

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 428
Finance

**Consumer Protection - Automotive Glass Repair or Replacement - Advanced
Driver Assistance System Recalibration**

This bill establishes consumer protections related to the repair or replacement of automotive glass on motor vehicles equipped with an “advanced driver assistance system” (ADAS). The bill also prohibits an insurer from being charged more than a fair and competitive price for the local market area for work performed to recalibrate an ADAS. Violation of the bill (as well as existing requirements related to repair facilities) is an *abusive* (in addition to an unfair or deceptive) trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

Fiscal Summary

State Effect: The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill’s requirements with existing resources.

Local Effect: The bill’s imposition of existing penalty provisions does not have a material impact on local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill specifies that an “automotive repair facility” includes any person who, for financial profit, repairs or replaces automotive glass.

The bill defines an ADAS as an electronic safety system that is designed to support a driver operating a motor vehicle that is intended to increase vehicle safety and reduce losses associated with motor vehicle crashes.

Before repairing (or replacing) automotive glass, if a motor vehicle is equipped with an ADAS, a repair facility must:

- inform the customer if the recalibration of an ADAS is required; and
- provide the customer with (1) an itemized description of the work to be performed on the motor vehicle and (2) if an insurer is paying for all (or a portion) of the glass repair, glass replacement, or the recalibration of an ADAS, the total amount that the insurer agrees to pay.

The bill prohibits an automotive repair facility from representing to a customer that the cost of work to be performed to recalibrate an ADAS will be paid entirely by the customer's insurer (at no cost to the customer) unless the cost is fully covered and approved by the insurer.

Under the bill, a repair facility is not limited to automotive glass, tooling, equipment, or repair procedures provided by the vehicle manufacturer. However, recalibration of an ADAS performed by a repair facility must meet or exceed the manufacturer's specifications. The bill prohibits a repair facility from charging for services that are not performed in accordance with the manufacturer's specifications.

If recalibration of an ADAS is required and is not performed (or successfully completed), the repair facility must inform the customer (electronically or in writing) and subsequently advise the customer that the vehicle should be taken to (1) a vehicle manufacturer's certified dealership or (2) a qualified repair facility capable of performing the recalibration of an ADAS that meets or exceeds the manufacturer's specifications.

Current Law: Title 14, Subtitle 10 of the Commercial Law Article sets forth miscellaneous consumer protection provisions relating to automotive repair facilities. An "automotive repair facility" is defined as any person who diagnoses or corrects malfunctions of a motor vehicle for financial profit.

An automotive repair facility must provide, upon request, a written estimate containing specified information prior to beginning any repair work for which a customer is charged more than \$50. Such businesses are prohibited from charging the customer without consent a price that exceeds the written estimate by more than 10%. Other provisions specify when repair delays may be excused and when written estimates are not required. Similar requirements apply to repair authorizations.

A repair facility must also prepare an invoice that describes (1) all work done by the facility (including all warranty work) and (2) all parts supplied by the facility. The invoice must state 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; and
- 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.

The invoice must also contain a specific notice that advises the customer that federal law requires manufacturers to make bulletins available describing any defects in their vehicles. A signed copy of the invoice must be provided to the customer; the repair facility must also retain a copy.

Maryland Consumer Protection Act

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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