

**TWENTY YEAR SUMMARY OF REPRESENTATION OF THE
AUTOMOTIVE SERVICE ASSOCIATION OF OHIO, INC.
BY GOVERNMENTAL POLICY GROUP, INC.**

I. OVERVIEW

It has been our privilege to represent the Automotive Association of Ohio, Inc. with the Ohio General Assembly and various Executive Administrations. Since 1987 we have worked with the Association and various government officials on literally hundreds of issues that have had important economic and/or operational impact on the automotive repair industry.

A comprehensive review of these issues is difficult to categorize. To do so chronologically is difficult because many issues overlap or reemerge in a different form and many are of an ongoing nature. To divide them by statute versus rules is inefficient since so many rules changes were directly related to statutory successes we enjoyed. Finally, to divide them by those effecting mechanical repair and those effecting collision repair proved inefficient since so many issues impacted both disciplines.

Therefore, we selected the following categories to describe our most important undertaking for the Association:

- ASA Structure
- General Business Issues
- Attorney General Issues
- Insurance Issues
- Miscellaneous Repair Issues
- Environmental Issues
- OBMVCRR
- Current Issues

II. ASA Structure

One of our first roles starting in 1987 was to help structure a more formalized legislative affairs effort for ASA. We helped **form a permanent Legislative Committee** and began a regular meeting schedule for the group. We undertook the development of a regular **written legislative report** and began giving **oral reports** at the quarterly Board meeting. These practices are still continued today. The following year we undertook a large scale **survey of the ASA membership** to determine priorities for the legislative effort.

In 1994 we began the development of a major membership activation drive to improve participation in the legislative process. In 1995 we completed a comprehensive **Membership Activation Manual** and began training selected volunteers in every local chapter in order to increase grassroots participation, encourage legislative tours and increase political action committee (PAC) participation. This manual and the activation effort were updated in 1999.

In May of 1989 we helped charter **ASA Political Action Committee** (ASA-PAC). Since that time we have worked to develop funding and insure proper legal filings of the PAC reports with the Secretary of State. In 2000 we completed a full **PAC Manual** and recruited and trained a **PAC Captain** for every local ASA unit in the State. PAC fundraising remains one of the most important goals of the ASA legislative effort.

III. General Business Issues

There have been enumerable issues which ASA has taken a leading role in championing, even though they were not specific to the automotive repair industry. Unquestionably, one of the most important to our member's profitability has been gaining substantial **workers compensation premium reductions**. This was accomplished through various pieces of legislation, the foremost of which allowed for group coverage through the Association.

Similarly our efforts with other business entities to **reduce lawsuit abuse** and improve tort laws have resulted in insurance premium reductions for our members. We have fought numerous **business tax issues** such as **Senate Bill 265** in 1997 regarding tangible personal property taxes, and more recently last session's **House Bill 66** on the creation of the commercial activities tax. All of these tax issues have had an important impact on our member's profitability.

Session after session we have helped to positively impact various general business issues, a great many of which involve **employee health care costs**. Since the early 1990s, we have helped defeat untold numbers of proposals to create **new insurance coverage mandates**. We have also supported the passage of various measures to help reduce employer health care costs including the creation of **small business health savings accounts** and association **group purchasing** of health care coverage.

IV. Attorney General Issues

Our primary efforts with the State Attorney General involve the **Consumer Sales Practices Act**. This code section covers the provision of **automotive repair estimates**, which have fought to increase for years. Also, since October 21, 1990, it also regulates the use of **non-original equipment manufacturer parts** (non OEM). Late in 1990, we began working with the Attorney General in order to promulgate Ohio Administrative Code Rules to oversee the use and consumer notification involved with using non OEM parts in collision repair. After that, we helped author the **Ohio Automotive Repair and Services Law Brochure** which was used by the Attorney General's office.

In 1996, under Attorney General Montgomery, we developed a **Consumer Protection Agreement** with ASA and their office to provide for initial reviews of consumer complaints. The program was designed to lessen needless lawsuits against the automotive repair industry. Also, that year we helped start a program where ASA members began training the Attorney General's staff on various aspects of automotive repair. On numerous occasions, as recently as two years ago, we have reviewed our concerns on estimating charges and non OEM parts use.

V. Insurance Issues

Unquestionably, our greatest number of issues have involved insurance concerns. The first industry specific bill which we undertook on behalf of ASA was **House Bill 753** regarding non OEM parts use. It took until 1990 to gain passage of **House Bill 302** to restrict their use and require consumer notification and consent. In 1993 we undertook legislation (**House Bill 206**) that changed the laws regarding **salvage certificates**. In 2001 we began efforts on **Senate Bill 201** to improve the salvage laws and create greater access to used parts. In August of 2002 we worked on **title branding** for vehicles that were declared "totals" by the insurance industry.

Throughout our representation of ASA we have dealt with numerous **financial responsibility laws**. In May of 1994 we saw **Senate Bill 20** which became the state's foremost legislation prohibiting vehicle operations without insurance coverage. There has not been a session in which numerous financial responsibility laws were introduced. This year we already have two introductions in **House Bill 58 and House Bill 109**.

Due to emerging industry concerns over **direct repair contracts**, we arranged for ASA to start formal discussions with the insurance industry in 1994. This resulted in the formation of the **Ohio Insurance Institute – Automotive Service Association Working Group** which met regularly from 1994 through 1995. In addition to direct repair issues, the group attempted to address various OEM parts, titling and Attorney General Issues.

