

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
1511 Pontiac Avenue, Bldg. 69-1
Cranston, Rhode Island 02920

Public Notice of Proposed Rule-Making

Pursuant to the provisions of R.I. Gen. Laws §§ 5-38-2 & 5 and 31-46-7, and in accordance with the Administrative Procedures Act Chapter 42-35 of the General Laws, the Department of Business Regulation hereby gives notice of its intent to amend Commercial Licensing Regulation 4 and 16 and repeal Commercial Licensing Regulation 7.

The purpose of the amendments to Regulations 4 and 16 and the repeal of Regulation 7 is to update the Regulations to comply with the amendments made to R.I. Gen. Laws § 5-38-5 by the legislature pursuant to 2015 Public Laws ch. 142 and 154 and to address several items identified in a regular review of the regulations for effectiveness and efficiency. The statutory mandate required the Department to create two classifications of full collision licenses, called Class A and Class B, and to create higher standards for applicants seeking Class A licenses.

The proposed regulations and concise summary of non-technical amendments are available for public inspection at www.dbr.ri.gov, in person at Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or by email matthew.gendron@dbr.ri.gov or by calling Matthew Gendron at (401) 462-9540.

In the development of the proposed amendments consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

All interested parties are invited to submit written or oral comments concerning the proposed regulations by **January 11, 2016** to Matthew Gendron, Department of Business Regulation, 1151 Pontiac Avenue, Cranston, Rhode Island 02920, matthew.gendron@dbr.ri.gov. A public hearing to consider the proposed amendments shall be held on **January 11, 2016** at 10A.M. at 1511 Pontiac Avenue, Cranston, Rhode Island 02920 at which time and place all persons interested therein will be heard.

All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email dbr.DirOfficeInq@dbr.ri.gov at least three (3) business days prior to the hearing.

Macky McCleary
Director, Department of Business Regulation

Date posted: **December 11, 2015**

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Concise Summary of Non-technical Differences
Commercial Licensing Regulation 4 - Motor Vehicle Body and Salvage Vehicle Repair

In accordance with the Administrative Procedures Act, Section 42-35-3(a)(5) of the General Laws of Rhode Island, following is a concise summary of non-technical differences between existing and proposed versions of Commercial Licensing Regulation 4:

- 1) Title - Section 4F – Small revision to reflect the inclusion of Salvage Vehicle Repair.
- 2) Section 1 – Adding a citation to the Department’s Regulatory authority from Title 31, Chapter 46 of the R.I. General Laws because salvage repair is being added under this rule.
- 3) Section 2 – Added Salvage Repair to the Purpose to reflect its addition.
- 4) Section 3 – “Agent” removed because no longer used.
- 5) Section 3 – “Applicant” was expanded to reflect the inclusion of Salvage Vehicle Repair licensees under this Regulation.
- 6) Section 3 – Several definitions were brought over from CL Reg. 7, including “Business of Salvage Vehicle Repairing,” “Certificate of Salvage Repair,” “Salvage Vehicle” and “Salvage Vehicle Repair License.” The definition for Salvage Repair License was also taken from CL Reg. 7, but there it had been called a license, whereas here it needs to specify what kind of license. “Licensee: was expanded similarly for the two licenses issued under this Regulation now.
- 7) Section 3 – The definition of “Automobile Body Shop” was taken from R.I.G.L. § 5-38-1, but included here for convenience.
- 8) Section 3 – The definition of “Automobile Manufacturer” was added with the language taken from federal law, 15 U.S.C. § 1221.
- 9) Section 3 - Shop Employee and Technician have been added here in addition to their original placement within CL Reg. 16. And their content mirrors simultaneously proposed within CL Reg. 16 about how they work. Previously, Shop Employee and Technician were the same but for supervisory responsibility (only a Technician supervised before). Now Technicians are anyone who performs the crux of the Auto Body work, i.e., the work that defines the Motor Vehicle Body Work, and a Shop Employee does any other work that an Automobile Body Shop might perform ancillary to the body work itself.

