

Simplified legislation

Purpose

This document simplifies the new regulations from the Automotive Business Amendment Regulation that will impact industry and consumers that were added to the *Consumer Protection Act* effective Oct. 31, 2018. The purpose of the document is to provide a clear understanding of the new regulations in plain language for industry to know their responsibilities and for consumers to know their rights. **This guide is not a substitute for legal advice and is not designed as a substitute for advice from qualified independent legal counsel. This guide is not intended to be an exhaustive list of applicable legislation.**

Contents

Regulatory board	2
Vehicle history information	3
Bill of sale	5
Receipt of information	8
Deposit agreement	9
Liens	10
Estimate	11
Authorization of work	12
Authorization not in writing	13

New legislation replaces Section 24 of the Automotive Business Amendment Regulation (Regulatory Board – AMVIC)

Regulatory board

Legislation	Simplified
<p>Section 24, 24.01, 24.02, 24.1, 24.2, 24.3, 24.31, 24.32, 24.4, 24.5, 24.6, 24.7, 24.71, 24.8, 24.9, 24.91, 24.92.</p>	<p>New legislation sets new requirements and conditions for becoming a board member and the overall responsibilities of the board in relation to AMVIC. The new legislation also requires the AMVIC board to have 13 directors: seven from public and six from industry; with one of the public directors as the board chair as designated by the Minister.</p>

New legislation added to the Automotive Business Amendment Regulation (Part 2.1 – Automotive Sales and Repairs)

Vehicle history information

Legislation	Simplified
31.1 (1) A business operator engaged in automotive sales must disclose the following information in accordance with subsection (2), on the basis of information the business operator knew or ought to have known:	The purpose of disclosing this information is for the business to be as transparent as possible about the history of the vehicle and for consumers to be able to access the history information at various times throughout the buying process.
(a) whether the vehicle has been bought back by the manufacturer under the Canadian Motor Vehicle Arbitration Plan;	Disclose if the vehicle was bought back through the Canadian Motor Vehicle Arbitration Plan (CAMVAP - www.camvap.ca) by the manufacturer at any point.
(b) whether the vehicle has sustained damage caused by fire;	Disclose if the vehicle was damaged as a result of fire.
(c) whether the vehicle has sustained damage caused by immersion in liquid to at least the level of the interior floorboards;	Disclose if the vehicle was damaged as a result of flooding.
(d) whether the vehicle has been used as a police car or an emergency vehicle;	Disclose if the vehicle was a police car or an emergency vehicle such as a fire vehicle or ambulance.
(e) whether the vehicle has been used as a taxi cab or a limousine;	Disclose if the vehicle was a taxi or limo.
(f) whether the vehicle has been previously owned by a rental vehicle business or used as a rental vehicle on a daily or other short-term basis;	Disclose if the vehicle was either owned by a company that provided rental vehicles, or the vehicle itself was used a rental.
(g) whether the vehicle has, at any time, been assigned a status in one of the following categories under the <i>Vehicle Inspection Regulation</i> (AR 211/2006) or an equivalent status under the laws of another jurisdiction: (i) salvage motor vehicle; (ii) non-repairable motor vehicle; (iii) unsafe motor vehicle;	Disclose if the vehicle's status was declared: (i) Salvage – also known as written-off. It is a motor vehicle that can be rebuilt (www.transportation.alberta.ca/2822.htm). (ii) A motor vehicle damaged to the extent that it is non-repairable and cannot be registered. These vehicles can be sold for scrap and dismantled for parts only (www.transportation.alberta.ca/591.htm). (iii) A vehicle reported by a certified technician to be unsafe. A certified technician cannot remove an unsafe

