

**HOUSE . . . . . No. 00091**

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The Commonwealth of Massachusetts

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PRESENTED BY:

*Geraldo Alicea*

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to auto body labor rates..

\_\_\_\_\_  
PETITION OF:

NAME:

*Geraldo Alicea*

DISTRICT/ADDRESS:

*6th Worcester*

# HOUSE . . . . . No. 00091

By Mr. Geraldo Alicea of Charlton, petition (accompanied by bill, House, No. 00091) of Geraldo Alicea for legislation creating an advisory commission on auto body labor rates. Joint Committee on Consumer Protection and Professional Licensure.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ SENATE  
□ , NO. 122 OF 2009-2010.]

## The Commonwealth of Massachusetts

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**In the Year Two Thousand Eleven**  
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An Act relative to auto body labor rates..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 100A of the General Laws, as so appearing, is hereby amended by  
2 adding the following section:-

3 Section 11. (a) There shall be an advisory commission on auto body labor rates. It shall consist  
4 of eleven members, including the undersecretary of consumer affairs and business regulation, or  
5 a designee, who shall chair the commission, one member of the senate from the joint committee  
6 on financial services to be appointed by the president of the senate, one member of the senate to  
7 be appointed by the senate minority leader, one member of the house of representatives from the  
8 joint committee on financial services to be appointed by the speaker of the house, one member of  
9 the house to be appointed by the house minority leader, three members from the auto insurance

10 industry to be appointed by the Automobile Insurers Bureau of Massachusetts (AIB), and three  
11 members from the auto repairer industry appointed by the state affiliate of the Alliance of  
12 Automotive Service Providers (AASP). All members of the commission shall serve on a  
13 voluntary, unpaid basis.

14 (b) The commission shall have the authority to adopt regulations by a two-thirds majority vote  
15 and may amend these regulations at anytime by a two-thirds majority vote. The commission  
16 shall collect fees to pay for staffing and administrative costs. Each registered motor vehicle  
17 repair shop shall pay an annual fee of \$100 in addition to any other fees imposed under this  
18 chapter. Each insurer writing auto insurance in Massachusetts shall pay an annual fee of \$1000.  
19 These funds shall be deposited in a separate account with the state treasurer, be received by said  
20 treasurer on behalf of the commonwealth, and be expended by the commission in accordance  
21 with law

22 (c) The commission shall develop and implement procedures, updating them at least every three  
23 years, to establish an average national auto repairer hourly compensation rate for all categories of  
24 labor performed by auto repairers, including but not limited to, body labor, paint labor, unibody  
25 or frame labor, and mechanical labor, as well as a number to be used as a cost of labor multiplier  
26 for the commonwealth based on information provided by the Bureau of Statistics of the U.S.  
27 Department of Labor that indexes labor costs across all industries for the commonwealth relative  
28 to other states. In addition, the commission shall define three distinct levels of qualifications to  
29 designate auto repair shops as class A, B or C and an application process for auto repair shops to  
30 be classified under this system as well as inspection requirements that correspond to the specific  
31 classifications of these shops. At a minimum, any shop that applies for certification must be  
32 inspected within ninety days upon receipt of the application, and shall be notified within thirty

33 days of the inspection of the commission's determination. In addition, shops classified at level C  
34 must be paid a fair and reasonable amount for all labor hours they negotiate. Shops classified at  
35 level B must be paid an amount not less than ninety per cent of the indexed hourly labor rate in  
36 force at the time of the completion of the job for all labor hours they negotiate. Shops classified  
37 at level A must be paid an amount not less than one hundred per cent of the indexed hourly labor  
38 rate in force at the time of the completion of the job for all labor hours they negotiate. The  
39 commission shall also develop a formal complaint process for both auto body repair shops and  
40 auto insurers for non-compliance with this section or any regulations adopted by the commission.

41 (d) The commission shall meet in public not less than eight times per calendar year to conduct  
42 business. The commission shall also appoint teams of auto repair inspectors that consist of at  
43 least one person from the auto insurance industry, to be selected from a list of names provided by  
44 the AIB, and one person from the auto repair industry, to be selected from a list of names  
45 provided by the AASP. The commission shall set the rate by which the individuals on inspection  
46 teams are compensated for each inspection filed, to be paid out of the commission's fund. Such  
47 total amount for each inspection may not exceed seventy-five per cent of the application fee in  
48 force at the time of the inspection, and each team member shall be compensated at an equal  
49 amount.

50 (e) The commission shall report not later than June 1, annually, to the division of insurance and  
51 the office of the attorney general its indexed labor rates. Such indexed labor rates shall become  
52 effective on January 1 of the next following calendar year."