



# Senate

General Assembly

January Session, 2003

**File No. 121**

Senate Bill No. 924

*Senate, April 1, 2003*

The Committee on Banks reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT CONCERNING NOTICE REQUIREMENTS RELATIVE TO THE SALE OF MOTOR VEHICLES TO SATISFY MECHANIC'S LIENS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 49-61 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (b) If the property is a motor vehicle and if no application that the  
5 lien be dissolved upon such substitution of a bond is made within  
6 thirty days of the date of the completion of the work upon the property  
7 by the bailor for hire, the bailee shall send a written notice to the  
8 Commissioner of Motor Vehicles, stating the engine number and  
9 chassis number thereof, the date the motor vehicle was left with [him]  
10 such bailee, the date the work was completed, the amount for which a  
11 lien is claimed, the registration thereof if any number plates are on the  
12 motor vehicle and the name of the owner or person who authorized  
13 the work to be done, and shall enclose a fee of five dollars. Such notice



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Type</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>
Motor Vehicle Dept.	TF - Cost	73,044	74,870
Comptroller Misc. Accounts (Fringe Benefits)	TF - Cost	13,740	30,105

Note: TF=Transportation Fund

**Municipal Impact:** None

**Explanation**

This bill requires the Department of Motor Vehicles (DMV) to: 1) provide any motor vehicle mechanic (the bailee) who requests information concerning the sale of vehicles to satisfy a mechanic’s lien, the name and address of any lienholder recorded on the vehicle’s title certificate within ten days of receipt of such request, and it 2) requires the bailee to send a written notice to each lienholder by registered or certified mail within ten days after receipt of the information from the DMV.

Currently, the DMV groups these cases under the “abandoned vehicle” category and has no way of identifying separately the types of cases referred to in this legislation. The DMV receives approximately 18,200 “abandoned vehicles” cases annually. Nearly, 1,300 relate to the sale of vehicles to satisfy mechanics’ liens. As the result of the passage of this legislation, the DMV has stated that it would process all “abandoned vehicles” cases, not just cases relating to the sale of vehicles to satisfy mechanics’ liens, within ten days of the receipt of such request. Currently, it takes one person assigned to this duty four weeks to answer these requests. In order to complete this duty within ten days, the DMV has specified that it would need two additional Motor Vehicles Examiners at an annual salary of \$36,522 per examiner.

The table below identifies the annual costs of this legislation for the next biennium.

	FY 04	FY 05
Personal Services (2 MV Examiners)	73,044	74,870
Fringe Benefits	13,740	30,105
Total	86,784	104,975

The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 40.21%, effective July 1, 2002. However, first year fringe benefit costs for new positions do not include pension costs; thus, lowering the rate to 18.81% in FY 04. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

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**OLR Bill Analysis**

SB 924

***AN ACT CONCERNING NOTICE REQUIREMENTS RELATIVE TO THE SALE OF MOTOR VEHICLES TO SATISFY MECHANIC'S LIENS*****SUMMARY:**

By law, certain entities such as motor vehicle mechanics ("bailees for hire") have a legal right to sell a motor vehicle left in their custody for repairs if the owner has not reclaimed it and satisfied the mechanics' lien upon it within 30 days. The vehicle's sale at public auction by the bailee allows him to recover what he is owed for repairs, storage, and costs associated with the vehicle's sale. The bailee must follow certain statutorily specified procedures for notifying the Department of Motor Vehicles (DMV) and advertising the sale for it to be valid.

The bill (1) sets a 10-day time limit within which DMV must provide the bailee with the name and address of any lienholder recorded on the vehicle's title certificate and (2) requires the bailee to send written notice to each such lienholder by postage paid registered or certified letter within 10 days of receiving the DMV information.

Currently, DMV must provide the lienholder information to the bailee when it receives written notice of the bailee's intent to sell, but there is no time limit for providing this information, which consists of the vehicle's engine and chassis number, registration, the date it was left with the bailee, the date work was completed, the amount for which the lien is claimed, and the name of the owner or person who authorized the work to be done.

Currently, the bailee must advertise the impending sale in a newspaper published or circulated in the town where his business place is located, but there is no requirement for direct notice to lienholders. Under the bill, the bailee would have to provide both written notice to all lienholders and advertise the sale locally. By law, unchanged by the bill, the bailee may not sell the motor vehicle for at least 90 days after the work was completed.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Change of Reference

Yea 27 Nay 0

Banks Committee

Joint Favorable Report

Yea 19 Nay 0