

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 1275\*

Short Title: Licensure/Motor Veh. Repair Shops/Coll. Rep. (Public)

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Sponsors: Representatives Bordsen and Cole (Primary Sponsors).

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Referred to: Finance.

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April 19, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH LICENSURE REQUIREMENTS FOR CERTAIN MOTOR  
3 VEHICLE REPAIR SHOPS, COLLISION REPAIR ESTIMATORS, AND  
4 COLLISION REPAIR TECHNICIANS.

5 The General Assembly of North Carolina enacts:

6 "Article 19.

7 "Motor Vehicle Repair Shops and Collision Repair Estimators and Technicians.

8 "**§ 20-420. Short title.**

9 This Article shall be known as the North Carolina Motor Vehicle Repair Shops and  
10 Collision Repairs Licensure Act.

11 "**§ 20-421. Purpose.**

12 The General Assembly declares that in order to protect the safety and welfare of the  
13 people of North Carolina against unqualified motor vehicle repair shops, collision repair  
14 estimators, and collision repair technicians or improper motor vehicle or collision  
15 repair, it is necessary to provide for the licensing and regulation of certain motor vehicle  
16 repair shops, collision repair estimators, and collision repair technicians.

17 "**§ 20-422. License required; exemptions.**

18 (a) After July 1, 2006, no person shall own or operate a motor vehicle repair shop  
19 or engage in business as a collision repair estimator or collision repair technician, unless  
20 the person has been properly licensed under the provisions of this Article. Any person  
21 violating the provisions of this Article shall be guilty of a Class 3 misdemeanor.

22 (b) Nothing in this Article shall be construed to prohibit or affect:

23 (1) Practice by persons employed by any federal, State, or municipal  
24 agency.

25 (2) Practice by a person who is a student in an educational or certification  
26 program approved by the Board.

27 (3) Employees of industrial firms that provide motor vehicle or collision  
28 repairs for its customers on its own or leased premises.

- 1           (4) A person who repairs or maintains a motor vehicle owned or leased by  
2           that person.

3 **"§ 20-423. Definitions.**

4 The following definitions apply in this Article:

- 5           (1) Board. – The North Carolina Board of Examiners for Motor Vehicle  
6           Repair Shops and Collision Repairs.  
7           (2) Collision repair. – The act of fixing damaged motor vehicles.  
8           (3) Collision repair estimator. – A person who inspects a damaged vehicle  
9           and determines the cost required to restore the vehicle to the condition  
10           it was in before the damage.  
11           (4) Collision repair technician. – A person who fixes damaged motor  
12           vehicles.  
13           (5) Licensee. – A person who has been issued a license under this Article.  
14           (6) Motor vehicle repair. – Any maintenance of or modifications or repairs  
15           to motor vehicles or diagnostic work incident to the repairs, including  
16           the rebuilding or restoring of rebuilt vehicles, bodywork, painting, and  
17           warranty work.  
18           (7) Motor vehicle repair shop. – Any building or part thereof where motor  
19           vehicle repairs are performed for pay or reward, whether direct or  
20           indirect.

21 **"§ 20-424. North Carolina Board of Examiners for Motor Vehicle Repair Shops**  
22 **and Collision Repairs.**

23           (a) Composition and Terms. – The North Carolina Board of Examiners for Motor  
24 Vehicle Repair Shops and Collision Repairs is created. The Board shall consist of seven  
25 members who shall serve staggered terms. The initial Board members shall be  
26 appointed on or before January 1, 2006, as follows:

- 27           (1) The General Assembly, upon the recommendation of the President Pro  
28 Tempore of the Senate, shall appoint three members. One of these  
29 members shall be the owner or operator of a motor vehicle repair shop  
30 who shall serve a three-year term, one shall be a collision repair  
31 estimator who shall serve a two-year term, and one shall be a collision  
32 repair technician who shall serve a one-year term.  
33           (2) The General Assembly, upon the recommendation of the Speaker of  
34 the House of Representatives, shall appoint three members. One of  
35 these members shall be the owner or operator of a motor vehicle repair  
36 shop who shall serve a three-year term, one shall be a collision repair  
37 estimator who shall serve a two-year term, and one shall be a collision  
38 repair technician who shall serve a one-year term.  
39           (3) The Governor shall appoint one public member who is a consumer of  
40 motor vehicle repair or collision repair services or has an interest in the  
41 rights of consumers who shall serve a three-year term.