- 10) Section 4A – Small additions to the initial language were made to reflect that Salvage Vehicle Repair Work requires a license.
- 11) Section 4 - A(1) was added to put applicants on notice that if their renewal applications are deficient 60-days after the renewal deadline, their application may be denied with an opportunity to request a hearing.
- 12) Section 4 - B(1)(i) was added to establish the new Class A License, which any auto body shop can apply for and lays out the new requirements: a certification from an automobile manufacturer in aluminum, a lifetime warranty on repairs, a system for handling customer complaints and the requirement that all of their technicians be certified in all areas. These additional requirements are only required for the new optional higher license tier.
- 13) Section 4 - B(1)(ii)(d) is a change recommended by the ACRLA Board and is intended to reflect updates in vehicle repair technology.
- 14) Section 4 – B(1)(iii) was added to allow for any Class B licensee to apply to become a Class A licensee before their next renewal period, and pay a conversion fee of \$300 for the remainder of the license term, as required by the 2015 Public Law Chapter 154 addition to the last sentence of 5-38-5(5)(D)(iv).
- 15) Section 4 – B(1)(iv) was added to allow for a Class A licensee to become a Class B licensee if they fall out of compliance with the heightened rules for Class A.
- 16) Section 4 – B(3) and B(4) received minor wording changes to correct cross references and update terms.
- 17) Section 4 – B(4) language was added to illustrate the various uses of the Special Use licenses and how it has been utilized by the Department in the past.
- 18) Section 4C – this section was added as part of the transition from CL Reg. 7 being a stand-alone regulation and all relates to the issuance of Salvage Vehicle Repair Licenses. C(1) identifies that a license is required for Salvage Vehicle Repair work and that the fee is additional to the underlying Auto Body license. C(2) explains how a Class A shop may obtain a Salvage Vehicle Repair License. C(3) explains how a Class B shop may do the same, either at the same time as they apply for or renew their Class B license (via i) or at any other time (via ii). C(4) explains how a Special Use licensee may obtain a Salvage Vehicle Repair License.
- 19) Section 4D - Some renumbering occurred to reflect addition of Section 4D(2) for Class A License requirements as required by the statutory changes.
- 20) Section 4D – In (1)(b) additional language was added to reflect that the standard license period is three years, and the standard license fee is \$900 for those 3 years.

- 21) Section 4D – (1)(c) was clarified to better explain what the Department wants to evidence financial responsibility.
- 22) Section 4D- (1)(d) was clarified to explain the requirements, and when they applied.
- 23) Section 4D – (1)(e) was updated to require an email for notices.
- 24) Section 4D – (1)(f) was clarified to help applicants identify who to contact to get an EPA number (not the EPA, but Rhode Island Department of Environmental Management) and to help identify whom needed an EPA number.
- 25) Section 4D – In (1)(g) additional language was added to reflect additional requirements of a Class A License and to differentiate it from other Motor Vehicle Body Licenses.
- 26) Section 4D – In 1(h) the Department is codifying a requirement it has required of applicants for several years - that they complete a taxpayer status affidavit.
- 27) Section 4D – In 1(i) the Department also codifies a requirement that Applicants which are corporations or limited liability companies provide evidence that they are in good standing with the Rhode Island Secretary of State, either with a Letter of Good Standing or via other evidence.
- 28) Section 4D – 1(j) identifies that an additional fee is required for Applicants seeking a Salvage Vehicle Repair License.
- 29) Section 4D – 1(k) identifies heightened Technician training requirements for Class B Licensees seeking a Salvage Vehicle Repair License, but this is not higher than what had existed in prior Regulation 7.
- 30) Section 4D – 1(l) identifies that Class B Licensees already in compliance with the heightened Technician training requirement may apply for a Salvage Vehicle Repair License by paying the additional license fee.
- 31) Section 4D – 2(a-d) identifies the additional application requirements for a Class A Licensee, above and beyond the requirements in Section 4D(1), as identified in Section 4B(1)(i).
- 32) Prior Section 4D – This subsection was removed because it no longer served a purpose. Previously motor vehicle body shops had been required to have a certain value of equipment, but a prior regulatory change removed that specific value requirement.
- 33) Section 4E – Additional language added regarding cancellation of insurance coverage, clarifying that body shops are required to obtain new insurance if their prior insurance

was cancelled and provide proof of that to the Department as well. And spells out the address to which the Department should receive notice of insurance cancellations.

- 34) Section 4F – Small revision to reflect the inclusion of Salvage Vehicle Repair and correct the language in the second paragraph about the space rules not applying to Motor Vehicle Glass Installation or Repair Licensees.
- 35) Section 4H – Small revision to reflect the inclusion of Salvage Vehicle Repair.
- 36) Section 4I – Small revision to reflect the inclusion of Salvage Vehicle Repair
- 37) Section 4J – Incorporates what had been Regulation 7, Section 8, which had dealt with Denial, Non-Renewal, Suspension or Revocation of Salvage Vehicle Repair Licenses. Two additional provisions were added (#9 & 10) for failure to maintain the necessary preconditions required to obtain the Salvage Vehicle Repair License in the first place.
- 38) Section 4K – Additional language clarifying that body shops are continuously responsible for being in compliance with their appropriate licensing requirements while they have the license. It also requires licensees to report to the Department if they become deficient in any of their licensing requirements within 30-days, and in the notification, they are to lay out their own plan of coming back into compliance with the regulations and allows licensees 60-days to return to compliance before the Department may revoke such license.
- 39) Section 6 – Headings have been added to each of the provisions of this section.
- 40) Section 6A – Licensees were given additional time to notify the Department if their mailing or business address, or other changes from their most recent application occur. And clarifying language has been added about ongoing requirements regarding any new location.
- 41) Section 6B – Additional language has been added reflecting the Salvage Vehicle Repair License inclusion and that the benefits of a License under this Regulation shall not be inure to the benefit of another.
- 42) Section 6C - Additional language has been added reflecting the Salvage Vehicle Repair License inclusion and is included from language in a similar provision of former Regulation 7.
- 43) Section 6F – Identifies that a different law (R.I.G.L. § 31-38-1) requires inspections for salvage vehicles prior to their being resold.
- 44) Section 6G – Identifies that Licensees will receive Salvage Repair Forms (as required by the DMV) and that not supervising and controlling those forms may result in an action against the licensee.

