



# HOUSE BILL No. 4331

February 7, 1995, Introduced by Reps. Randall, McNutt and Gire and referred to the Committee on Commerce.

A bill to amend sections 1, 2, and 3 of Act No. 312 of the Public Acts of 1915, entitled as amended

"An act to establish, protect and enforce by lien the rights of garage keepers who furnish labor or material for storing, repairing, maintaining, keeping or otherwise supplying automobiles or other vehicles,"

sections 1 and 2 as amended by Act No. 58 of the Public Acts of 1990, being sections 570.301, 570.302, and 570.303 of the Michigan Compiled Laws; to add sections 4, 5, 6, 7, 8, and 9; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Sections 1, 2, and 3 of Act No. 312 of the  
2 Public Acts of 1915, sections 1 and 2 as amended by Act No. 58 of  
3 the Public Acts of 1990, being sections 570.301, 570.302, and  
4 570.303 of the Michigan Compiled Laws, are amended and sections  
5 4, 5, 6, 7, 8, and 9 are added to read as follows:

1       Sec. 1. ~~Every garage keeper who in pursuance of any~~  
2 ~~contract, expressed or implied, written or unwritten, furnishes~~  
3 ~~any labor, material, or supplies shall have a lien upon any vehi-~~  
4 ~~cle stored, maintained, supplied, or repaired by him or her for~~  
5 ~~the proper charges due for the storage, maintenance, keeping, and~~  
6 ~~repair thereof and for gasoline or aviation fuel, electric cur-~~  
7 ~~rent, or other accessories and supplies furnished or expenses~~  
8 ~~bestowed or labor performed thereon at the request or with the~~  
9 ~~consent of the registered owner of the vehicle, whether the owner~~  
10 ~~is a conditional sale vendee or a mortgagor remaining in posses-~~  
11 ~~sion or otherwise. The garage keeper may detain the vehicle at~~  
12 ~~any time it is in his or her possession within 90 days after per-~~  
13 ~~forming the last labor or furnishing the last supplies for which~~  
14 ~~the lien is claimed. The lien, insofar as the lien is for labor~~  
15 ~~and material furnished in making repairs upon a vehicle, shall~~  
16 ~~have priority over all other liens upon the vehicle. Except as~~  
17 ~~provided in section 1a for aircraft, the lien shall become of no~~  
18 ~~effect as against the holder of a security interest, conditional~~  
19 ~~sales agreement, or other lien prior to the accrual of the lien~~  
20 ~~upon the payment by the prior lien holder to the garage keeper of~~  
21 ~~the amount of the lien, but not exceeding \$600.00 in the case of~~  
22 ~~a ground vehicle, and \$200.00 in the case of watercraft, or any~~  
23 ~~accessory used for the operation of watercraft, which payment~~  
24 ~~shall then be added to the amount of the lien of the prior lien~~  
25 ~~holder. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE "GARAGE~~  
26 ~~KEEPER'S LIEN ACT".~~

1       Sec. 2. ~~Except as otherwise provided for aircraft in~~  
2 ~~section 1b, if charges described in section 1 are not paid within~~  
3 ~~45 days after a claim of lien together with an itemized statement~~  
4 ~~of the account is delivered to the registered owner of the vehi-~~  
5 ~~cle by personal service or service by registered or certified~~  
6 ~~mail addressed to the last known address of the registered owner~~  
7 ~~of the vehicle, the garage keeper may sell the vehicle at public~~  
8 ~~auction. The sale shall be held not less than 20 days nor more~~  
9 ~~than 60 days after the expiration of the 45 day period. Not~~  
10 ~~later than 10 days before any sale is held, the garage keeper~~  
11 ~~shall give written notice of the time and place of the sale to~~  
12 ~~the department of state, to any lienholder as shown by the~~  
13 ~~records of the department of state, and to the registered owner~~  
14 ~~of the vehicle. Notice to the department of state and the lien-~~  
15 ~~holders shall be given by first class mail, addressed to the~~  
16 ~~department of state, Lansing, Michigan, and to the address of the~~  
17 ~~lienholders, as shown by the records of the department. Notice~~  
18 ~~to the registered owner of the vehicle shall be given personally~~  
19 ~~or by certified mail, directly to the last known address of the~~  
20 ~~registered owner. The garage keeper may bid for and purchase the~~  
21 ~~vehicle at the sale. If the garage keeper directly or indirectly~~  
22 ~~purchases the vehicle at the sale, the proceeds of the sale shall~~  
23 ~~be considered to be either the amount paid by the garage keeper~~  
24 ~~or the fair cash market value of the vehicle at the time of sale,~~  
25 ~~whichever is the greater. Any surplus received at the sale,~~  
26 ~~after all charges of the garage keeper have been paid and~~  
27 ~~satisfied and all costs of sale have been deducted, shall be~~