	<p>vehicle from the road. This responsibility lies solely with a peace officer under Section 66 of the <i>Traffic Safety Act</i> (www.transportation.alberta.ca/2819.htm).</p> <p>If the vehicle's status was changed due to repairs or a rebuild, it still must be disclosed if it was formerly any of the above statuses mentioned.</p> <p>If the vehicle comes from out-of-province or out-of-Canada, and was at one point declared any of the terms used above or similar definitions, this must also be disclosed to the consumer.</p>
<p>(h) whether the vehicle has been damaged in an incident or collision where the total cost of repairs fixing the damage exceeded \$3000 and, if the repairs were carried out by the business operator, the total cost of the repairs;</p>	<p>Disclose if the vehicle was in need of repairs that cost more than \$3,000 including parts and labour as a result of an incident or collision, and if those repairs were completed by the business operator, the total cost to complete them.</p>
<p>(i) whether the vehicle was registered in any jurisdiction other than Alberta immediately before it was acquired by the business operator and, if so,</p> <p>(i) the name of the jurisdiction in which the vehicle was previously registered,</p> <p>(ii) whether the vehicle was required to be inspected prior to registration in Alberta, and</p> <p>(iii) whether the vehicle passed or failed any required inspections.</p>	<p>Disclose if the vehicle was registered in a different province or a different country immediately before the business received it with:</p> <p>(i) The name of the province/country,</p> <p>(ii) all inspections that were required before it can be registered in Alberta,</p> <p>(iii) and if the vehicle passed or failed any of the required inspections.</p>
<p>31.1(2) The business operator must disclose the information required under subsection (1) in a clear and legible manner</p> <p>(a) in any online advertisement for the vehicle,</p> <p>(b) on any sales tag affixed to the vehicle, and</p> <p>(c) in writing to the consumer before purchase.</p>	<p>All the information that is required to be disclosed as mentioned above from Section 31.1(1)(a) to (i) must be disclosed in a clear and legible manner in:</p> <p>(a) Any online advertisements for the vehicle,</p> <p>(b) On any sales tags or window stickers on the vehicle and</p> <p>(c) In writing to the consumer before the consumer enters into a purchase contract.</p> <p>This is to ensure the consumer has access to the vehicle's history information at various times throughout the buying process. From first viewing an advertisement of the vehicle, to seeing the vehicle in person, to reviewing a document that discloses all information before the consumer decides to buy the vehicle.</p>

Bill of sale

Legislation	Simplified
<p>31.2(1) A business operator engaged in automotive sales must use a bill of sale that includes the following:</p>	<p>A bill of sale must be used that includes the following:</p>
<p>(a) the name and address of the consumer;</p> <p>(b) the number of the government-issued identification that the business operator uses to confirm the identity of the consumer;</p> <p>(c) the name, business address and licence number of the business operator;</p> <p>(d) if a salesperson is acting on behalf of the business operator, the name and registration number of the salesperson;</p> <p>(e) the make, model and model year of the vehicle;</p> <p>(f) the colour and body type of the vehicle;</p> <p>(g) the vehicle identification number of the vehicle;</p> <p>(h) the date that the bill of sale is entered into;</p> <p>(i) the date that the vehicle is to be delivered to the consumer;</p>	<p>(a) consumer’s name and address;</p> <p>(b) the number found on the government-issued ID such as a driver’s licence or passport the business used to confirm the identity of the buyer;</p> <p>(c) the name, business address and AMVIC licence number of the business selling the vehicle;</p> <p>(d) name and AMVIC-registration number of the salesperson selling the vehicle;</p> <p>(e) the make, model and year of the vehicle;</p> <p>(f) the colour and body type of the vehicle;</p> <p>(g) the VIN (taken directly off the vehicle and not from any other documents to ensure accuracy);</p> <p>(h) the date the bill of sale is entered into;</p> <p>(i) the date the vehicle will be delivered to the consumer.</p>
<p>(j) an itemized list of all applicable fees and charges the consumer is to pay, including, without limitation:</p> <p>(i) charges for transportation of the vehicle;</p> <p>(ii) fees for inspections;</p> <p>(iii) fees for licensing;</p> <p>(iv) charges for warranties;</p> <p>(v) taxes or levies, including GST;</p>	<p>A list of all fees and charges that the consumer must pay must be included on the bill of sale. This list must include without limitations:</p> <p>(i) any delivery/freight/transportation charges;</p> <p>(ii) any fees for any inspections done on the vehicle;</p> <p>(iii) any fees for licensing the vehicle;</p> <p>(iv) any charges for warranties the consumer agreed to;</p> <p>(v) all taxes and levies, including GST</p>

