



ASA of Ohio

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Automotive Service Association of Ohio

2014 Legislative Review

The 130th General Assembly officially came to a close after both chambers adjourned late in December. As a voice for automotive repair professionals throughout Ohio it is no surprise that over the past two years ASA Ohio found itself involved in numerous pieces of legislation and actively lobbied a number of other policies that would impact Ohio's automotive repair industry. We would like to take this opportunity to review the issues addressed this legislative session by the Ohio General Assembly that were of interest to the members of ASA Ohio.

Motor Vehicle Repair Board:

ASA Ohio has always advocated for issues that would improve and protect Ohio's automotive repair professionals. With this in mind, ASA Ohio works closely with the Ohio Motor Vehicle Repair Board, which is responsible for registering collision repair and window tint operators. For over a decade the Board has done an excellent job in registering these two sectors of the repair industry; however, it lacks the authority to register mechanical repair facilities. This has led to bad actors who choose to skirt the law at the expense of legitimate businesses and the consumer. The Board ensures that all those in the industry are operating under the same set of standards and that no one is able to gain a competitive advantage by cutting corners. ASA Ohio has worked diligently with legislators and other stakeholders to build upon the Board's success by expanding its authority to include mechanical repair facilities.

During the 130th General Assembly we worked closely with Senator Joe Uecker (R-Loveland) on drafting legislation to accomplish this goal. SB 232 was introduced in 2013 and received numerous committee hearings in the Senate. After nearly a year of debate, SB 232 was passed by the Senate by a vote of 31-1. It then headed to the House where it was quickly passed by the House Commerce, Labor and Technology Committee. During the committee process numerous automotive repair professionals throughout the state came to testify in support of this important legislation. ASA Ohio led the way by offering letters of support and real life examples of the dangers created by illegitimate repair operators. SB 232 was reported by committee towards the end of session, yet unfortunately it failed to receive a vote by the entire House chamber. Nevertheless, this is the furthest a bill like this has moved through the legislature and we were able to shine light on a problem that exists within the industry. We were able to find many legislators that advocated on our behalf and pledged to address this issue again early next session.

Unclaimed Motor Vehicles:

ASA Ohio constantly tracks and monitors all policy decisions that could impact the automotive repair industry. Through this involvement, ASA Ohio is on the front lines of defending its members against policies that could negatively impact the industry. The importance of ASA Ohio's involvement in the legislative process was never more apparent than in 2012, when the Ohio Department of Public Safety (DPS) implemented a new policy that drastically changed the affidavit process for obtaining a title to an unclaimed vehicle valued under \$2,500.

In August of 2012, DPS issued a notice that it had revised the unclaimed motor vehicle affidavit process. As a result of these revisions, automotive repair garages were prohibited from deducting certain costs (actual repairs, needed repairs, etc.) from the value of the vehicle. These deductions were previously utilized by repair facilities to bring the value of an unclaimed vehicle below \$2,500. This change had a profound impact on many repair facilities struggling with removing unclaimed vehicles from their properties because they no longer fell under the \$2,500 threshold value required to use the affidavit. As a result of this change, repair shops were required to either store the vehicle or go through an expensive and time-consuming court process to obtain titles to vehicles left on their property.

Fortunately, ASA Ohio identified this problem early in the process and worked with DPS on drafting administrative rules that would allow repair facilities to deduct the costs associated with the repairs actually done on the vehicle as well as the estimated costs to repair any disabling condition. After nearly two years of hard work in collaboration with DPS and other stakeholders the rule was finally filed and the new affidavit form took effect in September 2014.

ASA Ohio spearheaded the effort to reinstate these deductions and was successful in drafting rules helping repair facilities deal with the costly problem of unclaimed vehicles.

