



## Federal News

- The U.S. House Small Business Committee held a hearing at which two policy proposals relevant to many independent auto repair shops were discussed. The first proposal involved the U.S. Small Business Administration's (SBA) [504 Loan Program](#). This program classifies almost all auto repair shops as "special purpose properties," which means they must provide a 20 percent downpayment to receive a 504 Program loan, whereas businesses not considered special purpose properties only need to provide a 15 percent downpayment. Chairman Roger Williams (R-TX) inquired about ending the added burden for special purpose properties. Secondly, Congressman Derek Tran (D-CA) expressed support for raising the [SBA 7\(a\) loan program's](#) maximum loan from \$5 million to \$10 million, which [H.R. 1893](#), [H.R. 4153](#), and [S. 901](#) would accomplish. ASA supports both policy proposals.
- The U.S. House Appropriations Committee voted 35-28 to advance House Republicans' [FY '26 Labor, Health and Human Services, Education and Related Agencies appropriations bill](#). This bill would allocate \$285 million towards apprenticeship grants, of which \$100 million would be reserved for states to manage. This total allotment would maintain the same level of funding for apprenticeship programs provided in FY '25. The committee also approved language, which ASA had proposed, strongly encouraging the U.S. Department of Labor to support incumbent technician training that prepares them with skills needed to handle new automotive technologies. ASA applauds Congress for prioritizing the need to alleviate workforce shortage and training concerns.
- The U.S. Environmental Protection Agency (EPA) issued [new guidance to OEMs](#) to give consumers more time to repair diesel-powered vehicle engines. Since 2010, the EPA has required the use of diesel exhaust fluid for such vehicles to combat smog. When the diesel exhaust fluid needs to be replenished, the vehicle must limit itself to specified low speeds, torque, and other performance metrics until the fluid is replenished. However, faulty sensors sometimes determine mistakenly that new fluid is needed. While a 2022 EPA regulation would require a mitigation by 2027, the new guidance asks OEMs to implement it immediately. Specifically, it calls for modifying vehicles that have yet to be sold and issuing software updates already in use by providing light-duty vehicles and pickups an 80 hour or 4,200-mile grace period before limiting the vehicle's speed to 45 mph.

## State News

- **California** [SB 615](#) failed to pass in the State Legislature. The bill would have required auto repairers that remove and come into possession of an EV battery to repair, reuse, or remanufacture the battery if doing so is possible and cost effective. If not, the repairer could shift full responsibility and costs for proper end-of-life battery management to the OEM. Before meeting its demise in the State Assembly, SB 615 passed 28-6 in the State Senate and by large margins in several Assembly committees.
- **California** [AB 987](#) passed 39-0 in the State Senate and 79-0 in the State Assembly. If Governor Newsom (D) signs it into law, the bill would allow insurers to waive responsibility for "unreasonable" storage fees, which the bill defines as including administrative or filing fees, security fees, dolly fees, pull-out fees, gate fees (except when the owners requests the vehicle be released outside of normal business hours), and storage fees charged for state holidays that exceed the posted standard daily storage rate. Previous versions of AB 987 also defined "unreasonable" to include non-hourly storage fees for vehicles stored fewer than 24 hours, storage fees for vehicles in emergency situations where the owner or insurer was not at fault, and storage fees assessed on days the facility is not open. The bill's author removed these provisions from the definition after receiving feedback from industry stakeholders.

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