



*Automotive Service Councils of California*  
Professionals in Automotive Service ~ Since 1940

## Automotive Service Councils of California

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# MINUTES

## ASCCA GOVERNMENT AFFAIRS COMMITTEE

*Mission: Increased Credibility and Influence in Government and Regulatory Affairs.*

May 19, 2018 | 8:15 – 9:45 AM

Embassy Suites Sacramento, Sacramento, CA

### I. Call to Order

D. Kusa called the meeting to order at 8:13 am.

### II. Roll Call

Present: Dave Kusa, George Hritz, Rocky Khamenian, Larry Moore, Stuart Terry, Steve Vanlandingham, John Villa, Rob Morell

Absent: James Justus – excused, Glenn Davis, Craig Johnson, Rich Lezcano, Dennis Montalbano – excused, Rob Morrell, Gene Morrill, Allen Pennebaker, Tracy Renee – excused, Steve Caruso

Staff: Jack Molodanof, Mathew Peralta, Gloria Peterson, Mary Putterman,

Guests: Geman Lara, Mitch Mendenhall, Zarkis Martirozian, Todd Westerlund, Nick Bagley (Motul), John Hartman (Napa), Jim Silverman (ATI), John Eppstein, Rory Balmer, Paul Grech, Lee Chesnin, Jerry Kubitsky, Rob Pitari, Grant Takikawa, Shannon Devery, Laurie Moore, Travis Guy, Scott Alton, Maria Carrillo, Ken Thayer, Sean Ruttenberg (MotoRad)

### III. Minutes

Approval of the minutes of the April 26, 2018 meeting were deferred due to the lack of a quorum.

### IV. National Automotive Service Task Force (NASTF)

Although there was no new information to report at this time, D. Kusa provided an overview of NASTF. He further reported that the NASTF business is going to be moved to the Connected Cars Committee since most of the issues that NASTF is currently dealing with better relates to the work of that Committee.

### V. Society of Automotive Engineers (SAE) Committee

D. Kusa gave a brief overview of ASCCA's involvement on the SAE Committee. There was no new update.

### VI. Action Sheet

There was an overview of recent legislative issues related to minor repairs. The Committee was presented with draft amendments to the California Automotive Repair Act. There was discussion about the proposed language.

J. Molodanof provided an overview of the bills that ASCCA is actively involved in:

AB 1743 (O'Donnell) – Career Technical Education – The bill includes funding of \$500 mil per year, but the Governor is negotiating that dollar amount to reduce it to \$200 mil per year.

AB 2392 (Santiago) – Towing and Storage – The bill's intent is to deal with the abuses that occur when vehicles get towed to an unknown tow yard. ASCCA was successful at getting amendments.

AB 2908 (Berman) – Tire recycle fee – ASCCA opposed.

AB 2276 (Burke) – The autobody labor rate bill.

SB 962 (Allen) – This bill died.

SB 993 (Hertzberg) – Tax on Services – Oppose – J. Molodanof provided a background of Senator Hertzberg's efforts to get sales tax on service passed. They have amended the bill to gradually increase sales tax on service to 3% at the same time it would reduce the sales tax on tangible items by 2%. There would not be a separate line item on the invoice. It is considered a business to business sales tax. There are certain services that will be exempt. The bill is currently very complicated and is essentially a tax reform bill. There was a recent hearing on the bill. Major organizations are all opposed to this bill.

There will be a series of hearings on this bill. It requires a 2/3 vote to pass.

AB 2107 (Reyes) – Car Manufacturers vs. new car dealers. He noted that this bill be added to the bill watch list. This bill is sponsored by the New Car Dealers Association to create some additional clarification and requirements between the franchisee and franchisor. There is a section that states that new car dealers are the exclusive seller of OEM branded parts. The California/Nevada/Arizona Automotive Wholesalers Association (CAWA) and some of the retailers will be opposing the bill, because they believe that this clause may be an issue for them. J. Molodanof indicated that he is also concerned with the ramification to autobody shops.

The manufacturers are working to build a coalition and currently have been pulling in the retailers.

## VII. Old Business

Permanent diagnostic trouble codes – this was the topic of a recent BAR workshop. Members of the Committee were satisfied with the answers they received during the workshop.

## VIII. New Business

The Committee was provided a draft budget that include lunch for Legislative Day. Discussion was deferred until the next meeting.

## IX. Adjournment

The meeting adjourned at 9:44 am.