Currently, the laws governing the authority and process for charging vehicle storage fees are spread across the Business and Professions, Civil, and Vehicle Codes. This proposal would create a unifying set of regulations about how and when vehicle storage fees should be charged and how much should be charged. Having unifying regulations

will put all necessary information in one place, making it easier to locate and understand the requirements for charging vehicle storage fees.

These regulations will inform consumers of an ARD's vehicle storage rate by ensuring that an ARD displays their maximum daily storage rate. These regulations will also help avoid inflated storage rates by requiring that ARDs determine their storage rate(s) based on their costs associated with storing vehicles. An ARD must include on an invoice all fees associated with storing a vehicle so that there is no confusion or ambiguity about what a customer is being charged for.

These regulations further benefit consumers by requiring an ARD to attempt to contact a registered owner if a vehicle is received and the registered owner or their representative is not present at the time of delivery of the vehicle.

Additionally, this proposal creates a search tool, on the Bureau's website, that consumers and the public may utilize as a reference to identify average and median daily storage rates for a given locale.

This regulatory proposal does not affect the health of California residents, worker safety, or the state's environment.

### **EVALUATION OF CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS**

During the process of developing this regulatory proposal, BAR has conducted a search of any similar regulations on this topic and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

### **INCORPORATED BY REFERENCE**

Assembly Bill 1263 (Berman, Chapter 681, Statutes of 2023)

### **DISCLOSURES REGARDING THE PROPOSED ACTION**

### **FISCAL IMPACT ESTIMATES**

#### **Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:**

The Bureau estimates one-time information technology (IT) costs of \$71,000 to create and post the search tool on the Bureau's website, ongoing IT maintenance costs of approximately \$28,000 per year, and total costs of up to approximately \$319,000 over a ten-year period. Any workload and costs will be absorbed within existing resources.

The Bureau does not anticipate additional enforcement-related workload or costs resulting from the regulations because the Bureau's IT systems will be able to identify any ARDs out of compliance without additional costs.

However, in the event it is determined that an ARD is out of compliance, the Bureau may issue a citation and fine, with workload costs of approximately \$465 per citation and an average fine amount of \$500 per violation.

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

**Nondiscretionary Costs/Savings to Local Agencies:** None

**Cost to Any Local Agency or School District for Which Government Code Sections 17500 – 17630 Require Reimbursement:** None

**Mandate Imposed on Local Agencies or School Districts:** None

**Significant Effect on Housing Costs:** None

### **BUSINESS IMPACT ESTIMATES:**

BAR has made the initial determination that the proposed regulations will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The initial determination is based on the fact that this proposal is designed to bring together and clarify existing laws governing storage fees from the Business and Professions, Civil, and Vehicle Codes under one unifying regulatory section.

**Cost Impact on Representative Private Person or Business:** None. The Bureau is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

The Bureau will not be charging any fees for ARDs to access and provide information to the search tool and anticipates registrants will be able to comply with the regulations within normal business operations. As a result, no additional costs are anticipated.

**Effect on Housing Costs:** None

### **RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS**

The regulations only impact ARD registrants, requiring them to report and maintain specified fees that will be included on the Bureau's website, which is anticipated to be done within normal business operations.

As a result, the Bureau has determined that this regulatory proposal will not:

- Create jobs within California;
- Eliminate jobs within California;
- Create new businesses within California;
- Eliminate existing businesses within California;
- Expand businesses currently doing business in the State of California;
- Affect worker safety;
- Affect the state's environment.

### **Benefits of Regulation:**

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

The proposed regulations will clarify for the industry laws regarding storage fees as well as protect and inform consumers.

Currently, the laws governing the authority and process for charging vehicle storage fees are spread across the Business and Professions, Civil, Insurance, and Vehicle Codes. This regulatory proposal would create a unifying set of regulations about how and when vehicle storage fees should be charged and how much should be charged. Having unifying regulations will put all necessary information in one place, making it easier to locate and understand the requirements for charging vehicle storage fees.

These regulations inform consumers of an ARD's vehicle storage rate by ensuring that an ARD displays their maximum daily storage rate. These regulations will also help avoid inflated storage rates by requiring that ARDs determine their storage rate(s) based on their costs associated with storing vehicles. An ARD must include on an invoice all fees associated with storing a vehicle so that there is no confusion or ambiguity about what a customer is being charged for.

These regulations further benefit consumers by requiring an ARD to attempt to contact a registered owner if a vehicle is received and the registered owner or their representative is not present at the time of delivery of the vehicle.

Additionally, this proposal creates a search tool, on the Bureau's website, that consumers and the public may utilize as a reference to identify average and median daily storage rates for a given locale.

This regulatory proposal does not affect the health of California residents, worker safety, or the state's environment.

## **Business Reporting Requirements:**

The regulatory action requires businesses to file a report with the Bureau. The Bureau has determined that it is necessary for the health, safety, or welfare of the people of the State that the regulation apply to businesses.

On the ARD Registration Application, which applicants are already required to complete if they wish to be registered with the Bureau, an applicant shall provide the Bureau with one additional piece of information, that being the applicant's maximum daily rate charged for storing a non-electric passenger vehicle. The registrant may make a change to their reported maximum daily storage rate once per registration cycle and shall notify the Bureau if they make a rate change.

This is necessary so that the Bureau can include the rate when compiling data for the search tool on its website that will enable consumers, the public, third-party payors, and other stakeholders to identify daily storage rates for a locale.

## **EFFECT ON SMALL BUSINESS**

The Bureau has determined that the proposed regulations may affect small businesses, as defined in Government Code section 11342.610. Although small businesses owned by licensees of the Bureau may be impacted, the Bureau does not maintain data relating to the number or percentage of licensees who own a small business; therefore, the number or percentage of small businesses that may be impacted cannot be predicted.

## **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, as effective and less burdensome to affected private persons, or 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, confusion and abuse when charging vehicle storage fees by the automotive repair industry may continue. Additionally, failing to bring together existing laws governing storage fees from the Business and Professions, Civil, and Vehicle Codes under one unified regulatory section will lead to continued uncertainty about which statutes apply when charging vehicle storage fees.

**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.

**AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE**

The Bureau has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

**TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations, any document incorporated by reference, the Initial Statement of Reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Bureau of Automotive Repair, 10949 North Mather Boulevard, Rancho Cordova, California 95670.

**AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After considering all timely and relevant comments, the Bureau, upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

**AVAILABILITY AND LOCATION OF THE RULEMAKING FILE AND THE FINAL STATEMENT OF REASONS**

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons, once it has been prepared, by making a written request to the contact person named below, or by accessing the website listed below.

## **CONTACT PERSON**

Inquiries or comments concerning the proposed administrative action may be addressed to:

Holly Helsing  
Bureau of Automotive Repair  
10949 North Mather Blvd.  
Rancho Cordova, CA 95670  
Telephone: (916) 970-8421  
E-mail: [Holly.Helsing@dca.ca.gov](mailto:Holly.Helsing@dca.ca.gov)

The backup contact person is:  
Tessa Miller  
Bureau of Automotive Repair  
10949 North Mather Blvd.  
Rancho Cordova, CA 95670  
Telephone: (916) 403-8600  
E-mail: [Tessa.Miller@dca.ca.gov](mailto:Tessa.Miller@dca.ca.gov)

## **AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Bureau's website at <https://www.bar.ca.gov/regulatory-actions>.