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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 4640 (Substitute S-1 as reported)

Sponsor: Representative Kirk Profit

House Committee: Commerce

Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would amend the garage keepers' lien Act to apply general provisions of the Act to ground vehicles; revise the procedures garage keepers must follow in order to exercise a lien; cap the amount of the maximum lien for all vehicles; and repeal certain provisions pertaining to automobiles, aircraft, and watercraft liens.

Under the bill, the maximum amount of a lien that a prior lienholder would have to pay a garage keeper would be as follows: If a repaired vehicle's market value were \$3,000 or more, then the amount of the lien would be up to 20% of the market value of the repaired vehicle or \$5,000, whichever was less; or, if a repaired vehicle's market value were \$3,000 or less, then the amount of the lien would be \$600. The amount of payment would be added to the amount of the prior lienholder's lien. Currently, a garage keeper's maximum lien is \$600 for a ground vehicle, \$200 for a watercraft, and between \$5,000 and \$100,000 for an aircraft.

("Garage keeper" would mean a person or the person's heirs, personal representative, successors, and assignees, who for hire or reward, publicly offered to store, maintain, keep, or repair a vehicle or to furnish accessories and supplies for a vehicle or an accessory used in the operation of a vehicle. "Vehicle" would be defined as it is in the Michigan Vehicle Code, i.e., every device in, upon, or by which any person or property is or may be transported or drawn upon a highway. "Market value" would mean the value as determined by the issue of the National Auto Dealer's Association official used car guide in effect at the time the garage keeper performed the first labor or first furnished supplies for which the garage keeper claimed a lien. "Owner" would mean the person in whose name a vehicle was registered or titled.)

MCL 570.301 et al.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

Currently, garages place liens on approximately 800 vehicles. Increasing liens up to \$5,000 or 20% of book value (whichever was less) would increase the number of vehicles that garages place liens upon. As many as 1,000 vehicles could have liens placed upon them. Under the bill, a garage keeper would be allowed to purchase a \$10 certificate from the Department of State, fill out the certificate upon sale, and give it to the purchaser. If all vehicles with liens on them were sold (approximately 1,000), the Department of State could raise as much as \$10,000 under this provision.

Date Completed: 5-21-98

Fiscal Analyst: E. Limbs

[floor/hb4640](http://www.michiganlegislature.org/floor/hb4640)

Analysis available @ <http://www.michiganlegislature.org>

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