1 ~~returned to any lienholder who has given notice to the garage~~  
2 ~~keeper of his or her claim of lien, before distribution of the~~  
3 ~~proceeds of the sale is complete, and the balance shall be~~  
4 ~~returned to the registered owner of the vehicle.~~ AS USED IN THIS  
5 ACT:

6 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF STATE.

7 (B) "GARAGE KEEPER" MEANS A PERSON OR THE PERSON'S HEIRS,  
8 PERSONAL REPRESENTATIVE, SUCCESSORS, AND ASSIGNEES, WHO FOR HIRE  
9 OR REWARD, PUBLICLY OFFER TO STORE, MAINTAIN, KEEP, OR REPAIR A  
10 VEHICLE OR ANY ACCESSORY USED IN THE OPERATION OF A VEHICLE OR TO  
11 FURNISH ACCESSORIES AND SUPPLIES FOR A VEHICLE OR ANY ACCESSORY  
12 USED IN THE OPERATION OF A VEHICLE.

13 (C) "LAST KNOWN ADDRESS" MEANS THE ADDRESS PROVIDED BY THE  
14 OWNER IN THE MOST RECENT CONTRACT FOR STORAGE, LABOR, MATERIAL,  
15 OR SUPPLIES ENTERED INTO BETWEEN THE GARAGE KEEPER AND THE OWNER,  
16 OR IN A SUBSEQUENT WRITTEN NOTICE OF CHANGE OF ADDRESS TO THE  
17 GARAGE KEEPER OR AS SHOWN BY THE RECORDS OF THE DEPARTMENT OR THE  
18 FEDERAL AVIATION ADMINISTRATION.

19 (D) "OWNER" MEANS THE PERSON IN WHOSE NAME A VEHICLE IS REG-  
20 ISTERED OR TITLED.

21 (E) "VEHICLE" MEANS AN AIRPLANE, OFF-ROAD VEHICLE AS DEFINED  
22 BY SECTION 1 OF ACT NO. 319 OF THE PUBLIC ACTS OF 1975, BEING  
23 SECTION 257.1601 OF THE MICHIGAN COMPILED LAWS, SNOWMOBILE AS  
24 DEFINED BY SECTION 1 OF THE MICHIGAN SNOWMOBILE ACT, ACT NO. 74  
25 OF THE PUBLIC ACTS OF 1968, BEING SECTION 257.1501 OF THE  
26 MICHIGAN COMPILED LAWS, VEHICLE AS DEFINED BY SECTION 79 OF THE  
27 MICHIGAN VEHICLE CODE, ACT NO. 300 OF THE PUBLIC ACTS OF 1949,

1 BEING SECTION 257.79 OF THE MICHIGAN COMPILED LAWS, OR WATERCRAFT  
2 AS DEFINED BY SECTION 1 OF ACT NO. 160 OF THE PUBLIC ACTS OF  
3 1976, BEING SECTION 281.1201 OF THE MICHIGAN COMPILED LAWS.

