

Storage and Towing Fees for ARDs

Mathew Gibson
Executive Office
Regulatory Workshop
October 17, 2024



Bureau of Automotive Repair

Purpose for Proposed Regulation

- Clarify BAR's authority to address storage fee issues as provided for by AB 1263 (Berman, Chapter 681, Statutes of 2023)
- Codify BAR's guidance to the automotive repair industry regarding storage fees
- Bring together existing laws governing storage fees from the Business and Professions Code, Civil Code, and Vehicle Code under one unified regulation

§ 3351 Registration of ARDs

The proposed regulations will add:

- Subdivision (a)(2)(U) to:
 - Require ARDs that charge storage fees resulting from an accident or theft recovery to report their maximum daily storage rate to BAR as part of the registration process
 - Clarify the maximum daily storage rate can be changed once per registration cycle
- Subdivision (e)(9) to:
 - Include the maximum daily storage rate as a material change requiring written notice to BAR within 30 days of the date of making the change

§ 3351.8.1 General Requirements (1 of 2)

The proposed regulations will require:

- An ARD that charges storage fees to post their maximum daily storage rate as reported to BAR
- An ARD that maintains a motor vehicle carrier permit to post the required Towing and Storage Fee Access Notice
- Consumer and third-party payor access to a stored vehicle
- An ARD to accept multiple payment methods
- A vehicle be stored at the ARD's business unless it is necessary to store the vehicle at another location
 - Consumer must be notified of the relocation
 - No charge for relocation unless authorized by the consumer

§ 3351.8.1 General Requirements (2 of 2)

The proposed regulations will:

- Create a search tool to post average and median daily storage rates for a given locale based on the maximum daily storage rate reported by each ARD
- Define a “locale” as a geographic radius around each reporting ARD that is sufficient to identify average and medium storage rates
- Clarify that the search tool shall not be used to establish or otherwise influence actual storage rates

§ 3351.8.2 Storage Fees - Repair Transaction (1 of 2)

The proposed regulations will require storage fees be charged in accordance with Vehicle Code Section 22524.5, specifically:

- Storage fees resulting from an accident or theft recovery be comparable to other ARDs in the same locale pursuant to Subsection (c)(2)(B)
- Storage fees that are not comparable are still permitted if otherwise determined to be reasonable pursuant to Subsection (c)(2)(B)
- Presumptively unreasonable fees shall include any term or expression of like meaning to the presumptively unreasonable fees pursuant to Subsection (c)(3)

§ 3351.8.2 Storage Fees - Repair Transaction (2 of 2)

The proposed regulations will:

- Clarify that no storage fees can be assessed while a vehicle is undergoing repairs
- Establish what an ARD must do to charge storage fees after the completion of repairs
- Require notification in the tear down estimate the number of days the consumer has to authorize repairs or remove the vehicle prior to the accrual of storage fees (minimum of 3 business days)
- Require an itemize invoice of storage fees when charged

§ 3351.8.3 Towing & Storage Fees - No Repairs

The proposed regulations will:

- Permit an ARD to charge storage fees when they receive a vehicle they cannot or will not repair
- Require any towing and storage fees resulting from an accident or theft recovery to be charged in accordance with Vehicle Code section 22524.5(c)(2)(A)
- Require an ARD to provide notice to the registered owner prior to charging storage fees
- Require an itemize invoice of towing and storage fees when charged

Contact Information

Mathew Gibson

mathew.gibson@dca.ca.gov

(916) 403-8060

www.bar.ca.gov



Bureau of Automotive Repair