

**HOUSE . . . . . No. 91**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Geraldo Alicea***

*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 adoption of the accompanying bill:

An Act relative to auto body labor rates.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Geraldo Alicea</i>	<i>6th Worcester</i>	<i>1/14/2011</i>

**HOUSE . . . . . No. 91**

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By Mr. Alicea of Charlton, a petition (accompanied by bill, House, No. 91) of Geraldo Alicea for legislation creating an advisory commission on auto body labor rates. Consumer Protection and Professional Licensure.

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[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  
4 consist of eleven members, including the undersecretary of consumer affairs and business  
5 regulation, or a designee, who shall chair the commission, one member of the senate from the  
6 joint committee on financial services to be appointed by the president of the senate, one member  
7 of the senate to be appointed by the senate minority leader, one member of the house of  
8 representatives from the joint committee on financial services to be appointed by the speaker of  
9 the house, one member of the house to be appointed by the house minority leader, three members  
10 from the auto insurance industry to be appointed by the Automobile Insurers Bureau of

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

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

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

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

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

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