4       Sec. 3. (1) ~~Wherever in the act is used the term "garage~~  
5 ~~keeper", it shall be construed to include all persons who for~~  
6 ~~hire or reward, publicly offer to store, maintain, keep and~~  
7 ~~repair automobiles, aircraft, watercraft or any accessory used in~~  
8 ~~the operation of watercraft and other vehicles and to furnish~~  
9 ~~accessories and supplies for automobiles, aircraft, watercraft or~~  
10 ~~any accessory used in the operation of watercraft or other vehi-~~  
11 ~~cles for the transportation of persons or merchandise upon and~~  
12 ~~over the public streets and highways or through the air. In~~  
13 ~~municipalities wherein are in force any laws or ordinances rela-~~  
14 ~~tive to the regulation and licensing of garages, no person shall~~  
15 ~~be entitled to avail himself of the provisions of the act, unless~~  
16 ~~he shall, during the period of the whole time covered by his~~  
17 ~~claim for lien, have been duly licensed and shall have fully com-~~  
18 ~~plied with all laws and ordinances relative to the licensing of~~  
19 ~~garages.~~ A GARAGE KEEPER WHO IN PURSUANCE OF A CONTRACT,  
20 EXPRESSED OR IMPLIED, WRITTEN OR UNWRITTEN, FURNISHES LABOR,  
21 MATERIAL, OR SUPPLIES SHALL HAVE A LIEN UPON THE VEHICLE STORED,  
22 MAINTAINED, SUPPLIED, OR REPAIRED BY HIM OR HER FOR THE CHARGES  
23 DUE FOR THE STORAGE, MAINTENANCE, KEEPING, AND REPAIR OF THE  
24 VEHICLE AND FOR GASOLINE OR AVIATION FUEL, ELECTRIC CURRENT, OR  
25 OTHER ACCESSORIES AND SUPPLIES FURNISHED, EXPENSES BESTOWED, OR  
26 LABOR PERFORMED ON THE VEHICLE AT THE REQUEST OR WITH THE CONSENT  
27 OF THE OWNER OF THE VEHICLE.

1       (2) THE GARAGE KEEPER MAY DETAIN THE VEHICLE WITHIN 90 DAYS  
2 AFTER PERFORMING THE LAST LABOR OR FURNISHING THE LAST SUPPLIES  
3 FOR WHICH THE LIEN IS CLAIMED.

4       (3) THE LIEN, INSOFAR AS THE LIEN IS FOR LABOR AND MATERIAL  
5 FURNISHED IN MAKING REPAIRS UPON A VEHICLE, SHALL HAVE PRIORITY  
6 OVER ALL OTHER LIENS UPON THE VEHICLE. EXCEPT AS PROVIDED IN  
7 SECTION 4 FOR AIRCRAFT, THE LIEN SHALL HAVE NO EFFECT AGAINST THE  
8 HOLDER OF A SECURITY INTEREST, CONDITIONAL SALES AGREEMENT, OR  
9 OTHER LIEN PRIOR TO THE ACCRUAL OF THE GARAGE KEEPER'S LIEN UPON  
10 THE PAYMENT BY THE PRIOR LIEN HOLDER TO THE GARAGE KEEPER OF THE  
11 AMOUNT OF THE LIEN, BUT NOT EXCEEDING \$1,000.00 IN THE CASE OF A  
12 GROUND VEHICLE, WATERCRAFT, OR ANY ACCESSORY USED FOR THE OPERA-  
13 TION OF WATERCRAFT, WHICH PAYMENT SHALL THEN BE ADDED TO THE  
14 AMOUNT OF THE LIEN OF THE PRIOR LIENHOLDER.

15       (4) A GARAGE KEEPER MAY CHARGE THE OWNER A REASONABLE AMOUNT  
16 FOR THE STORAGE OF A VEHICLE, FOR THE STORAGE OF ANY ACCESSORY  
17 USED IN THE OPERATION OF A VEHICLE, OR FOR THE STORAGE OF ACCES-  
18 SORIES AND SUPPLIES FURNISHED FOR A VEHICLE OR ANY ACCESSORY USED  
19 IN THE OPERATION OF A VEHICLE. UNLESS OTHERWISE AGREED TO IN  
20 WRITING, THE CHARGE SHALL BE FOR NOT MORE THAN 120 DAYS' STORAGE.  
21 THESE CHARGES MAY BE IN ADDITION TO THE MAXIMUM ALLOWANCE UNDER  
22 SUBSECTION (3).

