

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE DRH30206-ML-223 (04/02)

Short Title: NC Aircraft Repair Act.

(Public)

Sponsors: Representatives Saine and Hager (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE THE REPAIR OF AIRCRAFTS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 5 of Chapter 44A of the General Statutes reads as rewritten:

5 "Article 5.

6 "Aircraft Labor and ~~Storage Liens~~.Storage.

7 **"§ 44A-50. Definitions.**

8 As used in this Article, the following terms mean:

9 (1) Aircraft. – As the term is defined in G.S. 63-1(3), or any engine, part,
10 component, or accessory, whether affixed to or separate from the aircraft.

11 (2) Aircraft repair shop. – Any person who, for compensation, engages or
12 attempts to engage in the maintenance, modification, or repair of aircrafts
13 owned by other persons.

14 (3) Aircraft repair work. – All maintenance of, modifications to, and repairs to
15 aircrafts and the diagnostic work incident to the maintenance, modifications,
16 and repairs.

17 (4) Customer. – A person who requests an aircraft repair shop to perform
18 aircraft repair work on an aircraft owned by that person or any other person
19 designated by that person as having authority to authorize aircraft repair
20 work.

21 (5) Employee. – Any person who is employed full time or part time by an
22 aircraft repair shop and performs aircraft repair work.

23 ~~(2)~~(6) Lienor. – A person entitled to a lien under this Article.

24 ~~(3)~~(7) Owner. – As the term is defined in G.S. 44A-1(3) for an aircraft, or any
25 person authorized by an owner, as defined in G.S. 44A-1(3), to perform,
26 contract, or arrange for the provision of labor, skill, materials, or storage
27 with respect to any aircraft.

28 ~~(4)~~(8) Person. – Any individual, corporation, association, partnership, whether
29 limited or general, limited liability company, or other entity.

30 (9) Total amount authorized. – The amount in a written repair estimate plus any
31 amount in excess of the written repair estimate that the aircraft repair shop
32 has been authorized to charge pursuant to subsections (a) or (b) of
33 G.S. 44A-51.2.

34 (10) Written repair estimate. – A written form setting forth the estimated cost of
35 aircraft repair work, including any diagnostic work.

36 **"§ 44A-51. Written repair estimate and disclosure statement required.**



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1 (a) Requirement. – When any customer requests an aircraft repair shop to perform
2 aircraft repair work that will cost in excess of three hundred fifty dollars (\$350.00) to the
3 customer, the shop shall prepare and provide to the customer a written repair estimate before
4 commencing any aircraft repair work. In determining under this section whether the cost of the
5 aircraft repair work exceeds three hundred fifty dollars (\$350.00), the cost shall consist of the
6 cost of parts and labor necessary for the aircraft repair work, any charges for necessary
7 diagnostic work and disassembly, any taxes, any other supplies or overhead, and any other
8 extra services that are incidental to the aircraft repair work. The written repair estimate shall
9 also include a statement allowing the customer to indicate whether replaced parts should be
10 saved for inspection or returned and a statement indicating the daily charge for storing the
11 customer's aircraft after the customer has been notified that the aircraft repair work has been
12 completed.

13 (b) Waiver. – An aircraft repair shop is not required to provide a written repair estimate
14 if the customer waives in writing his or her right to receive a written repair estimate. A
15 customer may waive his or her right to receive any written repair estimates from an aircraft
16 repair shop for a period of time specified by the customer in the waiver.

17 (c) Construction. – Nothing in this section shall be construed to require an aircraft
18 repair shop to give a written repair estimate if the aircraft repair shop does not agree to perform
19 the requested aircraft repair work.

20 **"§ 44A-51.1. Charges for preparing written repair estimate; requirement of waiver of**
21 **rights prohibited.**

22 Before proceeding with preparing a written repair estimate, an aircraft repair shop shall do
23 the following:

- 24 (1) Disclose to the customer the amount, if any, of the charge for preparing the
25 written repair estimate.
26 (2) Obtain a written authorization from the customer to prepare a written repair
27 estimate if there is a charge for that written repair estimate.