More recently we have been dealing with the issue of **insurance owned or affiliated collision repair shops**. Again last fall we were fighting for **Senate Bill 208** regarding salvage parts sales, as well as registration for mechanical repair shops. Also, in January of this year we successfully prevented an attempt at the Ohio Department of Insurance to amend the **Ohio Administrative Code 3901-1-54** which would have declared non OEM parts to be of "like kind and quality" to OEM parts.

VI. Miscellaneous Repair Issues

Over the past two decades we have dealt with numerous issues specific to the vehicular repair industry that do not fall into any particular category. These include several attempts to balance the particularly punitive **Federal Fair Labor Standards Act**, Section 13(b)(10)(A) by introducing state level legislation such as **Senate Bill 26** in March of 2003. We have also been called upon to support ASA's national efforts with the Ohio Congressional Delegation.

Other miscellaneous issues include several gas **tax increases**, **minimum wage concerns**, various highway concerns, etc. In the 124th Ohio General Assembly we started growing more concerned **with gasoline additives**, such as House Bill 425 which prohibited blending motor fuel with MTBE.

VII. Environmental Issues

Second only to insurance issues, environmental concerns regarding vehicular repair have required a great deal of our attention on behalf of ASA. Since the start of our representation we have been pursuing one aspect or another of the State's efforts to conduct emissions inspections for passenger vehicles. In the 118th OGA the state introduced **House Bill 109** regarding fees for inspections. In 1991 we returned to the debate of **centralized vs. decentralized vehicle inspections** with Ohio's short lived "**AIM**" program. Also that year after much debate with the Ohio EPA, we practically wrote the state's **Used Oil Filter Guidance**.

In 1992 we faced a new type of challenge when an environmentalist organization called Ohio Citizens Action developed a **statewide ballot issue** designed to hurt businesses that use small amounts of hazardous chemicals. If it had passed, our shops would have been faced with radical label warning requirements. Further, we would have had to send notices to every home and business within a two mile radius of the shop, detailing every hazardous chemical it used.

In 1993, AIM became **E-check**. From that time forward we have been seeking a **tax credit** from the state equal to the amount of losses the decentralized shops lost in equipment and training investments they made to participate in AIM. In 1996 Ohio expanded E-check coverage to more counties and somewhere along the line **E-check became E√**.

Throughout the twenty years of our presentation we have faced numerous issues regarding proper **environmental disposal of hazardous waste**. Many of these issues would resurface based on changing Administrations and/or technological revelations. **Oil and oil filter disposal, refrigerant disposal, paint disposal** and most recently **mercury disposal** have all been subject to regulation and re-regulation.

EPA permitting for our members has long been a concern. Early in the Voinovich Administration, we began meeting with the EPA to create a standard easy-to-complete permit to install and operate **paint booths** as well as **for cold parts washers**. Throughout both the Taft and Voinovich Administration we fought uneven enforcement by local EPA air agencies on paint booth permit issuances. Finally, after years of work, we saw our efforts pay off last session with the passage of **Senate Bill 265** which standardized permit applications and approvals for small source generators, such as our members.

VIII. Ohio Board of Motor Vehicle Collision Repair Registration

Unquestionably, one of our best accomplishments for ASA was the passage of **House Bill 143** in 1997. After years of preparation, legislative field tours, grassroots development and direct lobbying, we succeeded in gaining passage of registration for collision repair shops. For the decade prior to its passage only two other professional licensure boards had been created. Governor Voinovich had actually sent legislative leaders a written prohibition on the creation of any new boards, however, he relinquished after intense lobbying on this effort.

In the months and years following implementation of House Bill 143 we have worked extensively to create its initial and subsequent **budgets**. We have worked with ASA and the Board to develop the **Ohio Administrative Code rules** in order to properly administer the certification. Similarly, we have worked with ASA and the Board to secure its first and subsequent **Executive Directors**. We have also worked to increase the Board's ability to enforce its own authority.

From the start, it has been ASA's hope to register both collision and mechanical repair facilities. Early drafts of the legislation actually did just that, however, dissension in the mechanical industry prevented them from being included. Since that time we have been looking for the opportunity to create **mechanical shop registration**. Our latest attempt occurred last Session, with **Senate Bill 208**. Although it did not ultimately pass, it is our goal to achieve mechanical shop registration in the 127th Ohio General Assembly.

IX. Current Issues

Only six months into the new Session and we have seen a flurry of activity for ASA in Ohio. With a new Governor comes a new Cabinet and a **new Administration**. We have been busy establishing new relationships for ASA with these elected and appointed officials. Similarly, we are expanding our contacts on your behalf with the new Attorney General Marc Dann.

Twenty-two new bills have been introduced that have a direct impact on ASA members. Issues range from **E-check fees**, to **mercury emissions**, to **fuel quality**, to the reoccurring theme of **mandatory insurance coverage**. **Fuel blends** such as ethanol are receiving a great deal of attention and **Senate Bill 107** would even provide a **tax credit to purchase a hybrid vehicle**. Another perennial favorite, **vehicle towing** regulations are back this Session. Also, we expect a reintroduction of **salvage parts legislation** and whether it is a part of that proposal or not, we anticipate **reintroducing mechanical shop registration** again this Session.

X. Conclusion

The past twenty years...ten General Assemblies have been filled with challenges in our representation of the Automotive Services Association of Ohio, Inc. From our first days of representing the Association, we have said that government actions will cost shop owner or save them money. We are proud to say that we have **helped each ASA member save tens of thousands of dollars** based on the legislation and regulations we have both helped to pass or defeat on our behalf.