23       SEC. 4. (1) IF THE VEHICLE SUBJECT TO A LIEN UNDER SECTION  
24 3 IS AN AIRCRAFT, THE GARAGE KEEPER'S LIEN SHALL TAKE PRIORITY  
25 OVER ANY PRIOR LIEN UNLESS THE PRIOR LIENHOLDER PAYS TO THE  
26 GARAGE KEEPER THE AMOUNT OF THE LIEN ATTRIBUTABLE TO LABOR AND

1 MATERIALS, OR THE FOLLOWING APPLICABLE AMOUNT, WHICHEVER IS  
2 LESS:

3 (A) \$5,000.00 IN THE CASE OF AN AIRCRAFT THAT HAS A SINGLE  
4 ENGINE OF LESS THAN 150 HORSEPOWER.

5 (B) \$10,000.00 IN THE CASE OF AN AIRCRAFT THAT HAS A SINGLE  
6 ENGINE OF 150 OR MORE HORSEPOWER.

7 (C) \$20,000.00 IN THE CASE OF A MULTIENGINE, NONTURBOCHARGED  
8 AIRCRAFT, OR AN AIRCRAFT THAT IS RATED AT LESS THAN 6,000 POUNDS  
9 MAXIMUM CERTIFICATED GROSS TAKE-OFF WEIGHT.

10 (D) \$40,000.00 IN THE CASE OF A MULTIENGINE TURBOCHARGED  
11 AIRCRAFT, OR AN AIRCRAFT THAT IS RATED AT 6,000 POUNDS OR MORE  
12 MAXIMUM CERTIFICATED GROSS TAKE-OFF WEIGHT.

13 (E) \$100,000.00 IN THE CASE OF A TURBOPROP OR TURBOJET  
14 AIRCRAFT.

15 (2) THE AMOUNTS SPECIFIED IN SUBSECTION (1) SHALL BE REDUCED  
16 BY 1/2 IF THE EXPENDITURE ON LABOR AND MATERIALS WAS ATTRIBUTABLE  
17 ONLY TO THE REPAIR OR REPLACEMENT OF AVIONICS EQUIPMENT.

18 (3) THE AMOUNTS SPECIFIED IN SUBSECTION (1) SHALL BE REDUCED  
19 BY 3/4 IF THE EXPENDITURE ON LABOR AND MATERIALS WAS ATTRIBUTABLE  
20 ONLY TO COSMETIC WORK, PAINTING, REPAIR OR REPLACEMENT OF ALL OR  
21 PART OF THE CABIN INTERIOR, OR A COMBINATION OF THESE.

22 (4) A PAYMENT MADE TO A GARAGE KEEPER UNDER SUBSECTION (1)  
23 SHALL BE ADDED TO THE AMOUNT OF THE LIEN OF THE PRIOR LIEN HOLDER  
24 WHO MADE THE PAYMENT, AND SHALL BE SUBTRACTED FROM THE AMOUNT OF  
25 THE GARAGE KEEPER'S LIEN.

1       (5) THE GARAGE KEEPER'S LIEN ESTABLISHED BY THIS ACT IS THE  
2 SOLE LIEN AVAILABLE TO A GARAGE KEEPER AS TO AN AIRCRAFT. THE  
3 COMMON LAW GARAGE KEEPER'S LIEN AS TO AN AIRCRAFT IS ABOLISHED.