(k) the timing for payment by the consumer of the fees and charges under clause (j);	(k) Declare the timing of payment for the fees and changes listed in clause (j).
(l) an itemized list of the costs of all extra equipment and options sold to the consumer in connection with the vehicle or installed on the vehicle at the time of sale;	A list of all the extra equipment and options, and what each one costs that was sold to the consumer.
(m) the total cost of the vehicle, which must include the fees, charges and costs listed under clauses (j) and (l);	The total cost of the vehicle including all fees, charges and costs of the extra equipment and options listed.
(n) the down payment or deposit paid by the consumer, if any, and the balance remaining to be paid;	Include the down payment or deposit amount the consumer gave if any, and the balance remaining after.
(o) if the consumer is trading in another vehicle to the business operator in connection with the purchase of the vehicle, (i) information about the vehicle being traded in, and (ii) the value of the trade-in allowance incorporated into the cost of purchase of the vehicle;	If the consumer is doing a trade-in, the bill of sale must include: (i) information about the traded in vehicle to properly identify it; (ii) the value of the trade-in allowance incorporated into the cost of purchase of the vehicle being sold to the consumer.
(p) the balance of any outstanding loan that is incorporated into the cost of purchase of the vehicle;	If the trade-in vehicle still has a loan on it, then the remaining loan balance incorporated into the cost of purchase must be stated on the bill of sale.
(q) if, in connection with the purchase of the vehicle, the business operator enters into a credit agreement with the consumer or arranges a credit agreement for the consumer, the disclosure statement required under Part 9 of the Act;	If the business enters into a credit agreement with the consumer, a disclosure statement regarding the credit agreement must be provided on or attached to the bill of sale.
(r) an itemized list of any items or inducements the business operator agrees to provide with the vehicle at no extra charge;	If the business made any promises, offers or inducements at no extra charge, each individual promise, offer and inducement must be listed on the bill of sale.
(s) the odometer reading of the vehicle at the time the bill of sale is entered into, if the vehicle has an odometer and the odometer reading is available to the business operator;	As long as the vehicle has an odometer and the business operator is able to read the odometer, then the bill of sale must state the odometer reading at the time the purchase is entered to.

<p>(t) the maximum odometer reading of the vehicle at the time of delivery to the consumer if the vehicle has an odometer and</p> <p>(i) the odometer reading is not available to the business operator at the time the bill of sale is entered into, or</p> <p>(ii) the vehicle is a new, specifically identified vehicle;</p>	<p>If the vehicle has an odometer but</p> <p>(i) the business cannot physically read the odometer because the vehicle is not physically there at the time the bill of sale is entered into, then write down the maximum odometer reading on the bill of sale, or</p> <p>(ii) the vehicle is brand new and not physically on location, specifically identify on the bill of the sale that the vehicle is new.</p> <p>Also if the vehicle is being delivered to the consumer instead of the consumer coming to the business location to pick it up, include the added kilometers to the maximum odometer reading.</p>
<p>(u) any mechanical fitness assessment that has been issued under the Vehicle Inspection Regulation (AR 211/2006);</p>	<p>Attach a copy of the current Mechanical Fitness Assessment that was issued on the vehicle.</p>
<p>(v) any disclosure statement or documentation respecting a vehicle's previous use, history or condition, including disclosure statements or documentation required under the laws of another jurisdiction;</p>	<p>Attach copies of any reports, documents and disclosure statements regarding the previous use, history or condition of the vehicle including those required under the laws of another province or country.</p>
<p>(w) a declaration that the business operator has disclosed to the consumer the information required under section 31.1.</p>	<p>The bill of sale must include a declaration that all the vehicle history information and conditions from Section 31.1 were provided to the consumer.</p>
<p>31.2(2) The business operator must ensure that all restrictions, limitations and conditions imposed on the consumer under the bill of sale are stated in a clear and comprehensible manner.</p>	<p>All restrictions, limitations and conditions the business has the right to enforce in the bill of sale must be clear and legible.</p>