Towing:

ASA Ohio was also involved in legislation this session aimed at addressing complaints of predatory towing practices throughout Ohio. SB 274 (Sen. Hughes) and HB 382 (Duffey) were introduced to reform Ohio's towing laws. Although originally tailored to focus only on private property tows, these bills were changed to include comprehensive reforms to the towing industry. Throughout this process, there was discussion about reforming the way repair garages were required to contact vehicle owners and lienholders after a vehicle was left unclaimed. ASA Ohio was the lead voice ensuring Ohio's automotive repair professionals were protected throughout this process. ASA Ohio also used these bills as an opportunity to shine light on the affidavit process. The \$2,500 threshold value was developed in the 1990's and needed to be updated to properly reflect the increasing value of vehicles on the road today. After working with legislators in both the House and the Senate as well as key policy makers in Governor Kasich's Administration, a compromise was made to increase the threshold value from \$2,500 to \$3,500. SB 274 was ultimately passed by both chambers and signed by the governor in December. SB 274 also included a provision that would allow repair garages to apply the new threshold value (\$3,500 instead of \$2,500) on vehicles left unclaimed prior to the bill taking effect. These important changes would not have occurred if it wasn't for ASA Ohio's involvement.

Other Legislative Issues:

Legislation was introduced this session that would expand the marketplace for purchasing salvage vehicles in Ohio. HB 468 makes several changes to laws governing the resale of wrecked

or dismantled vehicles. Under the legislation a licensed salvage motor vehicle auction or salvage motor vehicle pool may auction and sell salvage motor vehicles to authorized purchaser and others, while requiring the seller to keep an electronic record of all sales, identification of the purchaser, and a copy of the purchaser's license to purchase salvage vehicles. The legislation would allow automotive repair facilities to purchase a total of five salvage motor vehicles in a calendar year from any salvage motor vehicle auction or pool. ASA Ohio was engaged in the legislation and included in stakeholder meetings. This is a complicated and contentious issue that we imagine will be addressed again in future General Assemblies. ASA Ohio will continue to monitor any legislation dealing with Ohio's salvage market laws and will be on guard against any proposals that would harm the automotive repair industry.

ASA Ohio was also tracking legislation (HB 526) that would prohibit insurers from requiring a person making a claim on an automobile insurance policy to have the person's vehicle repaired at a particular repair shop or by a particular person. Additionally, the legislation would prohibit an insurer from recommending or suggesting that the vehicle be repaired by a particular repair facility unless the person making the claim requested the recommendation. HB 526 was introduced by Rep. Matt Lynch (R-Chagrin Falls) and Rep. Robert Hagan (D-Youngstown). While HB 526 did receive one hearing in committee, it never gained traction and failed to move through the House.

As a service to its members, ASA Ohio remains in constant contact with the Ohio EPA and closely monitors rules and regulations the agency develops. Policy changes made by the Ohio EPA often go overlooked; however, they could have a significant impact on automotive repair businesses. This is why it is important to follow these changes and provide feedback as the policy is being developed. Most recently, ASA Ohio discovered a provision in an administrative rule drafted by the Ohio EPA that had the potential to impact the ability of a repair shop to utilize a popular exemption to the Permit-To-Install & Operate (PTIO). Currently, administrative rules allow automotive service facilities that meet certain requirements, such as jobs per week, number of spray booths, type of equipment, etc., to be exempt from the more formal and complex PTIO. This exemption is known as the Permit-By-Rule (PBR). Many automotive repair shops have found that they meet the requirements to claim a PBR and take advantage of the useful exemption.

In reviewing this exemption, ASA Ohio identified a provision that would have prohibited repair facilities, which work on any vehicle with a gross weight rating over 8,500 lbs., from claiming a PBR. It is important to note that many popular vehicles like the Ford F-250 as well as many larger SUVs and vans exceed the 8,500 lbs. limit. The way the administrative rule was written, any facility claiming a PBR would have been found in violation simply for working on one of these vehicles, regardless if it met all other PBR requirements.

ASA Ohio was fortunate to have identified this oversight early in the rule-making process and was able to notify the Ohio EPA of the problem. After roughly two years of negotiations, ASA Ohio and the Ohio EPA were able to develop a proposal that corrected the problem. The revised rule will allow repair shops claiming a PBR to work on vehicles with a gross vehicle weight rating up to 10,000 lbs. This change allows shops working on larger vehicles to remain compliant under the PBR exemption.