42 Initial Board members appointed on or before January 1, 2006, do not have to be  
43 licensed upon appointment. However, once licensure requirements are established, those

1 initial Board members shall satisfy the applicable requirements for licensure pursuant to  
2 this Article.

3 Upon the expiration of the terms of the initial Board members, each member shall be  
4 appointed for a term of three years and shall serve until a successor is appointed and  
5 qualified. No member may serve more than two consecutive terms.

6 (b) Qualifications. – All members of the Board shall reside in this State and shall  
7 represent the various geographical areas or congressional districts of the State.

8 (c) Vacancies. – A vacancy shall be filled in the same manner as the original  
9 appointment, except that all unexpired terms in seats appointed by the General  
10 Assembly shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies  
11 shall serve the remainder of the unexpired term and until their successors have been  
12 duly appointed and qualified.

13 (d) Removal. – The Board may remove any of its members for neglect of duty,  
14 incompetence, or unprofessional conduct. A member subject to disciplinary proceedings  
15 as a licensee shall be disqualified from participating in the official business of the Board  
16 until the charges have been resolved.

17 (e) Compensation. – Each member of the Board shall receive per diem and  
18 reimbursement for travel and subsistence as provided in G.S. 93B-5.

19 (f) Officers. – The officers of the Board shall be a chair, a vice-chair, and other  
20 officers deemed necessary by the Board to carry out the purposes of this Article. All  
21 officers shall be elected annually during the first meeting of the calendar year by the  
22 Board for one-year terms and shall serve until their successors are elected and qualified.

23 (g) Meetings. – The Board shall hold at least two meetings each year to conduct  
24 business and to review the standards and rules for issuing licenses under this Article.  
25 The Board shall adopt rules governing the calling, holding, and conducting of regular  
26 and special meetings. A majority of Board members shall constitute a quorum.

27 **§ 20-425. Powers and duties.**

28 The Board shall have the following powers and duties:

29 (1) Administer and enforce the provisions of this Article.

30 (2) Adopt rules as may be necessary to carry out the provisions of this  
31 Article.

32 (3) Examine and determine the qualifications and fitness of applicants for  
33 licensure and renewal of licensure.

34 (4) Issue, renew, deny, suspend, or revoke licenses and conduct any  
35 disciplinary actions authorized by this Article.

36 (5) Set fees as provided in G.S. 20-429.

37 (6) Establish and approve continuing education requirements for persons  
38 licensed under this Article.

39 (7) Receive and investigate complaints from members of the public.

40 (8) Conduct investigations for the purpose of determining whether  
41 violations of this Article or grounds for disciplining licensees exist.

42 (9) Conduct administrative hearings in accordance with Article 3A of  
43 Chapter 150B of the General Statutes.

- 1           (10) Maintain a record of all proceedings conducted by the Board and make  
2           available to licensees and other concerned parties an annual report of  
3           all Board action.
- 4           (11) Maintain a list of the names and addresses of all persons licensed by  
5           the Board.
- 6           (12) Employ and fix the compensation of personnel that the Board  
7           determines is necessary to carry out the provisions of this Article and  
8           incur other expenses necessary to perform the duties of the Board.
- 9           (13) Adopt a seal containing the name of the Board for use on all licenses  
10          and official reports issued by the Board.
- 11          (14) Prescribe standards of ethical conduct for automotive glass work,  
12          automotive glass repair work, and flat glass work.