4       SEC. 5. (1) IF THE CHARGES DESCRIBED IN SECTION 3 FOR AN  
5 AIRCRAFT ARE NOT PAID WHEN DUE, THE GARAGE KEEPER MAY, WITHIN 60  
6 DAYS AFTER THE LAST WORK OR SERVICE IS PERFORMED, FILE WITH THE  
7 FAA AIRCRAFT REGISTRY A CLAIM OF LIEN, DULY ACKNOWLEDGED, STATING  
8 THE NAME AND ADDRESS OF THE LIEN CLAIMANT, THE AMOUNT DUE, AND  
9 DESCRIBING THE AIRCRAFT BY MAKE, MODEL, SERIAL NUMBER, AND REGIS-  
10 TRATION NUMBER. IF CHARGES DESCRIBED IN SECTION 3 FOR AN AIR-  
11 CRAFT ARE NOT PAID WITHIN 60 DAYS AFTER A CLAIM OF LIEN TOGETHER  
12 WITH AN ITEMIZED STATEMENT OF THE ACCOUNT IS DELIVERED TO THE  
13 OWNER OF THE AIRCRAFT BY PERSONAL SERVICE OR BY CERTIFIED MAIL  
14 ADDRESSED TO THE LAST KNOWN ADDRESS OF THE OWNER OF THE AIRCRAFT,  
15 AND A RECORD OF THE LIEN DESCRIBED ABOVE HAS BEEN FILED WITH THE  
16 FEDERAL AVIATION ADMINISTRATION AIRCRAFT REGISTRY, THE GARAGE  
17 KEEPER MAY SELL THE AIRCRAFT AT PUBLIC AUCTION. THE SALE SHALL  
18 BE HELD NOT LESS THAN 20 DAYS OR MORE THAN 60 DAYS AFTER THE  
19 EXPIRATION OF THE 60-DAY PERIOD.

20       (2) NOT LATER THAN 20 DAYS BEFORE A SALE IS HELD, THE GARAGE  
21 KEEPER SHALL GIVE WRITTEN NOTICE OF THE TIME AND PLACE OF THE  
22 SALE TO THE FEDERAL AVIATION ADMINISTRATION AIRCRAFT REGISTRY, TO  
23 ANY LIENHOLDER AS SHOWN BY THE RECORDS OF THE FEDERAL AVIATION  
24 ADMINISTRATION AIRCRAFT REGISTRY, AND TO THE OWNER OF THE  
25 AIRCRAFT. NOTICE TO THE FEDERAL AVIATION ADMINISTRATION AIRCRAFT  
26 REGISTRY AND THE LIENHOLDERS SHALL BE GIVEN BY CERTIFIED MAIL,  
27 ADDRESSED TO THE FEDERAL AVIATION ADMINISTRATION AIRCRAFT



1 REGISTRY, AND TO THE ADDRESS OF THE LIENHOLDERS. NOTICE TO THE  
2 OWNER OF THE AIRCRAFT SHALL BE GIVEN PERSONALLY OR BY CERTIFIED  
3 MAIL, DIRECTLY TO THE LAST KNOWN ADDRESS OF THE OWNER. NOTICE OF  
4 THE TIME AND PLACE OF THE SALE ALSO SHALL BE POSTED IN A CONSPIC-  
5 UOUS PLACE AT THE PLACE OF THE SALE AND AT EVERY AIRPORT WITHIN A  
6 25-MILE RADIUS OF THE PLACE OF THE SALE.

7 (3) THE GARAGE KEEPER MAY BID FOR AND PURCHASE THE AIRCRAFT  
8 AT THE SALE. IF THE GARAGE KEEPER DIRECTLY OR INDIRECTLY PUR-  
9 CHASES THE AIRCRAFT AT THE SALE, THE PROCEEDS OF THE SALE SHALL  
10 BE CONSIDERED TO BE EITHER THE AMOUNT PAID BY THE GARAGE KEEPER  
11 OR THE FAIR CASH MARKET VALUE OF THE AIRCRAFT AS DETERMINED BY A  
12 NEUTRAL AIRCRAFT APPRAISER IMMEDIATELY BEFORE THE TIME OF SALE,  
13 WHICHEVER IS GREATER.

14 (4) ANY SURPLUS RECEIVED AT THE SALE, AFTER ALL CHARGES OF  
15 THE GARAGE KEEPER HAVE BEEN PAID AND SATISFIED AND ALL COSTS OF  
16 SALE HAVE BEEN DEDUCTED, SHALL BE RETURNED TO ANY LIENHOLDER WHO  
17 HAS A PROPERLY RECORDED SECURITY INTEREST IN THE AIRCRAFT OR PART  
18 OF THE AIRCRAFT BEFORE DISTRIBUTION OF THE PROCEEDS OF THE SALE  
19 IS COMPLETE, AND THE BALANCE OF THE SURPLUS SHALL BE RETURNED TO  
20 THE OWNER OF THE AIRCRAFT.

