

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 543 (as reported without amendment)

Sponsor: Senator Loren Bennett

Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend the Garage Keeper's Lien Act to do the following:

- Allow a garage keeper to keep a vehicle for up to 225 days, instead of 120 days.
- Provide that a lien could include up to \$10 per day for storage, unless otherwise agreed.
- Revise the amount that a prior lienholder must pay a garage keeper.
- Provide that a garage keeper's demand for payment (before the sale of a vehicle) would have to give the owner at least 30 days to satisfy the lien, and that a sale would have to be at least 75 days after the date on the certificate of foreclosure and bill of sale obtained from the Department of State.
- Establish a procedure under which the Department of State's Bureau of Automotive Regulation could object to a sale and offer a contested case proceeding.
- Establish penalties for making a false statement on an application for a lien.

Currently, if a repaired vehicle has a market value over \$3,000, the maximum amount of a lien that a prior lienholder must pay a garage keeper is 20% of the market value of the vehicle or \$5,000, whichever is less. The bill would apply that lien amount if a repaired vehicle had a market value over \$5,000. If a repaired vehicle has a market value of \$3,000 or less, the amount of the lien is \$600. The bill would change that to a lien of not more than \$1,000 if a repaired vehicle had a market value of \$5,000 or less.

Under the bill, it would be a misdemeanor for a person to make a false statement on an application for a garage keeper's lien, documents filed in support of an application, or a certification required under the Act. A first conviction would be punishable by a maximum fine of \$1,000 and/or up to 90 days' imprisonment; any subsequent conviction would be punishable by a maximum fine of \$5,000 and/or up to one year's imprisonment.

MCL 570.302 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The fiscal impact of the bill is indeterminate. The bill would revise the process for the Department's Bureau of Automotive Regulation to object to the sale of a vehicle by a garage keeper. The number of cases in which the Department would object is unknown and the costs of each investigation would vary depending upon the history of the vehicle.

There are no data to indicate how many offenders would be convicted of knowingly making a false statement on an application for a garage keeper's lien. A first-time offender would be subject to probation or incarceration for not more than 90 days in a local facility. An offender with a second conviction or more would be subject to not more than one year of probation or incarceration in a local facility. Local units would incur the cost of probation as well as the cost of incarceration, which varies between \$27 and \$62 per day.

Date Completed: 11-19-01

Fiscal Analyst: J. Runnels
B. Wicksall