13 **"§ 20-426. Qualifications for licensing collision repair estimators and collision**  
14 **repair technicians; examination.**

15       (a) An applicant shall be licensed as a collision repair estimator if the applicant  
16 meets all of the following qualifications:

- 17           (1) Has obtained a high school diploma or equivalent.
- 18           (2) Is at least 18 years of age.
- 19           (3) Is of good moral and ethical character.
- 20           (4) Has successfully completed the application process.
- 21           (5) Has completed a collision repair estimator course through a nationally  
22 recognized organization as approved by the Board, a Board-approved  
23 community college program, or other Board-approved certification  
24 program.
- 25           (6) Provides evidence that he or she has met all proper safety training  
26 requirements for collision repair work.
- 27           (7) Has at least one year of work experience as a collision repair estimator  
28 before applying for licensure under this Article.
- 29           (8) Has successfully passed an examination administered or approved by  
30 the Board.
- 31           (9) Pays the required fee under G.S. 20-429.

32       (b) An applicant shall be licensed as a collision repair technician if the applicant  
33 meets all of the following qualifications:

- 34           (1) Has obtained a high school diploma or equivalent.
- 35           (2) Is at least 18 years of age.
- 36           (3) Is of good moral and ethical character.
- 37           (4) Has successfully completed the application process.
- 38           (5) Has completed a collision repair technician course through a nationally  
39 recognized organization as approved by the Board, a Board-approved  
40 community college program, or other Board-approved certification  
41 program.
- 42           (6) Provides evidence that he or she has met all proper safety training  
43 requirements for collision repair work.

- 1           (7) Has at least one year of work experience as a collision repair
- 2           technician before applying for licensure under this Article.
- 3           (8) Has successfully passed an examination administered or approved by
- 4           the Board.
- 5           (9) Pays the required fee under G.S. 20-429.

6           (c) At least twice a year, the Board shall cause the examination required in this  
 7 section to be given to the applicants at a time and place to be determined by the Board.  
 8 Any applicant who fails to pass the first examination may retake the examination in  
 9 accordance with rules adopted by the Board.

10 **"§ 20-427. Licensing of motor vehicle repair shops.**

11           (a) The Board shall issue a license to operate a motor vehicle repair shop to any  
 12 applicant who submits a properly completed application, on a form approved by the  
 13 Board, pays the required fee, and is determined, after inspection, to be in compliance  
 14 with the provisions of this Article and rules adopted by the Board.

15           (b) The applicant shall list all persons who perform motor vehicle repairs in the  
 16 shop and shall identify each as an employee.

17           (c) A motor vehicle repair shop shall be allowed to operate for a period of 30  
 18 days while the Board inspects and determines the shop's compliance with this Article  
 19 and the Board's rules. If the Board is unable to complete the inspection within 30 days,  
 20 the shop will be authorized to operate until the inspection can be completed.

21           (d) A license to operate a motor vehicle repair shop shall not be transferable from  
 22 one location to another or from one owner to another.

23 **"§ 20-428. Reciprocity.**

24           Upon filing an application and payment of the required fee, the Board may issue a  
 25 license without examination to an applicant who is licensed to operate a motor vehicle  
 26 repair shop or licensed as a collision repair estimator or a collision repair technician in  
 27 another state or territory if the requirements for licensure in that state or territory are  
 28 substantially equal to the requirements for licensure in this State as determined by the  
 29 Board.

30 **"§ 20-429. Fees.**

31           The Board shall establish fees not to exceed the following amounts:

32           (1) <u>Issuance of a license</u>	<u>\$200.00</u>
33           (2) <u>Renewal of a license</u>	<u>\$200.00</u>
34           (3) <u>Examination</u>	<u>\$250.00</u>
35           (4) <u>Reinstatement</u>	<u>\$150.00</u>
36           (5) <u>Late fees</u>	<u>\$150.00.</u>

37 **"§ 20-430. Motor vehicle repair shop records.**

38           (a) Each motor vehicle repair shop shall maintain repair records, which shall  
 39 include written repair estimates and repair invoices. A customer's records shall be  
 40 available to the customer for inspection and copying for a period of at least 12 months.  
 41 The motor vehicle repair shop may charge a reasonable fee for copying. The customer  
 42 may not remove the original records from the premises. The Board shall have access to  
 43 these records and may inspect or copy these records during regular business hours as  
 44 necessary.

1 (b) The Board shall establish rules for written motor vehicle repair estimates,  
2 disclosure statements, and repair invoices.