Receipt of information

Legislation	Simplified
<p>31.3 A business operator engaged in automotive sales must not enter into a bill of sale with a consumer unless the business operator has obtained written confirmation from the consumer that the consumer has received the information required under section 31.1.</p>	<p>Before entering into a bill of sale, the business must obtain a written declaration from the consumer acknowledging receipt of the information required in Section 31.1. – Vehicle history information.</p>

Deposit agreement

Legislation	Simplified
<p>31.4 If the Council sets the form and content of a deposit agreement, a business operator engaged in automotive sales shall use that deposit agreement.</p>	<p>AMVIC has the authority to create a deposit agreement and if it does so, then it must be used by all business operators engaged in automotive sales.</p>

Liens

Legislation	Simplified
<p>31.5 If a business operator engaged in automotive sales knows that a vehicle is subject to a lien, the business operator must, within 7 days of the date that the business operator sells the vehicle, pay the amount owing under the lien to the lienholder.</p>	<p>The business must pay out all liens on a vehicle within seven days after it is sold to a consumer.</p>

Estimate

Legislation	Simplified
<p>31.6(1) A business operator engaged in automotive repairs must, on request from the consumer, provide an estimate for the installation of parts or equipment in or on a vehicle or the repair or service of a vehicle.</p>	<p>If the consumer requests an estimate before starting any service or repair work to their vehicle, the business must provide an estimate.</p>
<p>31.6(2) An estimate under subsection (1) must be in writing and, subject to subsection (3), must contain the following information:</p> <ul style="list-style-type: none"> (a) a description of the proposed work; (b) the estimated total cost of the proposed work, including labour and parts or equipment. 	<p>If a consumer requests an estimate, the business operator must provide a written estimate that includes:</p> <ul style="list-style-type: none"> (a) a description on the proposed work; (b) the estimated total cost of the proposed work, including the cost of labour, parts and equipment.
<p>31.6 (3) If the information in subsection (2) cannot be provided because diagnostic work is required, the estimate must state the estimated maximum cost of the diagnostic work.</p>	<p>If an estimate can't be provided because the business has to perform diagnostic work first on the vehicle, then the estimate must state the estimated maximum cost of the diagnostic work.</p>

Authorization of work

Legislation	Simplified
<p>31.7(1) A business operator engaged in automotive repairs must not install parts or equipment in or on a vehicle or repair or service a vehicle unless the consumer has provided authorization.</p>	<p>The business must obtain authorization from the consumer before any repair work or servicing begins.</p>
<p>31.7(2) An authorization under subsection (1) must be provided in writing, subject to section 31.8.</p>	<p>The authorization in Section 31.7(1) must be in writing, unless Section 31.8 applies.</p>
<p>31.7 (3) An authorization must contain the following information:</p> <ul style="list-style-type: none"> (a) the name of the consumer, or the consumer's agent, giving authorization; (b) the date of authorization; (c) a description of the work that the consumer, or the consumer's agent, authorizes to be carried out; (d) the estimated total cost of the work described in clause (c) and confirmation that the consumer, or the consumer's agent, authorizes that cost. 	<p>The written authorization obtained must have the following:</p> <ul style="list-style-type: none"> (a) the name of the consumer or the person acting on their behalf that is giving authorization; (b) the date the authorization is given; (c) a description of the work that the consumer or the person acting on their behalf is authorizing to; (d) the estimated total cost of the work described above and confirmation from the consumer or the person acting on their behalf to authorize the work.

Authorization not in writing

Legislation	Simplified
<p>31.8 An authorization of work may be in a form other than in writing if the business operator records the following information in writing:</p> <p>(a) the information required under section 31.7(3);</p> <p>(b) the time at which authorization is given;</p> <p>(c) the method by which authorization is given.</p>	<p>If the business cannot get authorization in writing, then the business must record the authorization information required under Section 31.7(3) as well as the time the authorization was given and how it was given (via email, phone etc.) from the consumer.</p>