- 45) Section 7A – “All” was added to try to clarify that this section applies to all Licensees, and “Files” was changed to “records” to match the statute.
- 46) Section 7B – “Files” was changed to “records” for consistency.
- 47) Section 7C – This section was added to increase record keeping requirements for Class A Licensees from 2-years to 5-year because they are required to have a lifetime warranty on repairs.
- 48) Section 8A – Minor revisions were made here to reflect the Department’s discretion in how it handles complaints that it receives.

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Commercial Licensing Regulation 4
Motor Vehicle Body and Salvage Vehicle Repair

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Section 1 *Authority*

This Regulation (the "Regulation") is promulgated pursuant to the authority granted in R.I. Gen. Laws § 5-38-1 *et seq.* and 31-46-1 *et seq.*, as amended

Section 2 *Purpose*

The purpose of this Regulation is to establish standards and procedures for the issuance of Motor Vehicle Body Licenses for Motor Vehicle Body Work and Salvage Vehicle Repair Licenses for the Business of Salvage Vehicle Repairing to generally assist the Department in carrying out the administration and enforcement of the terms and provisions of the Acts so that the public interest may be effectively served.

Section 3 *Definitions*

When used in this Regulation, the following words, except as otherwise required by the context, shall have the following meaning:

- A. "Acts" means R.I. Gen. Laws § 5-38-1 *et seq.*, as amended, and 31-46-1 *et seq.*, as amended.
- ~~B. "Agent" means an individual or group of individuals authorized by another to act on his, her or its behalf.~~
- B. "Applicant" means a Person filing an application for a License under this Regulation~~Motor Vehicle Body License.~~

- C. “Automobile Body Shop” is as defined in R.I. Gen. Laws § 5-38-1, and includes any establishment, garage, or work area enclosed within a building where repairs are made or caused to be made to motor vehicle bodies, including fenders, bumpers, chassis and similar components of motor vehicle bodies as distinguished from the seats, motor, transmission, and other accessories for propulsion and general running gear of motor vehicles, except as provided in § 5-38-20.
- D. “Automobile Manufacturer” means any person, partnership, corporation, association, or other form of business enterprise engaged in manufacturing or assembling of passenger cars, trucks, or station wagons, including any person, partnership or corporation which acts for or is under the control of such manufacturer or assembler in connection with the distribution of said motor vehicles.
- E. “Business of Salvage Vehicle Repairing” or “Salvage Vehicle Repairing” means the act or acts of preparing, fixing, restoring, or putting together Salvage Vehicles for the owner of the vehicle, or for the purpose of resale in the retail market.
- F. “Certificate of Salvage Repair” means a certificate executed by a Licensee which shall certify that the Licensee has rebuilt the Salvage Vehicle in accordance with R.I. Gen. Laws §31-46-1 et seq. and this Regulation and which must accompany the vehicle to the inspection station and registry.
- G. “Consumer” means the person or entity whose vehicle is being or has been repaired.
- H. "Department" means the Department of Business Regulation.
- I. "Director" means the Director of the Department or his or her designee.
- J. "Licensee" means a Person holding a ~~Motor Vehicle Body~~ License pursuant to this Regulation.
- K. "Motor Vehicle Body" means that portion of the Motor Vehicle mounted on the chassis or frame or unibody, including fenders, bumpers, chassis, windshields, glass and similar components of motor vehicle bodies as distinguished from the, seats, motor, transmission, air conditioning condenser, radiator and other accessories for propulsion and general running gear of motor vehicles.
- L. "Motor Vehicle Body License" means any type of License from the Department issued to a Person engaged in the business of Motor Vehicle Body Work.
- M. "Motor Vehicle" means any automobile, truck or other self-propelled vehicle of any type.
- N. "Motor Vehicle Body Work" or “Business of Motor Vehicle Body Work” means the act or acts of preparing, fixing, restoring, painting or putting together a Motor Vehicle Body, including repairing, replacing or installing of glass thereon, or the subcontracting of said work.
- O. "Person" means any individual, partnership, corporation, limited liability company, sole proprietorship, or any other legal entity, however formed.
- P. “Salvage Vehicle” means a Motor Vehicle declared to be a total loss because of, (i) damage to such Motor Vehicle, or (ii) settlement of a claim for damage or theft, whether or not it is an owner retained Motor Vehicle.
- Q. “Salvage Vehicle Repair License” means an additional license issued to a Full Collision Licensee that authorizes that Licensee to also conduct the Business of Salvage Vehicle

Repairing.