28 **"§ 44A-51.2. Notification of charges in excess of written repair estimate; prohibited**
29 **charges; refusal to return aircraft prohibited; inspection of parts.**

30 (a) Requirement. – In the event that any of the following applies, the customer shall be
31 promptly notified by telephone, mail, or other means of the additional aircraft repair work and
32 the estimated cost of the additional aircraft repair work, and the customer shall, orally or in
33 writing, authorize, modify, or cancel the order for aircraft repair work:

- 34 (1) The written repair estimate contains only an estimate for diagnostic work
35 necessary to estimate the cost of the aircraft repair work and such diagnostic
36 work has been completed.
37 (2) A determination is made by an aircraft repair shop that the actual charges for
38 the aircraft repair work will exceed the written repair estimate by more than
39 ten percent (10%).
40 (3) An implied partial waiver exists for diagnostic work and the diagnostic work
41 has been completed.

42 (b) Cancellation. – If a customer cancels the order for aircraft repair work or, after
43 diagnostic work is performed, decides not to have the aircraft repair work performed, and if the
44 customer authorizes the aircraft repair shop to reassemble the aircraft, the shop shall
45 expeditiously reassemble the aircraft to a condition reasonably similar to the condition in which
46 it was received by the aircraft repair shop.

47 After cancellation of the aircraft repair work or a decision by the customer not to have
48 aircraft repair work performed after diagnostic work has been completed, the shop may charge
49 for and the customer is obligated to pay the cost of aircraft repair work that was actually
50 completed and that was authorized by the written repair estimate, as well as the cost of
51 diagnostic work and teardown, the cost of parts and labor to replace items that were destroyed

1 by teardown, and the cost to reassemble the component or the aircraft. A customer shall not be
2 obligated to pay these costs if the customer was not notified of these possible costs in the
3 written repair estimate or at the time the customer authorized the aircraft repair shop to
4 reassemble the aircraft.

5 (c) Aircraft Parts. – Upon request made at the time the aircraft repair work is authorized
6 by the customer, the customer is entitled to inspect parts removed from the customer's aircraft
7 or, if the shop has no warranty arrangement or exchange parts program with a manufacturer,
8 supplier, or distributor, have them returned to the customer. An aircraft repair shop may discard
9 parts removed from a customer's aircraft or sell them and retain the proceeds for the shop's own
10 account if the customer fails to take possession of the parts at the aircraft repair shop within
11 two business days after taking delivery of the repaired aircraft.

12 **"§ 44A-51.3. Invoice required of aircraft repair shop.**

13 The aircraft repair shop shall provide each customer, upon completion of any aircraft repair
14 work, with a legible copy of an invoice for such repair. The invoice shall include the following
15 information:

- 16 (1) A statement indicating what was done to correct the problem or a description
17 of the service provided.
- 18 (2) An itemized description of all labor, parts, and merchandise supplied and the
19 costs of all labor, parts, and merchandise supplied. No itemized description
20 is required to be provided to the customer for labor, parts, and merchandise
21 supplied when a third party has indicated to the aircraft repair shop that the
22 repairs will be paid for under a service contract, under a mechanical
23 breakdown contract, or under a manufacturer's warranty, without charge to
24 the customer.
- 25 (3) A statement identifying any replacement part as being used, rebuilt, or
26 reconditioned, as the case may be.

27 **"§ 44A-51.4. Required disclosure; signs; notice to customers.**

28 A sign, at least 24 inches on each side, shall be posted in a manner conspicuous to the
29 public. The sign shall contain all of the following information:

- 30 (1) That the consumer has a right to receive a written repair estimate, or to
31 waive receipt of that written repair estimate, if the cost of repairs will exceed
32 three hundred fifty dollars (\$350.00).
- 33 (2) That the consumer may request, at the time the aircraft repair work is
34 requested, the return or inspection of all parts that have been replaced during
35 the aircraft repair work.

