

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 1057
Economic Matters

(Delegate King)

Finance

Commercial Law - Automotive Repair Facilities - Invoices, Written Estimates,
and Forms for Authorization of Repairs

This bill adds a statement to the information that must be included on an invoice, a written estimate for repair work, and a form for authorization of repairs from an automotive repair facility as currently required by State law. These documents must state clearly that, while a customer's motor vehicle is on the premises of the repair facility, the repair facility may not be responsible for damage to the customer's vehicle under certain circumstances and that the customer should ask a representative of the facility about the extent of its responsibility, including the extent of the insurance coverage of the facility.

Fiscal Summary

State Effect: The bill would not directly affect State finances or operations. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

Local Effect: The bill would not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law: Title 14, Subtitle 10 of the Commercial Law Article sets forth miscellaneous consumer protection provisions relating to automotive repair facilities. This statute requires that a repair facility prepare an invoice that • describes all work done by the facility, including all warranty work; • describes all parts supplied by the facility; and • states clearly if any used, rebuilt, or reconditioned parts have been supplied

or if a part of a component system supplied is composed of used, rebuilt, or reconditioned parts. The invoice must also contain a specific notice set forth in the statute that advises the customer that federal law requires manufacturers to make bulletins available describing any defects in their vehicles.

Likewise, statute specifies what must be included on a written estimate for repair work and a form for authorization of repairs.

Background: Bailment is a typical common law situation in which a property owner (the “bailor”) gives the property to another person (the “bailee”) for a specific purpose. Most business activities involve some type of bailment, including automobile repairs where a customer-bailor gives his or her property to the shop-bailee in order to obtain services. The liability of the bailee for loss of or damage to the bailor’s property varies depending on the specific type of bailment, but if the bailor can establish in court that the property was lost or damaged, then the bailee generally must prove that he or she maintained the applicable standard of care and was not negligent. Most bailees attempt to limit their liability by placing exemption clauses in bailment agreements, which generally exempt the bailee from liability if the bailor agrees to the clause before the property is transferred. In some instances, however, courts have invalidated exemption clauses where such clauses were found to be so unreasonable as to constitute an abuse of the freedom of contract.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division);
Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2008
mcp/ljm Revised - House Third Reader - March 27, 2008
Revised - Enrolled Bill - May 2, 2008

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