

TITLE 13 - MOTOR VEHICLES
CHAPTER 7 - MOTOR VEHICLE REPAIR ACT 2023



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MOTOR VEHICLE REPAIR ACT, 2023

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AN ACT to create new chapter under Title 13 of MIRC to regulate the costs of repairing Motor Vehicles.

Commencement:

October 25, 2023

Source:

P.L. 2023- 79

§1301. Short title.

This Act may be cited as the Motor Vehicle Repair Act, 2023.

§1302. Scope and application.

This act shall apply to all motor vehicle repair shops in the Marshall Islands, except:

- (1) Any motor vehicle repair shop of a local or national government when carrying out the functions of the local or national government; or
- (2) Any person who engages solely in the repair of Motor vehicles that are owned, maintained, and operated exclusively by such person for that person's own use.

§1303. Definition.

As use in this Chapter:

- (1) "Customer" means the person who signs the written repair estimate or any other person whom the person who signs the

- written repair estimate designates on the written repair estimate as a person who may authorize repair work;
- (3) “Employee” means an individual who is employed full time or part time by a motor vehicle repair shop and performs motor vehicle repair;
 - (4) “Final estimate” means the last estimate approved by the customer either in writing or orally, as evidenced by the written repair estimate;
 - (5) “Motor vehicle” means any automobile, truck, bus, recreational vehicle, motorcycle, motor scooter, or other motor powered vehicle, but does not include trailers, mobile homes, travel trailers, trailer coaches without independent motive power, watercraft or aircraft, or special mobile equipment;
 - (6) “Motor vehicle repair shop” means any person who, for compensation, engages or attempts to engage in the repair of motor vehicles owned by other persons and includes, but is not limited to: mobile motor vehicle repair shops, motor vehicle and recreational vehicle dealers; garages; service stations; self-employed individuals; truck stops; paint and body shops; brake, muffler, or transmission shops; and shops doing glass work;
 - (7) “Place of business” means a physical place where the business of motor vehicle repair is conducted, including any vehicle constituting a mobile motor vehicle repair shop from which the business of motor vehicle repair is conducted;
 - (8) “Motor vehicle repair” means all maintenance of and modifications and repairs to motor vehicles, and diagnostic work incident thereto, including, but not limited to, the rebuilding or restoring of rebuilt vehicles, body work, painting, warranty work, and other work customarily undertaken by motor vehicle repair shops.

§1304. Motor vehicle repair shop registration; application.

- (1) Each motor vehicle repair shop engaged or attempting to engage in the business of motor vehicle repair work must register with the Ministry of Finance, the respective local government and relevant government agencies prior to doing business in the Republic. The

application for registration must be on a form provided by the department and must include at least the following information:

- (a) The name of the applicant.
- (b) The name under which the applicant is doing business.
- (c) The business address at which the applicant performs repair work or in the case of a mobile motor vehicle repair shop, the home address of the owner, if different from the business address.
- (d) Copies of all licenses, permits, and certifications obtained by the applicant or employees of the applicant.
- (e) Number of employees which the applicant intends to employ or which are currently employed.

§1305. Written motor vehicle repair estimate and disclosure statement required:

- (1) When any customer requests a motor vehicle repair shop to perform repair work on a motor vehicle, the cost of which repair work will exceed \$100 to the customer, the shop shall prepare a written repair estimate, which is a form setting forth the estimated cost of repair work, including diagnostic work, before effecting any diagnostic work or repair. The written repair estimate shall also include the following items:
 - (a) The name, address, and telephone number of the motor vehicle repair shop.
 - (b) The name, address, and telephone number of the customer.
 - (c) The date and time of the written repair estimate.
 - (d) The year, make, model, odometer reading, and license tag number of the motor vehicle.
 - (e) The proposed work completion date.
 - (f) A general description of the customer's problem or request for repair work or service relating to the motor vehicle.
 - (g) A statement as to whether the customer is being charged according to a flat rate or an hourly rate, or both.
 - (h) The estimated cost of repair which shall include any charge for shop supplies or for hazardous or other waste removal and, if a

charge is included, the estimate shall include the following statement:

“This charge represents costs and profits to the motor vehicle repair facility for miscellaneous shop supplies or waste disposal.”

- (2) If the cost of repair work will exceed \$100, the shop shall present to the customer a written notice conspicuously disclosing, in a separate, blocked section, only the following statement, in capital letters of at least 12-point type:

PLEASE READ CAREFULLY, CHECK ONE OF THE STATEMENTS BELOW, AND SIGN:

I UNDERSTAND THAT, UNDER RMI LAW, I AM ENTITLED TO A WRITTEN ESTIMATE IF MY FINAL BILL WILL EXCEED \$100.