Another issue tackled by ASA Ohio this legislative session was addressing the workforce shortage that is growing within the automotive repair profession. The shortage of qualified

automotive repair technicians is a growing problem and is something that impacts every automotive repair business in the state. Students are being steered away from careers in the auto trades and high schools are cutting vocational courses to save resources. Adding to the problem is the fact that those students that choose to enter the field and graduate from vocational programs are not being trained properly and need to be retaught after being hired. ASA Ohio has been on the front lines of addressing this problem. It was worked directly with Governor Kasich's office to identify ways to improve education curriculum, better prepare students in vocational schools, and provide more pathways to employment for those graduates. Governor Kasich has placed an emphasis on vocational education and training Ohioans for job openings. ASA Ohio believes that it can build upon Governor Kasich's plan and help better train students for careers in the automotive repair field.

Below is a list of all the legislation we tracked on behalf of ASA Ohio during the 130th General Assembly:

HB34 WORKERS' COMPENSATION BUDGET (HACKETT R) To make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2013, and ending June 30, 2015; and to provide authorization and conditions for the operation of the Bureau's programs.

Current Status: 3/26/2013

SIGNED BY GOVERNOR

Eff. 3/26/2013

HB55 UNEMPLOYMENT ELIGIBILITY-MILITARY SPOUSE (PILlich C, TERHAR L) To permit persons who quit work to accompany the person's spouse on a military transfer to be eligible for unemployment compensation benefits.

Current Status: 2/27/2013

House Commerce, Labor and Technology Committee

Third Hearing

HB59 BIENNIAL BUDGET (AMSTUTZ R) To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.

Current Status: 6/30/2013

SIGNED BY GOVERNOR

Eff. 6/30/2013; Some Eff. 9/29/2013; Others Various Dates

HB107 CAREER EXPLORATION INTERNSHIPS-TAX CREDIT (BAKER N) To authorize a tax credit for businesses that employ high school students in career exploration internships.

Current Status: 3/26/2014

SIGNED BY GOVERNOR

Eff. 6/25/2014. Section 2 Eff. 3/26/2014

HB128 MOTOR VEHICLE SALVAGE DEALER LAW (HOTTINGER J, CARNEY J) To permit salvage motor vehicle auctions and pools to auction and sell salvage motor vehicles to persons other than motor vehicle salvage dealers, and to make other changes in the

motor vehicle salvage dealer law.

Current Status: 4/17/2013

Referred to the House Insurance Committee

HB177 NONFUNCTIONAL MOTOR VEHICLE AIR BAG (PELANDA D) To prohibit the manufacture, import, or sale of a counterfeit or nonfunctional motor vehicle air bag that causes the vehicle's diagnostic system to inaccurately indicate that the vehicle is equipped with a functional air bag.

Current Status: 12/19/2013

SIGNED BY GOVERNOR

Eff. 3/20/2014

HB194 AUTO INDUSTRY MONTH (LUNDY M, ADAMS J) To designate the month of November as "Auto Industry Month."

Current Status: 6/25/2013

House Transportation, Public Safety and Homeland Security
Committee
First Hearing

HB278 FREEWAY TRAVEL-VEHICLE GROSS WEIGHT (SLABY M) To require that a vehicle with a gross vehicle weight rating or an actual gross vehicle weight of more than 10,000 pounds be driven only in either of the two right-hand lanes of a freeway with three lanes of travel in the same direction, except in limited circumstances.

Current Status: 11/12/2013

House Transportation, Public Safety and Homeland Security
Committee
Third Hearing

HB365 BUSINESS TAX OVERPAYMENT (STINZIANO M, DUFFEY M) To require the Tax Commissioner to notify a taxpayer that the taxpayer has overpaid certain business taxes.