3 **"§ 20-431. License renewal; display of license; license nontransferable.**

4 (a) All licenses shall expire one year after the date they were issued unless  
5 renewed. At least 30 days before the expiration date of a license, the Board shall send  
6 the licensee an application and notice of renewal of license. All applications for renewal  
7 shall be filed with the Board and shall be accompanied by the renewal fee as required by  
8 G.S. 20-429. A license that has expired for failure to renew may be reinstated after the  
9 applicant pays the late and reinstatement fees as required by G.S. 20-429. The Board  
10 may establish any other license renewal requirements as necessary pursuant to rules  
11 adopted by the Board.

12 (b) The Board shall replace any license that is lost, destroyed, or mutilated,  
13 subject to rules established by the Board.

14 (c) Every motor vehicle repair shop, collision repair estimator, or collision repair  
15 technician issued a license under this Article shall display the license prominently in his  
16 or her place of business, and the license number shall appear on all proposals, contracts,  
17 or requests for permits issued by municipalities.

18 (d) A license may not be transferred or assigned.

19 **"§ 20-432. Grounds for disciplinary action.**

20 The Board may deny, revoke, suspend, refuse to renew, censure, or reprimand a  
21 licensee or an applicant or place a licensee on probation for any of the following:

- 22 (1) Operating a motor vehicle repair shop or practicing as a collision  
23 repair estimator or collision repair technician in violation of the  
24 provisions of this Article or any rules adopted by the Board.
- 25 (2) Obtaining or attempting to obtain a license by fraud or  
26 misrepresentation.
- 27 (3) Having been convicted of a felony in the courts of this State or any  
28 other state.
- 29 (4) Gross negligence in operating or working in a motor vehicle repair  
30 shop or in the provision of collision repair services that results in  
31 injury to another.
- 32 (5) Engaging in dishonorable, unethical, or unprofessional conduct of a  
33 character likely to deceive, defraud, or harm the public.
- 34 (6) Habitual intoxication or addiction to the use of drugs.
- 35 (7) Directly or indirectly giving or receiving a fee, commission, rebate, or  
36 other form of compensation for a service not actually rendered.
- 37 (8) Failure to respond to a written request for information by the Board  
38 within 60 days.
- 39 (9) Having had a license or certification revoked or suspended or other  
40 disciplinary action taken by authorities of another state or territory.
- 41 (10) Aiding or abetting a person not licensed in this State who directly or  
42 indirectly operates a motor vehicle repair shop or performs collision  
43 repair services requiring a license.

1           (11) Has made material misstatements in the application for licensure or  
2           renewal.

3           (12) Has demonstrated gross negligence, incompetency, or misconduct in  
4           operating or working in a motor vehicle repair shop or in the  
5           performance of collision repair services.

6    "**§ 20-433. Injunctive relief.**

7           The Board may apply to the superior court for an order enjoining violations of this  
8           Article. Upon a showing by the Board that any person has violated this Article, the court  
9           may grant injunctive relief."

10           **SECTION 2.** Any person who submits proof to the Board that the person  
11 has owned or operated a motor vehicle repair shop or practiced as a collision repair  
12 estimator or collision repair technician full-time for at least five consecutive years prior  
13 to the effective date of this act, has completed a nationally recognized certification  
14 program in motor vehicle repair or collision repair services as approved by the Board, or  
15 is certified as a collision repair estimator or collision repair technician by a nationally  
16 recognized organization approved by the Board may be granted the appropriate license  
17 upon completion of an inspection, in the case of a motor vehicle repair shop, and  
18 investigation of the applicant's work history by the Board, and payment of the required  
19 fee under G.S. 20-429, enacted in Section 1 of this act, without having to satisfy the  
20 requirements of G.S. 20-426, enacted in Section 1 of this act. All persons who do not  
21 make application to the Board within one year of the effective date of this act shall be  
22 required to complete all requirements prescribed by the Board and to otherwise comply  
23 with the provisions of Article 18 of Chapter 20 of the General Statutes, enacted by  
24 Section 1 of this act.

25           **SECTION 3.** This act is effective when it becomes law.