I REQUEST A WRITTEN ESTIMATE.

I DO NOT REQUEST A WRITTEN ESTIMATE AS LONG AS THE REPAIR COSTS DO NOT EXCEED \$.... THE SHOP MAY NOT EXCEED THIS AMOUNT WITHOUT MY WRITTEN OR ORAL APPROVAL.

I DO NOT REQUEST A WRITTEN ESTIMATE.

SIGNED

DATE

§1306. Charges for motor vehicle repair estimate; requirement of waiver of rights prohibited.

- (1) No motor vehicle repair shop shall charge for making a repair price estimate unless, prior to making the price estimate, the shop:

- (a) Discloses to the customer the amount of the charge or, if the amount cannot be determined, the basis on which the charge will be calculated; and
 - (b) Obtains authorization on the written repair estimate, in accordance with Section 1305, to prepare an estimate. No motor vehicle repair shop shall impose or threaten to impose any such charge which is clearly excessive in relation to the work involved in making the price estimate.
- (2) It shall be unlawful for any motor vehicle repair shop to require that any person waive her or his rights provided in this part as a precondition to the repair of her or his vehicle by the shop.

§1307. Notification of charges in excess of repair estimate; unlawful charges; refusal to return vehicle prohibited; inspection of parts.

- (1) In the event that:
- (a) The written repair estimate contains only an estimate for diagnostic work necessary to estimate the cost of repair and such diagnostic work has been completed;
 - (b) A determination is made by a motor vehicle repair shop that the actual charges for the repair work will exceed the written estimate by more than \$10 or 10 percent, whichever is greater, but not to exceed \$50; or
 - (c) An implied partial waiver exists for diagnostic work, as described in Section 1305(2), and such diagnostic work has been completed,
- the customer shall be promptly notified by telephone, telegraph, mail, or other means of the additional repair work and estimated cost thereof. A customer so notified shall, orally or in writing, authorize, modify, or cancel the order for repair.
- (2) If a customer cancels the order for repair after being advised that a repair which she or he has authorized cannot be accomplished within the previously authorized estimate, the shop shall expeditiously reassemble the motor vehicle in a condition reasonably similar to the condition in which it was received unless:
- (a) The customer waives reassembly, or

(b) The reassembled vehicle would be unsafe,

After cancellation of the repair order, the shop may charge for the cost of teardown, the cost of parts and labor to replace items that were destroyed by teardown, and the cost to reassemble the component or the vehicle, provided the customer was notified of these possible costs in the estimate prior to commencement of the diagnostic work.

- (3) It shall be unlawful for a motor vehicle repair shop to charge more than the written estimate plus \$10 or 10 percent, whichever is greater, but not to exceed \$50, unless the motor vehicle repair shop has obtained authorization to exceed the written estimate in accordance with subsection (1).
- (4) It shall be unlawful for any motor vehicle repair shop to fail to return any customer's motor vehicle because the customer has refused to pay for unauthorized repairs or because the customer has refused to pay for repair charges in excess of the final estimate in violation of this section.
- (5) Upon request made at the time the repair work is authorized by the customer, the customer is entitled to inspect parts removed from her or his vehicle or, if the shop has no warranty arrangement or exchange parts program with a manufacturer, supplier, or distributor, have them returned to her or him.

§1308. Invoice required of motor vehicle repair shop.

The motor vehicle repair shop shall provide each customer, upon completion of any repair, with a legible copy of an invoice for such repair. The invoice may be provided on the same form as the written repair estimate and shall include the following information:

- (1) The current date and odometer reading of the motor vehicle.
- (2) A statement indicating what was done to correct the problem or a description of the service provided.
- (3) An itemized description of all labor, parts, and merchandise supplied and the costs thereof, indicating what is supplied to the customer without cost or at a reduced cost because of a shop or manufacturer's warranty.

- (4) A statement identifying any replacement part as being used, rebuilt, or reconditioned, as the case may be.
- (5) A statement indicating what, if anything, is guaranteed in connection with the repair work and the time and mileage period for which the guarantee is effective.
- (6) The registration number from the certificate issued by the department pursuant to this part.

§1309. Motor vehicle repair shop records.

- (1) Each motor vehicle repair shop shall maintain repair records which shall include written repair estimates and repair invoices. A customer's records shall be available to the customer for inspection and copying for a period of at least 12 months. A reasonable charge may be made for copying if copying facilities are available. The customer may not remove such original records from the premises.
- (2) Motor vehicle repair shops shall allow Public Works Inspector or Finance Officer to inspect or copy these records during regular business hours.

§1310. Effective date.

This Act shall take effect in accordance with the Constitution and the Rules of Procedures for the Nitijela.