- R. “Shop Employee” means any individual employed (including owners, partners and all other individuals whether paid or unpaid) by an Automobile Body Shop who does not perform repairs of frame, structural systems, mechanical systems or the safety related systems of a Motor Vehicle.
- S. “Technician” means any individual employed (including owners, partners and all other individuals whether paid or unpaid) by an Automobile Body Shop who performs repairs of frame, structural systems, mechanical systems or the safety related systems of a Motor Vehicle.

Section 4 **Licenses**

A. License Required.

No Person may engage in the ~~b~~**B**usiness of Motor Vehicle Body Work or the Business of Salvage Vehicle Repairing without first obtaining ~~a Motor Vehicle Body~~ the appropriate License from the Department. All Motor Vehicle Body Work and Salvage Vehicle Repairing must be performed at a fixed, licensed location except for glass repair and installation, and paintless dent repairs, which may be performed using mobile units. The term of each Motor Vehicle Body License shall be for not more than three (3) years before a renewal application is required.

- 1. An application for renewal of a Motor Vehicle Body License that is determined to be incomplete by the Department sixty (60) days after the deadline for renewal may be deemed an incomplete application, and at that time may be denied and/or the license may not be renewed. Notification of such denial and/or non-renewal will be mailed by the Department and will provide notice of the right to a hearing, if requested within thirty (30) days.

B. Types of Motor Vehicle Body Licenses:

The Department will issue ~~four (4)~~ five (5) types of Motor Vehicle Body Licenses.

(I) FULL COLLISION REPAIR LICENSE-

i. FULL COLLISION REPAIR LICENSE CLASS A (“Class A License”)

This License permits a Licensee to perform all types of Motor Vehicle Body Work. In addition to satisfying the requirements for a Class B License (set forth in B(1)(ii)), below, and completing the application process set forth in Section D (1) and (2) below, all applicants for a Class A License must submit proof of and satisfy the following requirements.

- a. Certification for the repair and refinishing of aluminum, high strength steel, and other metal or alloy, by at least one Automobile Manufacturer. Proof of certification will be accepted by the Department provided it is directly from the Automobile Manufacturer or its designated third party administrator;
- b. A written lifetime warranty on repairs that is valid against workmanship defects;
- c. Evidence of the existence of a system for documenting customer complaints;

- d. Evidence of certification, pursuant to Commercial Licensing Regulation 16, of all Technicians in all seven (7) areas; and
- e. Parking in compliance with local laws and regulations to perform the repair work.

ii. FULL COLLISION REPAIR LICENSE CLASS B (“Class B License”)

This License permits a Licensee to perform all types of Motor Vehicle Body Work. In addition to completing the application process set forth in subsection (CD)(1) below, all applicants for a Class B License must submit proof of and satisfy the following requirements:

- a. Electrical and/or hydraulic pulling equipment;
- b. Current dimensional guides;
- c. Four (4) point clamping system to secure vehicle;
- d. Equipment/gauges mechanical or electronic capable of ~~measuring symmetrical and asymmetrical vehicles;~~ three dimensional measurements;
- e. Welding equipment to meet manufacturers' requirements;
- f. A paint system or access to a paint system capable of producing original manufacturers' requirements and a spray booth that conforms to the requirements of the State of Rhode Island Fire Marshal; and
- g. Parking in compliance with local laws and regulations to perform the repair work.

iii. Transitioning from a Class B License to a Class A License

Class B License holders may apply to transition to a Class A License at any time during the term of the License with payment of an additional Three Hundred Dollar (\$300) non-refundable fee. If the Department determines that they meet the licensing requirements of a Class A License, the Department will issue the Licensee a Class A License with the same expiration date as the Class B Licensee's existing license. The Licensee shall then return its Class B License to the Department within fifteen (15) days.

iv. Transitioning back from a Class A License to a Class B License

If a Class A Licensee no longer meets the requirements of B(1)(i) above, it must notify the Department within 30 days. It will then have 60-days to return to compliance, or its license may be converted to a Class B License for the remainder of its license term if it meets the requirements of B(1)(ii) above, and if not, the license may be revoked, as in Section 4K, below.

(2) LIMITED HEAVY TRUCK AND EQUIPMENT LICENSE

This License permits the refinishing and body repair of trucks over the GVW (gross vehicle weight) of 24,000 pounds, cranes, trailers or other equipment. In addition to completing the application

process set forth in subsection ~~(E)~~(1) below, applicants must submit proof of and satisfy the following requirements:

- a. Parking in compliance with local laws and regulations to perform the repair work; and
- b. Welding equipment to meet manufacturers' requirements-; and
- c. A paint system or access to a paint system capable of producing original manufacturers' requirement; and a spray booth that conforms to the requirements of the State of Rhode Island Fire Marshal.