36 **"§ 44A-51.5. Prohibited acts and practices.**

37 It shall be a violation of this Article for any aircraft repair shop or employee of an aircraft
38 repair shop to do any of the following:

- 39 (1) Require a customer to waive the rights provided to the customer in this
40 Article as a precondition to the repair of the customer's aircraft by the
41 aircraft repair shop or to impose or threaten to impose any charge which is
42 clearly excessive in relation to the work involved in preparing the written
43 repair estimate for the purpose of inducing the customer to waive the rights
44 provided to the customer in this Article.
- 45 (2) Charge more than ten percent (10%) over the total amount authorized by a
46 customer for aircraft repair work.
- 47 (3) Refuse to return a customer's aircraft because the customer refused to pay
48 more than ten percent (10%) over the total amount authorized by the
49 customer for aircraft repair work.
- 50 (4) Charge for aircraft repair work that has not been expressly or impliedly
51 authorized by the customer.

- 1 (5) Misrepresent that aircraft repair work has been made to an aircraft.
2 (6) Misrepresent that certain parts and aircraft repair work are necessary to
3 repair an aircraft.
4 (7) Misrepresent that the aircraft being inspected or diagnosed is in a dangerous
5 condition or that the customer's continued use of the aircraft may be harmful
6 or cause great damage to the aircraft.
7 (8) Fraudulently alter any customer contract, written repair estimate, invoice, or
8 other document.
9 (9) Fraudulently misuse any customer's credit card.
10 (10) Make or authorize in any manner or by any means whatever any written or
11 oral statement which is untrue, deceptive, or misleading, and which is
12 known, or which by the exercise of reasonable care should be known, to be
13 untrue, deceptive, or misleading, related to this Article.
14 (11) Make fraudulent promises of a character likely to influence, persuade, or
15 induce a customer to authorize aircraft repair work.
16 (12) Substitute used, rebuilt, salvaged, or straightened parts for new replacement
17 parts without notice to the aircraft owner and to his or her insurer if the cost
18 of repair is to be paid pursuant to an insurance policy and the identity of the
19 insurer or its claims adjuster is disclosed to the aircraft repair shop.
20 (13) Cause or allow a customer to sign any written repair estimate that does not
21 state the type of aircraft repair work requested by the customer.
22 (14) Refuse to give to a customer a copy of any document requiring the
23 customer's signature upon completion or cancellation of the aircraft repair
24 work.

25 **"§ 44A-51.6. Remedies.**

26 Any customer injured by a violation of this Article may bring an action in the appropriate
27 court for relief. The prevailing party in that action may be entitled to damages plus court costs
28 and reasonable attorneys' fees. The customer may also bring an action for injunctive relief in
29 the appropriate court. A violation of this Article is not punishable as a crime; however, this
30 Article does not limit the rights or remedies which are otherwise available to a consumer under
31 any other law.

32 **"§ 44A-55. Persons entitled to a lien on an aircraft.**

33 (a) Any person who has expended labor, skill, or materials on an aircraft or has
34 furnished storage for an aircraft at the request of its owner has a perfected lien on the aircraft
35 beginning on the date the expenditure of labor, skill, or materials or the storage commenced, for
36 the contract price for the expenditure of labor, skill, or materials or for the storage, or, in the
37 absence of a contract price, for the reasonable worth of the expenditure of labor, skill, or
38 materials, or of the storage. The lien under this section survives even if the possession of the
39 aircraft is surrendered by the lienor.

40 (b) Any aircraft repair shop that violates any of the provisions of G.S. 44A-51 through
41 G.S. 44A-51.5 shall not have a perfected lien on any aircraft owned by a customer injured as a
42 result of the violation.

43 "

44 **SECTION 2.** This act becomes effective January 1, 2016, and applies to aircraft
45 repairs requested and performed on or after that date.