21 SEC. 6. (1) EXCEPT AS OTHERWISE PROVIDED FOR AIRCRAFT IN  
22 SECTION 5, A LIEN UNDER SECTION 3 SHALL BE ENFORCED ONLY AS PRO-  
23 VIDED IN THIS SECTION.

24 (2) IF CHARGES DESCRIBED IN SECTION 3 ARE NOT PAID, THE  
25 GARAGE KEEPER MAY SELL THE VEHICLE AT A PUBLIC SALE, IF THE SALE  
26 CONFORMS TO THIS SECTION.

1 (3) THE OWNER SHALL BE NOTIFIED OF THE PROPOSED SALE OF THE  
2 VEHICLE IN ORDER TO SATISFY THE LIEN OF THE GARAGE KEEPER BY A  
3 NOTICE SENT BY CERTIFIED MAIL TO THE LAST KNOWN ADDRESS OF THE  
4 OWNER. THE NOTICE SHALL INCLUDE BOTH OF THE FOLLOWING:

5 (A) AN ITEMIZED STATEMENT OF THE GARAGE KEEPER'S LIEN SHOW-  
6 ING THE AMOUNT DUE AT THE TIME OF THE NOTICE AND THE DATE ON  
7 WHICH THE AMOUNT BECAME DUE.

8 (B) A DEMAND FOR PAYMENT WITHIN A PERIOD OF 45 DAYS AFTER  
9 DELIVERY OF THE NOTICE.

10 (4) ON THE SAME DAY THAT THE SUBSECTION (3) NOTICE IS SENT  
11 TO THE OWNER, THE GARAGE KEEPER SHALL SEND AN EXACT DUPLICATE OF  
12 THAT NOTICE BY FIRST-CLASS MAIL, ADDRESSED TO THE DEPARTMENT OF  
13 STATE, BUREAU OF AUTOMOTIVE REGULATION, LANSING, MICHIGAN.

14 (5) THE SALE SHALL BE HELD NOT LESS THAN 20 DAYS AND NOT  
15 MORE THAN 60 DAYS AFTER THE EXPIRATION OF THE 45-DAY PERIOD.

16 (6) A SALE OF THE VEHICLE SHALL BE HELD AT THE FACILITY OF  
17 THE GARAGE KEEPER OR AT THE NEAREST SUITABLE PLACE.

18 (7) BEFORE A SALE OF A VEHICLE PURSUANT TO THIS SECTION, THE  
19 OWNER MAY PAY THE AMOUNT NECESSARY TO SATISFY THE LIEN, INCLUDING  
20 THE REASONABLE EXPENSES OR FEES INCURRED BY THE GARAGE KEEPER  
21 UNDER THIS ACT, AND REDEEM THE VEHICLE. UPON RECEIPT OF THIS  
22 PAYMENT, THE GARAGE KEEPER SHALL RETURN THE VEHICLE TO THE OWNER  
23 IN THE SAME CONDITION, OR SUBSTANTIALLY THE SAME CONDITION, AS IT  
24 WAS IN WHEN STORED BY THE GARAGE KEEPER.

25 (8) NOT LESS THAN 20 BUSINESS DAYS BEFORE A SALE IS HELD,  
26 THE GARAGE KEEPER SHALL GIVE WRITTEN NOTICE OF THE MANNER, TIME,  
27 AND PLACE OF THE SALE TO THE LIENHOLDER AS SHOWN BY THE RECORDS

1 OF THE DEPARTMENT, AND TO THE OWNER OF THE VEHICLE. NOTICE TO  
2 THE LIENHOLDERS SHALL BE GIVEN BY CERTIFIED MAIL, ADDRESSED TO  
3 THE LIENHOLDERS, AS SHOWN BY THE RECORDS OF THE DEPARTMENT.  
4 NOTICE TO THE OWNER OF THE VEHICLE SHALL BE GIVEN BY CERTIFIED  
5 MAIL, DIRECTLY TO THE LAST KNOWN ADDRESS OF THE OWNER.