(3) LIMITED PAINT, RESTORATION AND CUSTOMIZATION LICENSE

This License permits restoration or customization of automobiles/motor vehicles but not collision damaged vehicles. In addition to completing the application process set forth in subsection ~~(E)~~(1) below, the applicant must submit proof of and satisfy the following requirements:

- a. Parking in compliance with local laws and regulations to perform the repair work; and
- b. Welding equipment to meet manufacturers' requirements-; and
- c. A paint system or access to a paint system capable of producing original manufacturers' requirement; and a spray booth that conforms to the requirements of the State of Rhode Island Fire Marshal.

(4) SPECIAL USE LICENSE

This License permits limited, specially identified activities within the definition of Motor Vehicle Body Work that are not consistent with the definitions set forth in Section 4(B)(1), (2) and (3). In addition to completing the application process requirement set forth in subsection ~~(E)~~(1) below, the Department will inform the applicant of other requirements necessary to obtain a Special Use License based on the specific special use they anticipate. Examples of previously requested Special Use Licenses are "Special Use – Motorcycle Repair" and "Special Use – No Painting License" (for a Body Shop that had not yet procured a painting spray booth).

C. Salvage Vehicle Repair License

1) License Required

No Person may engage in the Business of Salvage Vehicle Repairing without first obtaining a License. Only Class A, Class B and Special Use Licensees pursuant to R.I. Gen. Laws § 5-38-1 et seq. are eligible to apply for and hold a Salvage Vehicle Repair License. The term of each License issued shall not exceed three (3) years. The fee for the Salvage Vehicle Repair License shall be in addition to the fee for the Class A, Class B License or Special Use License.

2) Class A Licensee Salvage Vehicle Repair License Applications

Any holder of a Class A License shall be eligible to receive a Salvage Vehicle Repair License by checking a box on their initial or renewal Class A License application and by paying a non-refundable fee of \$300 per year (i.e., \$900 for a three (3) year license). Any holder of a Class A

License shall also be eligible to obtain a Salvage Vehicle Repair License at any time by submitting a Salvage Vehicle Repair License application and by paying a non-refundable fee of \$300 per year (i.e., \$900 for a three (3) year license).

3) Class B Licensee Salvage Vehicle Repair License Applications

i. Any holder of a Class B License shall be eligible to receive a Salvage Vehicle Repair License by checking a box on their initial or renewal Class B License application and by paying a non-refundable fee of \$300 per year (i.e., \$900 for a three (3) year license) IF for every 2 Technicians working for the Licensee, one full set of certifications is held by any combination of the Technicians. Any combination of the certifications shall suffice as long as all 7 certifications identified in Regulation 16, Section 5A are held in the appropriate 1 for every 2 ratio, where fractions shall be rounded up to the next highest whole number. For example, a shop with 1 or 2 Technicians would need one full set of certifications, either held by one Technician or distributed between the two Technicians in any combination. But a shop with 5 Technicians would require 3 full sets of certifications, distributed amongst the 5 Technicians in any combination.

ii. Any holder of a Class B License that satisfies the one in two certification requirement may also apply to obtain a Salvage Vehicle Repair License at any time by submitting a Salvage Vehicle Repair License application and paying a non-refundable fee of \$300 per year (i.e., \$900 for a three (3) year license).

4) Special Use Licensee Salvage Vehicle Repair License Applications

Any holder of a Special Use License may petition the Department for a determination of what requirements they will need to be eligible to be granted a Salvage Vehicle Repair License. The Department may, in its discretion, seek advice from the Auto Collision Repair Licensing Advisory Board to formulate the requirements for such a Salvage Vehicle Repair License. The non-refundable fee for such a license is \$300 per year (i.e., \$900 for a three (3) year license).

D. Application Requirements for all Motor Vehicle Body Licenses listed in Section 4(B)(1-4).

1) Every Applicant for a Motor Vehicle Body License or renewal of an existing Motor Vehicle Body License must submit to the Department the following:

- a) the completed application form adopted by the Department;
- b) the License fee of three hundred dollars (\$300) for each year the Motor Vehicle Body License is to be issued (the standard License term is three (3) years, and the corresponding fee is \$900, but one or two year licenses are available upon request);
- c) a Certificate of Insurance to demonstrate certificate of financial responsibility pursuant sufficient to satisfy to the requirements of Section 4(E);
- d) evidence of compliance with state and local zoning, fire, health and safety laws and regulations through proof of zoning approval (only required for new and transfer applications) and a letter from a local fire department or the state fire marshal;
- e) a designation of the person and address, including an electronic mail address, where the Department may send notices;
- f) an EPA number issued by the RI Department of Environmental Management (“DEM”).

