



# House of Representatives

General Assembly

**File No. 58**

February Session, 2004

Substitute House Bill No. 5246

*House of Representatives, March 15, 2004*

The Committee on Banks reported through REP. DOYLE of the 28th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE NOTIFICATION OF LIENHOLDERS OF MOTOR VEHICLES.**

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

1 Section 1. Subsections (e) to (g), inclusive, of section 14-150 of the  
2 general statutes, as amended by section 4 of public act 03-264, are  
3 repealed and the following is substituted in lieu thereof (*Effective from*  
4 *passage*):

5 (e) Within forty-eight hours of the time that a motor vehicle is taken  
6 into custody and stored pursuant to subsection (b) or (c) of this section,  
7 the affixing department or parking authority shall give written notice  
8 by certified mail to the owner and any lienholders of such motor  
9 vehicle, if [known] the same appears on the records of the Department  
10 of Motor Vehicles, which notice shall state (1) that the motor vehicle  
11 has been taken into custody and stored, (2) the location of storage of  
12 the motor vehicle, (3) that, unless title has already vested in the  
13 municipality pursuant to subsection (d), such motor vehicle may be

14 sold after fifteen days if the market value of such motor vehicle does  
15 not exceed one thousand five hundred dollars or after forty-five days if  
16 the value of such motor vehicle exceeds one thousand five hundred  
17 dollars, and (4) that the owner has a right to contest the validity of  
18 such taking by application, on a form prescribed by the Commissioner  
19 of Motor Vehicles, to the hearing officer named in such notice within  
20 ten days from the date of such notice. Such application forms shall be  
21 made readily available to the public at all offices of the Department of  
22 Motor Vehicles, parking authorities authorized under an ordinance  
23 adopted pursuant to section 7-204a to enforce parking regulations and  
24 state and local police departments.

25 (f) (1) The chief executive officer of each town shall appoint a  
26 suitable person, who shall not be a member of any state or local police  
27 department, to be a hearing officer to hear applications to determine  
28 whether or not the towing within such municipality of such motor  
29 vehicle was authorized under the provisions of this section. Two or  
30 more towns may join in appointing such hearing officer; provided any  
31 such hearing shall be held at a location which is as near to the town  
32 within which such motor vehicle was towed as is reasonable and  
33 practicable. The commissioner shall establish by regulation the  
34 qualifications necessary for hearing officers and procedures for the  
35 holding of such hearings. If it is determined at such hearing that the  
36 vehicle was not a menace to traffic, abandoned or unregistered, as the  
37 case may be, the owner of such motor vehicle shall not be liable for any  
38 expenses incurred as a result of the taking and storage of such motor  
39 vehicle, the lien provisions of this section shall not apply to such  
40 owner, and the department which took and stored such motor vehicle  
41 shall be liable for such expenses. If the owner, prior to such  
42 determination, pays such expenses and the storage charges of such  
43 motor vehicle, and it is determined at such hearing that the motor  
44 vehicle was not a menace to traffic, abandoned or unregistered, as the  
45 case may be, the department or parking authority which took such  
46 motor vehicle shall be liable to such owner for the amount paid by  
47 such owner. Any person aggrieved by the decision of such hearing  
48 officer may, within fifteen days of the notice of such decision, appeal to

49 the superior court for the judicial district wherein such hearing was  
50 held.

51 (2) The chief executive officer of each municipality shall designate a  
52 suitable person who shall be responsible for the collection of data  
53 concerning abandoned motor vehicles within such municipality and  
54 the preparation and submission of periodic reports to the  
55 Commissioner of Motor Vehicles which shall contain such information  
56 as the commissioner may require.

57 (g) The owner or keeper of any garage or other place where such  
58 motor vehicle is stored shall have a lien upon the same for such  
59 owner's or keeper's storage charges. Unless title has already vested in  
60 the municipality pursuant to subsection (d) of this section, if the  
61 current market value of such motor vehicle as determined in good  
62 faith by such owner or keeper does not exceed one thousand five  
63 hundred dollars and such motor vehicle has been stored for a period of  
64 not less than fifteen days, such owner or keeper may, unless an  
65 application filed by the owner pursuant to subsection [(d)] (e) of this  
66 section is pending and the owner of such motor vehicle has notified  
67 such owner or keeper that such application for hearing has been filed,  
68 sell the same for storage and towing charges owed thereon, provided a  
69 notice of intent to sell shall be sent to the commissioner, [and] the  
70 owner and any lienholder of record of such motor vehicle, if known,  
71 five days before the sale of such vehicle. If the current market value of  
72 such motor vehicle as determined in good faith by such owner or  
73 keeper exceeds one thousand five hundred dollars and if such motor  
74 vehicle has been so stored for a period of forty-five days, such owner  
75 or keeper shall, unless an application filed by the owner pursuant to  
76 subsection [(d)] (e) of this section is pending and the owner of such  
77 motor vehicle has notified such owner or keeper that such application  
78 for hearing has been filed, sell the same at public auction for cash, at  
79 such owner's or keeper's place of business, and apply the avails of such  
80 sale toward the payment of such owner's or keeper's charges and the  
81 payment of any debt or obligation incurred by the officer who placed  
82 the same in storage, provided if the last place of abode of the owner of

83 such motor vehicle is known to or may be ascertained by such garage  
84 owner or keeper by the exercise of reasonable diligence, notice of the  
85 time and place of sale shall be given to such owner and any lienholder  
86 of record by mailing such notice to such owner in a registered or  
87 certified letter, postage paid, at such last usual place of abode, at least  
88 five days before the time of sale. At any public auction held pursuant  
89 to this subsection, such garage owner or keeper may set a minimum  
90 bid equal to the amount of such owner's or keeper's charges and  
91 obligations with respect to the tow and storage of the motor vehicle. If  
92 no such bid is made, such owner or keeper may sell or dispose of such  
93 vehicle.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**BA**      *Joint Favorable Subst.*

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:** None

**Municipal Impact:** None

**Explanation**

The bill incorporates existing Department of Motor Vehicle regulations into statute regarding the notification of lien holders when a motor vehicle is towed. The bill has no fiscal impact since it adopts practice into statute.

**OLR Bill Analysis**

sHB 5246

***AN ACT CONCERNING THE NOTIFICATION OF LIENHOLDERS OF MOTOR VEHICLES***

**SUMMARY:**

This bill extends to lienholders the requirement that owners or keepers of garages or storage facilities where towed vehicles are housed notify owners five days before selling their vehicles. The law specifies criteria under which they can sell the vehicles.

The bill requires lienholders to receive the same notice that must be given to motor vehicle owners whose vehicles were taken into custody because they were a menace to traffic or abandoned and unregistered. Current Department of Motor Vehicles regulations already require notice to vehicle lienholders upon any nonconsensual tow.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Banks Committee

Joint Favorable Substitute

Yea 17    Nay 0