
By: **Delegate Impallaria**

Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Auto Body Repair Facilities - Regulation**

3 FOR the purpose of providing that the Division of Consumer Protection of the Office
4 of the Attorney General has authority over the business practices of certain auto
5 body repair facilities; requiring an employee of certain auto body repair facilities
6 to provide customers with a certain notice; prohibiting the notice from being
7 part of an estimate or other form; requiring a customer to sign the notice;
8 requiring certain auto body repair facilities to keep a copy of the notice with
9 certain repair records; requiring certain facilities to post a certain notice;
10 authorizing the Division to adopt certain regulations; defining certain terms;
11 and generally relating to the regulation of auto body repair facilities.

12 BY renumbering

13 Article - Commercial Law
14 Section 14-1009
15 to be Section 14-1012
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2004 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article - Commercial Law
20 Section 14-1001
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2004 Supplement)

23 BY adding to

24 Article - Commercial Law
25 Section 14-1009 through 14-1011
26 Annotated Code of Maryland
27 (2000 Replacement Volume and 2004 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That Section(s) 14-1009 of Article - Commercial Law of the Annotated
3 Code of Maryland be renumbered to be Section(s) 14-1012.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
5 read as follows:

6 **Article - Commercial Law**

7 14-1001.

8 (a) In this subtitle the following words have the meanings indicated.

9 (B) "AUTO BODY REPAIR FACILITY" MEANS ANY PERSON WHO:

10 (1) FOR FINANCIAL PROFIT, REPAIRS MOTOR VEHICLE BODIES,
11 FENDERS, OR OTHER AUTO BODY COMPONENTS DAMAGED BY ACCIDENT, INCIDENT,
12 OR COLLISION; OR

13 (2) APPRAISES, EVALUATES, OR ESTIMATES MOTOR VEHICLE DAMAGE
14 FOR REPAIR IN A FACILITY IN WHICH THE PERSON HAS A FINANCIAL INTEREST.

15 [(b)] (C) "Automotive repair facility" means any person who diagnoses or
16 corrects malfunctions of a motor vehicle for financial profit.

17 (D) TO HAVE A "FINANCIAL INTEREST" MEANS TO:

18 (1) OWN;

19 (2) HAVE AS A SUBSIDIARY BUSINESS; OR

20 (3) HAVE, DIRECTLY OR INDIRECTLY, ANY ECONOMIC INTEREST IN.

21 (E) "INSURER" MEANS AN INSURER THAT ISSUES OR DELIVERS A POLICY OF
22 MOTOR VEHICLE LIABILITY INSURANCE IN THE STATE.

23 [(c)] (F) "Motor vehicle" has the meaning stated in Title 11 of the
24 Transportation Article.

25 [(d)] (G) "Person" includes an individual, corporation, business trust, estate,
26 trust, partnership, association, two or more persons having a joint or common
27 interest, or any other legal or commercial entity.

28 14-1009.

29 THE DIVISION, WITH RESPECT TO AN AUTO BODY REPAIR FACILITY IN WHICH
30 AN INSURER HAS A FINANCIAL INTEREST:

31 (1) SHALL HAVE AUTHORITY OVER THE BUSINESS PRACTICES OF THE
32 AUTO BODY REPAIR FACILITY;

1 (2) SHALL ADOPT REGULATIONS REGARDING DAMAGE ESTIMATING
2 PROCEDURES AND APPRAISAL GUIDELINES; AND

3 (3) MAY ADOPT ANY OTHER REGULATION THE DIVISION DETERMINES
4 TO BE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE.

5 14-1010.

6 (A) AN EMPLOYEE OF AN AUTO BODY REPAIR FACILITY IN WHICH AN
7 INSURER HAS A FINANCIAL INTEREST SHALL PROVIDE A CUSTOMER WITH A
8 WRITTEN NOTICE STATING THAT THE CUSTOMER IS NOT REQUIRED TO:

9 (1) OBTAIN AN APPRAISAL AT THE AUTO BODY REPAIR FACILITY; OR

10 (2) HAVE THE INSURED MOTOR VEHICLE REPAIRED AT THE AUTO BODY
11 REPAIR FACILITY.

12 (B) THE NOTICE REQUIRED UNDER THIS SECTION:

13 (1) MAY NOT BE PART OF AN ESTIMATE OR OTHER FORM; AND

14 (2) SHALL BE SIGNED BY THE POLICYHOLDER.

15 (C) A COPY OF THE SIGNED NOTICE SHALL BE KEPT WITH THE REPAIR
16 RECORDS OF THE INSURED MOTOR VEHICLE.

17 14-1011.

18 AN AUTO BODY REPAIR FACILITY IN WHICH AN INSURER HAS A FINANCIAL
19 INTEREST SHALL HAVE PROMINENTLY DISPLAYED IN A LOCATION THAT IS OPEN TO
20 THE PUBLIC AND AT WHICH THE AUTO BODY REPAIR FACILITY PROVIDES AUTO
21 BODY REPAIR SERVICES A NOTICE THAT STATES:

22 (1) THAT THE AUTO BODY REPAIR FACILITY IS PARTLY OWNED BY OR IS
23 A SUBSIDIARY OF AN INSURER OR THAT AN INSURER HAS A FINANCIAL INTEREST IN
24 THE FACILITY;

25 (2) THE NAME OF THE INSURER WITH A FINANCIAL INTEREST IN THE
26 AUTO BODY REPAIR FACILITY;

27 (3) THAT A CUSTOMER IS NOT REQUIRED TO OBTAIN AN APPRAISAL AT
28 THE AUTO BODY REPAIR FACILITY; AND

29 (4) THAT A CUSTOMER IS NOT REQUIRED TO HAVE THEIR MOTOR
30 VEHICLE REPAIRED AT THE AUTO BODY REPAIR FACILITY.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2005.