or a letter from DEM stating that they are not required to maintain such a number (only required for new and transfer license applications);

- g) evidence of Technician certification in conformance with the requirements of Commercial Licensing Regulation 16, Section 5(A). This requirement shall not apply to Motor Vehicle Glass installation licenses. For a Class A License, all Technicians must be certified. For other Motor Vehicle Body Licenses, for every five Technicians, one full set of certificates must be held as detailed in Regulation 16, Section 5(A), unless the Applicant is also seeking a Salvage Vehicle Repair License, then see (k), below.
- h) a completed taxpayer status affidavit;
- i) letter of Good Standing from Rhode Island Secretary of State OR a copy of the Summary Screen of the Secretary of State's Corporations Entity Name Search and a copy of the most recent Annual Report filed with the Secretary of State (only required for corporations and limited liability companies);

-- Note (j) only applies to Class A & B Licensees applying for a Salvage Vehicle Repair License --

- j) the additional license fee of Nine Hundred Dollars (\$900) (Class A and Class B Licensees applying for Salvage Vehicle Repair License only); and

-- Note (k) only applies to Class B Licensees applying for a Salvage Vehicle Repair License --

- k) Evidence of certification: For every two (2) Technicians working for the Licensee, one full set of certifications is held by any combination of the Technicians. Any combination of the certifications shall suffice as long as all seven (7) certifications identified in Regulation 16, Section 5A are held in the appropriate one (1) for every two (2) ratio, where fractions shall be rounded up to the next highest whole number. For example: A shop with 2 or fewer Technicians would need 1 full set of certifications, either held by a single Technician or distributed between the Technicians in any combination. But a shop with 5 Technicians would require 3 full sets of certifications, distributed amongst the 5 Technicians in any combination.
- l) Any holder of a Class B License that satisfies the one in two certification requirement may also apply to obtain a Salvage Vehicle Repair License at any time by submitting a Salvage Vehicle Repair License application and paying a non-refundable fee of \$300 per year (\$900 for a three (3) year license).

2) In addition to the requirements of Section 4D(1), above, every Applicant for a Class A License must submit to the Department the following additional documentation:

- a) evidence of certification by at least one Automobile Manufacturer or its designated third party administrator for the repair of aluminum, high strength steel, and other metal or alloy, pursuant to the requirements of Section 4(B)(1)(i)(a);
- b) evidence of certification of all employed Technicians pursuant to the requirements of Commercial Licensing Regulation 16, Section 5(A);
- c) written acknowledgment of the existence of a system for documenting customer

complaints; and

d) evidence of a written lifetime warranty against workmanship defects.

~~D. Minimum Value. Every Licensee must maintain equipment, apparatus, and tools, as described in Section 4(B)1(a-g), Section 4(B)(2)(a-e) and Section 4(B)(3)(a-e), as applicable, in order to meet the minimum standards required for issuance and renewal of the license.~~

E. Evidence of Financial Responsibility.

Each Applicant shall furnish to the Director and maintain during the terms of the Motor Vehicle Body License a certificate of insurance issued by an insurance company licensed to transact business in this state showing that the Applicant has a policy insuring him, her or it against liability for injury to persons and damage to property which may be caused by the operation of the business. Such policy shall provide for bodily injury and property damage liability in the amount of not less than five hundred thousand (\$500,000) per occurrence and garage keepers legal liability including comprehensive and collision for damage to customers vehicles in the amount of not less than one hundred thousand (\$100,000) per occurrence.

Such insurance shall be non-cancelable by either party to the contract, except with five (5) days prior written notice to the Department furnished by the Licensee. Licensee shall also ~~request~~instruct the insurance company that issued the policy to send written notice to the Department at least five (5) days prior to any cancellation of the contract. Cancellation shall be effective not sooner than five (5) days after receipt of said notice by the Department from the Licensee or insurance company, whichever is earlier. Any Licensee subject to such insurance cancellation shall obtain a replacement insurance policy and shall furnish to the Director a certificate of insurance evidencing new insurance coverage sufficient to meet the requirements listed above or see Section 4K, below.

Licensees shall instruct their insurer to send cancellation notices to the Department at the following address:

State of Rhode Island and Providence Plantations
Department of Business Regulation
Commercial Licensing Division, Attn: Auto Body
1511 Pontiac Ave, Building 69
Cranston, RI 02920

F. Space Requirements.

Except as otherwise provided below, Licensees must conduct the Motor Vehicle Body Work and Salvage Vehicle Repair Work at a fixed location with at least 4000 square feet of heated ground level floor space, with a specific location and common boundaries where Motor Vehicles may be serviced.

The provisions of this subsection F do not apply to any ~~motor vehicle body shop~~ Licensees in existence and having a valid License as of the date of this regulation or any transfer thereof or to motor vehicle eglass installation or repair licensees.