6 (9) AFTER THE EXPIRATION OF THE 45-DAY PERIOD, THE GARAGE  
7 KEEPER MAY MAKE APPLICATION TO THE DEPARTMENT FOR A CERTIFICATE,  
8 IN A FORM AS PRESCRIBED BY THE SECRETARY OF STATE, FOR A FEE OF  
9 \$10.00. UPON THE SALE OF A VEHICLE UNDER THIS ACT, THE GARAGE  
10 KEEPER SHALL COMPLETE THE CERTIFICATE AS INDICATED ON ITS FACE  
11 AND GIVE THE COMPLETED CERTIFICATE TO THE PURCHASER OF THE  
12 VEHICLE. IN ADDITION TO OTHER INFORMATION AS MAY BE REQUIRED BY  
13 THE SECRETARY OF STATE, THE PURCHASER SHALL SUBMIT THIS CERTIFI-  
14 CATE TO THE DEPARTMENT WHEN MAKING AN ORIGINAL APPLICATION FOR A  
15 CERTIFICATE OF TITLE OR A VEHICLE REGISTRATION FOR THE VEHICLE IN  
16 THE NAME OF THE PURCHASER.

17 (10) BEFORE A SALE OF A VEHICLE PURSUANT TO THIS SECTION, A  
18 LIEN HOLDER OF A VEHICLE TO BE SOLD MAY PAY THE GARAGE KEEPER THE  
19 AMOUNT OF THE GARAGE KEEPER'S LIEN, INCLUDING THE REASONABLE  
20 EXPENSES OR FEES INCURRED BY THE GARAGE KEEPER UNDER THIS ACT.  
21 THE AMOUNT PAYABLE TO THE GARAGE KEEPER SHALL NOT EXCEED THE FAIR  
22 CASH MARKET VALUE OF THE VEHICLE. A PAYMENT MADE TO THE GARAGE  
23 KEEPER SHALL BE ADDED TO THE AMOUNT OF THE LIEN OF THE LIEN  
24 HOLDER WHO MADE THE PAYMENT, AND SHALL BE SUBTRACTED FROM THE  
25 AMOUNT OF THE GARAGE KEEPER'S LIEN.

26 (11) A PURCHASER IN GOOD FAITH OF A VEHICLE SOLD UNDER THIS  
27 SECTION TAKES THE VEHICLE FREE OF ANY RIGHTS OF PERSONS AGAINST

1 WHOM THE LIEN WAS VALID, DESPITE NONCOMPLIANCE BY THE GARAGE  
2 KEEPER WITH THE REQUIREMENTS OF THIS SECTION.

3 (12) THE GARAGE KEEPER MAY BID FOR AND PURCHASE THE VEHICLE  
4 AT THE SALE. IF THE GARAGE KEEPER DIRECTLY OR INDIRECTLY PUR-  
5 CHASES THE VEHICLE AT THE SALE, THE PROCEEDS OF THE SALE SHALL BE  
6 CONSIDERED TO BE EITHER THE AMOUNT PAID BY THE GARAGE KEEPER OR  
7 THE FAIR CASH MARKET VALUE OF THE VEHICLE AT THE TIME OF SALE,  
8 WHICHEVER IS GREATER.

9 (13) ANY SURPLUS RECEIVED AT THE SALE, AFTER ALL CHARGES OF  
10 THE GARAGE KEEPER HAVE BEEN PAID AND SATISFIED AND ALL COSTS OF  
11 SALE HAVE BEEN DEDUCTED, SHALL BE RETURNED TO ANY LIENHOLDER WHO  
12 HAS GIVEN NOTICE TO THE GARAGE KEEPER OF HIS OR HER CLAIM OF  
13 LIEN, BEFORE DISTRIBUTION OF THE PROCEEDS OF THE SALE IS COM-  
14 PLETE, AND THE BALANCE OF THE SURPLUS SHALL BE RETURNED TO THE  
15 OWNER OF THE VEHICLE.