Current Status: 12/4/2013

Referred to the House Ways and Means Committee

HB382 MOTOR VEHICLE NONCONSENSUAL TOWING PENALTIES-PROCEDURES (DUFFEY M, BISHOFF H) To revise the procedures and penalties governing the nonconsensual towing of motor vehicles and to require the Public Utilities Commission to adopt certain rules regarding a for-hire motor carrier engaged in the towing of motor vehicles.

Current Status: 5/21/2014

Senate State Government Oversight and Reform Committee
First Hearing

HB458 MOTOR VEHICLE IDLING (FOLEY M) To regulate the idling of motor vehicles.

Current Status: 3/11/2014

Referred to the House Transportation, Public Safety and
Homeland Security Committee

HB468 SALVAGE-JUNK MOTOR VEHICLES (SEARS B, MCGREGOR R) Relative to salvage motor vehicles and junk motor vehicles.

Current Status: 12/18/2014

SIGNED BY GOVERNOR

HB472 MBR-MID-BIENNIUM BUDGET REVIEW (MCCLAIN J) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

Current Status: 3/26/2014

House Ways and Means Committee
Third Hearing

HB483 MBR-OPERATION OF STATE PROGRAMS (AMSTUTZ R) To make operating and other appropriations and to provide authorization and conditions for the operation of state programs.

Current Status: 6/16/2014

SIGNED BY GOVERNOR

Eff. 6/16/2014 Other Sections Eff. on Other Dates

HB492 MBR-TAXATION (SCHERER G) To provide authorization and conditions for the levy and administration of taxes in this state.

Current Status: 6/16/2014

SIGNED BY GOVERNOR

Eff. 9/17/2014

HB526 AUTO INSURERS-VEHICLE REPAIR (LYNCH M, HAGAN R) To prohibit auto insurers from requiring, recommending, or suggesting that a claimant on a policy have the claimant's vehicle repaired at a particular repair shop or by a particular person unless the claimant requests a recommendation or suggestion.

Current Status: 5/13/2014

House Insurance Committee
First Hearing

HB592 UNCLAIMED TOWED VEHICLES (GONZALES A) To authorize towing companies to obtain title to vehicles removed from private tow-away zones that remain unclaimed.

Current Status: 11/19/2014

House Commerce, Labor and Technology Committee
First Hearing

SB73 INSURANCE POLICY-CREDIT HISTORY (TAVARES C) To prohibit an insurer's use of a credit score, credit history, or credit report in fixing a premium rate for, or the terms and conditions of, an insurance policy, or in determining whether to issue, continue, or renew an insurance policy.

Current Status: 4/10/2013

Senate Insurance and Financial Institutions Committee
First Hearing

SB161 MOTOR VEHICLE HEADLIGHTS (HUGHES J) To require motor vehicle headlights to display a white light.

Current Status: 4/10/2014

SIGNED BY GOVERNOR

Eff. 7/10/2014

SB232 MOTOR VEHICLE REPAIR BOARD (UECKER J) To extend the jurisdiction of the Motor Vehicle Repair Board to persons who perform motor vehicle mechanical repairs, to require motor vehicle repair facilities to register with the Board, and to create the Motor Vehicle Repair Operator Vendor's License Suspension Fund.

Current Status: 12/10/2014

REPORTED OUT

House Commerce, Labor and Technology Committee

Second Hearing

SB260 MOTOR VEHICLE LICENSES (PATTON T) To prohibit the Registrar of Motor Vehicles from issuing a motor vehicle dealer's license or motor vehicle leasing dealer's license to a motor vehicle manufacturer for the retail sale or lease of new or used motor vehicles.

Current Status: 6/5/2014

SIGNED BY GOVERNOR

Eff. 9/4/2014

SB274 TOWING MOTOR VEHICLE LAW (HUGHES J) To authorize towing companies to obtain title to vehicles removed from private tow-away zones that remain unclaimed, and to make changes in the law governing towing motor vehicles.

Current Status: 12/19/2014

SIGNED BY GOVERNOR

SB289 USED TIRES SALES (PATTON T) To regulate the sale of used tires and provide notice to consumers of the age and history of purchased used tires.

Current Status: 4/2/2014

Senate Commerce and Labor Committee

Second Hearing