Upon written request, the Department may waive the minimum space requirements in part or in whole upon a written finding by the Department that there will be minimal or no adverse effect

to the public.

G. On Site Inspection.

Before issuing a License a field representative of the Department may make an on-site inspection of the Applicant's business premises.

H. Display of Licenses.

Every Licensee must conspicuously display the Motor Vehicle Body and Salvage Vehicle Repair Work license issued by the Department at the location listed on the license. The license number must appear on all business communications, estimates, signs, business cards, and other written documentation related to that business.

I. Motor Vehicle Body License Denial, Suspension, Revocation.

In addition to the reasons listed in R.I.G.L. § 5-38-10, The Department may deny an application for a Motor Vehicle Body License or revoke or suspend a Motor Vehicle Body or a License if it determines that an employee or manager or owner of an Applicant or Licensee has engaged in any the following activities so thereby evidencing that the Applicant or Licensee is unfit to do business and/or it impacts the Applicant's or Licensee's financial responsibility and/or it impacts the Applicant's or Licensee's business integrity:

- (i) said individual has been convicted of any criminal felony involving dishonesty, breach of trust, forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, fraud, false dealing or any similar offense(s) or has had a Motor Vehicle Body License revoked or suspended or an application for a Motor Vehicle Body License denied or any other License issued by this State revoked or suspended or an application for such denied; or
- (ii) said individual has performed work outside the scope of their License classification.

J. Salvage Vehicle Repair License Denial, Suspension, Revocation

The Department may deny an application for a Salvage Vehicle Repair License, or revoke or suspend a Salvage Vehicle Repair License for any of the following reasons:

- 1) Violation of any provisions of the Acts or this Regulation;
- 2) Where an applicant has made a materially untrue statement in the application;
- 3) On proof of unfitness of an Applicant to conduct the Business of Salvage Vehicle Repairing;
- 4) Defrauding any customer;
- 5) Refusal to surrender any Motor Vehicle to the owner thereof upon tender of payment of the proper charges for towing and work done on the vehicle;
- 6) Having indulged in any unconscionable practice relating to the Business of Salvage Vehicle Repairer;
- 7) Willful failure to perform work contracted for;
- 8) Failure to comply with the safety standards of the industry;

- 9) Failure to have or maintain a Full Collision Repair License (Class A, Class B or Special Use only);
- 10) Failure to maintain any of the requirements to obtain a Salvage Vehicle Repair License, identified in Section 4C; or
- 11) Any misuse of a Certificate of Salvage Repair.

K. Continuing Licensing Requirements.

Each Licensee under this Regulation is required to maintain all applicable requirements identified above in Sections 4B and 4D throughout the term of their License. If a Licensee becomes aware that they are not in compliance with any of those requirements, the Licensee shall notify the Department of the deficiency within 30-days. Such notification shall identify a plan of correction. Any Licensee shall have 60-days to return to full compliance with these rules before their license may be revoked for violating this provision.

Section 5 Reinspection

In accordance with the provisions of R.I. Gen. Laws § 27-10.1-9, upon written or verbal request by an insurance company to reinspect a Motor Vehicle, the Licensee shall allow representatives of the insurance company to reinspect the Motor Vehicle after the Motor Vehicle Body Work has been completed.

After receipt of a request from an insurance company to reinspect a Motor Vehicle, the Licensee shall inform the insurance company representative who requested reinspection when the Motor Vehicle Body Work has been completed and shall make the Motor Vehicle available for reinspection no later than the following business day unless the insurance company representative agrees to another time. Licensees may charge a fee up to forty two dollars and ninety cents (\$42.90) per hour during the calendar year 2011 (to commence after the effective date of this regulation) for the use of testing equipment, if such testing equipment is necessary to perform the reinspection. This fee shall be automatically increased each successive calendar year by three percent (3%) unless a review by the Department of the Consumer Price Index issued by the U.S. Department of Labor (CPI) on calendar year basis indicates a negative or positive change of one percent (1%) from the prior year's CPI.

Section 6 Miscellaneous

A. Change of Address.

Written notice shall be given to the Department by each Licensee within ~~five (5)~~fourteen (14) days of any change in mailing or business address, or any other change in any information reported on the most recent application. **Any Licensee changing its business address must still comply with all License requirements listed above. Any new location must still conform to all of the requirements, specifically the size, zoning and health, safety and welfare requirements, and the Licensee likely will require a new EPA number, and the Licensee shall submit a new Certificate of Insurance for the new business address.**

B. License Change in Ownership or Management.

A Motor Vehicle Body or Salvage Vehicle Repair License shall be granted only to the Applicant and shall not inure to the benefit of any other party. The Motor Vehicle Body License

and Salvage Vehicle Repair License isare not subject to transfer, assignment or leasing to another Person without prior application to, and approval from the Department.