16 (14) PROCEEDS OF THE SALE REMAINING AFTER THE DISTRIBUTION  
17 IS MADE UNDER SUBSECTION (13) SHALL BE RETURNED TO THE OWNER OF  
18 THE VEHICLE BY MAILING THE PROCEEDS TO THE OWNER'S LAST KNOWN  
19 ADDRESS BY CERTIFIED MAIL. IF THE GARAGE KEEPER CANNOT LOCATE  
20 THE OWNER WITHIN 14 DAYS AFTER THE DATE OF THE SALE, THE REMAIN-  
21 ING PROCEEDS SHALL BE TRANSMITTED TO THE DEPARTMENT. IF THE  
22 OWNER DOES NOT CLAIM THE REMAINING PROCEEDS WITHIN 2 YEARS AFTER  
23 THE DATE OF THE SALE, THE REMAINING PROCEEDS SHALL ESCHEAT TO THE  
24 STATE.

25 SEC. 7. (1) AN OWNER OR LIENHOLDER WHO SUFFERS DAMAGES  
26 BECAUSE OF A GARAGE KEEPER'S FAILURE TO COMPLY WITH THIS ACT MAY

1 BRING AN ACTION IN A COURT OF APPROPRIATE JURISDICTION FOR THE  
2 ACTUAL AMOUNT OF THE DAMAGES OR \$250.00, WHICHEVER IS GREATER.

3 (2) THE COURT MAY AWARD REASONABLE ATTORNEY FEES TO THE PRE-  
4 VAILING PARTY IN AN ACTION BROUGHT UNDER SUBSECTION (1).

5 SEC. 8. THIS ACT SHALL NOT APPLY TO A VEHICLE FOR WHICH THE  
6 GARAGE KEEPER ISSUES A WAREHOUSE RECEIPT, BILL OF LADING, OR  
7 OTHER DOCUMENT OF TITLE.

8 SEC. 9. (1) IN MUNICIPALITIES WHERE THERE ARE IN FORCE ANY  
9 LAWS OR ORDINANCES RELATIVE TO THE REGULATION AND LICENSING OF  
10 GARAGES, A GARAGE KEEPER SHALL NOT BE ENTITLED TO AVAIL HIMSELF  
11 OR HERSELF OF THE PROVISIONS OF THIS ACT, UNLESS, DURING THE  
12 PERIOD OF THE WHOLE TIME COVERED BY HIS OR HER CLAIM FOR LIEN, HE  
13 OR SHE WAS DULY LICENSED AND HAD FULLY COMPLIED WITH ALL LAWS AND  
14 ORDINANCES RELATIVE TO THE LICENSING OF GARAGES.

15 (2) A GARAGE KEEPER WHO IS REGULATED BY THE MOTOR VEHICLE  
16 SERVICE AND REPAIR ACT, ACT NO. 300 OF THE PUBLIC ACTS OF 1974,  
17 BEING SECTIONS 257.1301 TO 257.1340 OF THE MICHIGAN COMPILED  
18 LAWS, IS NOT ENTITLED TO AVAIL HIMSELF OR HERSELF OF THE PROVI-  
19 SIONS OF THIS ACT UNLESS HE OR SHE HAS BEEN IN COMPLIANCE WITH  
20 THE MOTOR VEHICLE SERVICE AND REPAIR ACT, ACT NO. 300 OF THE  
21 PUBLIC ACTS OF 1974, DURING THE ENTIRE PERIOD COVERED BY HIS OR  
22 HER CLAIM FOR A LIEN.

23 Section 2. Sections 1a, 1b, and 2a of Act No. 312 of the  
24 Public Acts of 1915, being sections 570.301a, 570.301b, and  
25 570.302a of the Michigan Compiled Laws, are repealed.

26 Section 3. This amendatory act shall take effect October 1,  
27 1995.