

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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**HOUSE BILL 1067\***  
**Committee Substitute Favorable 4/17/01**  
**Senate Commerce Committee Substitute Adopted 6/20/01**  
**Fourth Edition Engrossed 7/3/01**

Short Title: Clarify Auto Repair Bill of Rights.

(Public)

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Sponsors:

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Referred to:

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April 10, 2001

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THE AUTOMOTIVE BILL OF RIGHTS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 20-354.1 reads as rewritten:  
5 "**§ 20-354.1. Scope and application.**

6 This act shall apply to all motor vehicle repair shops in North Carolina, except:

7 ...  
8 (7) ~~When an insurer has authorized a motor vehicle repair shop to perform~~  
9 ~~the repair and had agreed to pay the cost of the repair, a third party has~~  
10 ~~waived in writing the right to receive written estimates from the motor~~  
11 ~~vehicle repair shop; the third party indicates to the motor vehicle repair~~  
12 ~~shop that the repairs will be paid for by the third party under an~~  
13 ~~insurance policy, service contract, mechanical breakdown contract, or~~  
14 ~~manufacturer's warranty; and the third party further indicates that the~~  
15 ~~customer's share of the cost of repairs, if any, will not exceed three~~  
16 ~~hundred fifty dollars (\$350.00)."~~

17 **SECTION 2.** G.S. 20-354.3(d) reads as rewritten:

18 "(d) If the customer leaves his or her motor vehicle at a motor vehicle repair shop  
19 during hours when the shop is not ~~open~~-open, or if the motor vehicle repair shop  
20 reasonably believes that an accurate estimate of the cost of repairs cannot be made until  
21 after the diagnostic work has been completed, or if the customer permits the shop or  
22 another person to deliver the motor vehicle to the shop, there shall be an implied partial  
23 waiver of the written estimate; however, upon completion of the diagnostic work  
24 necessary to estimate the cost of repair, the shop shall notify the customer as required by  
25 G.S. 20-354.5(a)."

26 **SECTION 3.** G.S. 20-354.5(b) reads as rewritten:

1       "(b) If a customer cancels the order for repair or, after diagnostic work is  
2 performed, decides not to have the repairs performed, and if the customer authorizes the  
3 motor vehicle repair shop to reassemble the motor vehicle, the shop shall expeditiously  
4 reassemble the motor vehicle in a condition reasonably similar to the condition in which  
5 it was ~~received unless the reassembled vehicle would be unsafe.~~received.

6       After cancellation of the repair order or a decision by the customer not to have  
7 repairs made after diagnostic work has been performed, the shop may charge for and the  
8 customer is obligated to pay the cost of repairs actually completed that were authorized  
9 by the written repair estimate as well as the cost of diagnostic work and teardown, the  
10 cost of parts and labor to replace items that were destroyed by teardown, and the cost to  
11 reassemble the component or the vehicle, provided the customer was notified of these  
12 possible costs in the written repair estimate or at the time the customer authorized the  
13 motor vehicle repair shop to reassemble the motor vehicle."

14       **SECTION 4.** G.S. 20-354.5(e) reads as rewritten:

15       "(e) Upon request made at the time the repair work is authorized by the customer,  
16 the customer is entitled to inspect parts removed from his or her vehicle or, if the shop  
17 has no warranty arrangement or exchange parts program with a manufacturer, supplier,  
18 or distributor, have them returned to him or her. A motor vehicle repair shop may  
19 discard parts removed from a customer's vehicle or sell them and retain the proceeds for  
20 the shop's own account if the customer fails to take possession of the parts at the shop  
21 within two business days after taking delivery of the repaired vehicle."

22       **SECTION 5.** G.S. 20-354.6 reads as rewritten:

23       "**§ 20-354.6. Invoice required of motor vehicle repair shop.**

24       The motor vehicle repair shop shall provide each customer, upon completion of any  
25 repair, with a legible copy of an invoice for such repair. The invoice shall include the  
26 following information:

- 27       (1) A statement indicating what was done to correct the problem or a  
28 description of the service provided.
- 29       (2) An itemized description of all labor, parts, and merchandise supplied  
30 and ~~the costs thereof, indicating what is supplied to the customer~~  
31 ~~without cost or at a reduced cost because of a shop or manufacturer's~~  
32 ~~warranty.~~the costs of all labor, parts, and merchandise supplied. No  
33 itemized description is required to be provided to the consumer for  
34 labor, parts, and merchandise supplied when a third party has indicated  
35 to the motor vehicle repair shop that the repairs will be paid for under  
36 a service contract, under a mechanical breakdown contract, or under a  
37 manufacturer's warranty, without charge to the consumer.
- 38       (3) A statement identifying any replacement part as being used, rebuilt, or  
39 reconditioned, as the case may be."

40       **SECTION 6.** This act is effective when it becomes law.