C. Licensee Ceases Operations.

When a Licensee ceases operating the ~~h~~Business of Motor Vehicle Body Work or Business of Salvage Vehicle Repairing, the Licensee must return the original License to the Department within fifteen (15) days thereof. Such return of the license shall not affect the Licensee's civil or criminal liability for acts committed prior to the surrender thereof.

D. After Market Parts on Newer Vehicles.

In accordance with the provisions of R.I. Gen. Laws § 27-10.2-1 et seq. Licensees shall not use after-market parts in Motor Vehicle Body Work on any Motor Vehicle less than thirty (30) months beyond the date of manufacture without the written consent of the Person who owns the Motor Vehicle as required by this statute.

E. Consumer's Right to Choose.

In accordance with the provisions of R.I. Gen. Laws § 5-38-30 ~~all auto-body-repair facilities~~ every Licensee must post a sign in a conspicuous location in boldfaced typed letters at least two (2) inches high that states:

PURSUANT TO RHODE ISLAND LAW, THE CONSUMER HAS THE RIGHT TO CHOOSE THE REPAIR FACILITY TO COMPLETE REPAIRS TO A MOTOR VEHICLE; AND AN INSURANCE COMPANY MAY NOT INTERFERE WITH THE CONSUMER'S CHOICE OF REPAIRER.

F. Resale of Repaired Salvage Vehicles

No Person shall sell or offer to sell any Salvage Vehicle repaired by a Licensee without first having such vehicle issued a certificate of inspection in accordance with R.I. Gen. Laws § 31-38-1 et seq. The provisions of this Regulation are in addition to any and all other provisions of law and Regulation concerning the rebuilding and sale of Salvage Vehicles.

G. Certificate of Salvage Repair Forms

Each Licensed Salvage Vehicle Repairer will be given assigned numbered Certificate of Salvage Repair forms. Failure to supervise and control the Certificate of Salvage Repair forms in conformance with this Regulation may result in the suspension or revocation of the License.

Section 7 *Records of Transactions to be Maintained*

A. All Licensees must maintain at a minimum the following information in ~~the its records~~files for each motor vehicle repaired for a two (2) year period:

- (i) Consumer's name;
- (ii) Consumer's address;
- (iii) Vehicle make, model and year;
- (iv) Vehicle VIN (Vehicle Identification Number);

- (v) Written authorization from the consumer to repair the vehicle;
- (vi) All invoices and receipts in connection with the repairs made; and
- (vii) The final repair bill which contains itemized listings of manufactured parts, used parts and generic parts used in the repair.

B. All ~~records~~Files kept in accordance with this regulation must be maintained at the address at which the premises is Licensed and available for inspection during regular business hours.

C. For at least five (5) years, Class A Licensees shall also maintain the information identified in Section 7A and whatever additional information is necessary to identify what work they performed on the vehicle as a part of their lifetime warranty on repairs that is valid against workmanship defects.

Section 8 Complaints/Hearing

A. Complaints

All complaints from consumers or law enforcement officials against Licensees or other Persons for violations of this Regulation or the Acts may be investigated by the Department. In furtherance thereof, the Department may notify the Licensee or Person in writing of the Department's receipt of the complaint, enclosing a copy thereof. The Licensee or Person shall within ten (10) days from the date of the Department's letter to the Licensee file with the Department a written answer to the complaint. The Department may submit a copy thereof to the complainant for further response, if necessary. Upon receipt of the response, the Department ~~may will~~ then evaluate the complaint and response thereto and handle the matter ~~will be handled~~ in compliance with the Department's applicable procedures and regulations for such matters. The Department may, upon its own motion, with or without a complaint, notice a hearing for the purposes of further investigating whether to sanction a Licensee or other Person.

B. Hearings

The notice for and conduct of any hearings held pursuant to this Regulation or the Acts shall be governed by the applicable provisions of the Acts, the Department's rules and regulations for the conduct of such hearings and the provisions of the Rhode Island Administrative Procedures Act.

Section 9 Penalties for Violations

Any Licensee or other Person who fails to comply with the provisions of this Regulation or the provisions of the Act may be subject to any of the penalties, administrative, civil and criminal, as outlined in the Act.

Section 10 Severability

If this Regulation or the application thereof to any Person or circumstance is held to be invalid, such invalidity shall not effect other provisions or application of this Regulation which can be

given effect without the invalid provision or application, and to this end the provisions are declared to be severable.

Section 11 **Effective Date**

This Regulation shall become effective on twenty (20) days from the date of filing as indicated below.

EFFECTIVE DATE: April 8, 1999

REFILED: December 19, 2001

AMENDED: December 16, 2002

AMENDED: December 13, 2004

AMENDED: October 12, 2005

AMENDED: March 1, 2012

AMENDED: March 21, 2013

AMENDED: Date to be Determined 2016