

Storage Fees Charged by Automotive Repair Dealers

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Bureau of Automotive Repair

Purpose of Proposed Regulations

- Clarify BAR's authority to address storage fee issues as provided 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 automotive repair dealers (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 initial registration (and renewal) process
 - Allow ARDs to change their reported maximum daily storage rate 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
- Consumer and third-party payor access to a stored vehicle
- A vehicle be stored at the ARD's business unless it is necessary for an ARD to store the vehicle at another location
 - Consumer must be notified of the relocation
 - No charge for relocation unless authorized by the consumer
- An ARD shall accept multiple payment methods
- An ARD that maintains a motor vehicle carrier permit to post the required Towing and Storage Fee Access Notice

§ 3351.8.1 – General Requirements (2 of 2)

The proposed regulations will:

- Create a search tool on BAR’s website showing average and median daily storage rates for a given locale based on the maximum daily storage rates reported by ARDs
- Define a “locale” as one of four geographic radiuses around each reporting ARD that is sufficient to identify average and median storage rates
 - Dependent upon the quantity and proximity of other reporting ARDs
- Clarify that the search tool shall not be used to establish, suppress, or otherwise influence actual storage rates charged by an ARD

§ 3351.8.2 – Storage Fees Resulting from a 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 must be comparable to other ARDs in the same locale pursuant to VC 22524.5(c)(2)(B)
 - Storage fees that are not comparable are still permitted if otherwise determined to be reasonable pursuant to VC 22524.5(c)(2)(B)
 - Presumptively unreasonable fees shall include any term or expression of like meaning to presumptively unreasonable fees listed in VC 22524.5(c)(3)
- Clarify that performing a “Tear Down” as defined in CCR 3353(c) is a repair

§ 3351.8.2 – Storage Fees Resulting from a Repair Transaction (2 of 2)

The proposed regulations will:

- Require additional storage fee notifications when providing a tear down estimate
- Clarify that no storage fees can be assessed while a vehicle is undergoing repairs, including a tear down
- Establish that an ARD must have obtained their customer's authorization, generated an invoice after completion of the contracted repairs, and notified the customer the repairs are completed prior to charging storage fees
- Require an itemized invoice of storage fees when charged

§ 3351.8.3 – Registered Owner Notification Requirements

The proposed regulations will:

- Require an ARD, when receiving a vehicle where the registered owner is unknown, to contact the owner and notify them of receipt of the vehicle, and:
 - Obtain authorization to proceed with needed repairs, or
 - If no authorization is provided, or the ARD cannot or will not repair the vehicle, notify the owner if they intend to start charging storage fees
- If, after three attempts, the ARD is unsuccessful in contacting the registered owner, the ARD may begin charging storage fees in accordance with Vehicle Code Section 22524.5(c)(2)(A)

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