

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1884**

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**Introduced by Assembly Member Lowenthal**

February 19, 2014

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An act to amend Sections 3068.1, 3071, 3072, 3073, and 3074 of the Civil Code, and to amend Sections 22851.1 and 22851.12 of the Vehicle Code, relating to liens.

LEGISLATIVE COUNSEL'S DIGEST

AB 1884, as amended, Lowenthal. Vehicle liens.

Existing law provides one lien sale procedure for vehicles that have been determined to have a value that does not exceed \$4,000 and a different lien sale procedure for vehicles that have been determined to have a value exceeding \$4,000. Existing law requires a lienholder to apply to the Department of Motor Vehicles for the issuance of an authorization to conduct a lien sale, upon an application that is to be executed under penalty of perjury.

This bill would require a lienholder to obtain a federal National Motor Vehicle Title Information System (NMVTIS) vehicle history report from a NMVTIS data provider prior to applying to the department for the authorization to conduct a lien sale. This bill would require a NMVTIS vehicle history report to be included in the application and would also revise the applicability of each lien sale procedure based on information from the NMVTIS vehicle history report. This bill would include the amount of the fee charged for a NMVTIS vehicle history report in the cost of processing the vehicle that is paid to the lienholder from the proceeds of a vehicle lien sale. This bill would provide that these NMVTIS vehicle history report requirements would be inoperative

if NMVTIS data providers cease to make a report available to the public, as specified.

By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 3068.1 of the Civil Code is amended to  
 2 read:  
 3 3068.1. (a) (1) Every person has a lien dependent upon  
 4 possession for the compensation to which the person is legally  
 5 entitled for towing, storage, or labor associated with recovery or  
 6 load salvage of any vehicle subject to registration that has been  
 7 authorized to be removed by a public agency, a private property  
 8 owner pursuant to Section 22658 of the Vehicle Code, or a lessee,  
 9 operator, or registered owner of the vehicle. The lien is deemed  
 10 to arise on the date of possession of the vehicle. Possession is  
 11 deemed to arise when the vehicle is removed and is in transit, or  
 12 when vehicle recovery operations or load salvage operations have  
 13 begun. A person seeking to enforce a lien for the storage and  
 14 safekeeping of a vehicle shall impose no charge exceeding that  
 15 for one day of storage if, 24 hours or less after the vehicle is placed  
 16 in storage, the vehicle is released. If the release is made more than  
 17 24 hours after the vehicle is placed in storage, charges may be  
 18 imposed on a full-calendar-day basis for each day, or part thereof,  
 19 that the vehicle is in storage. If a request to release the vehicle is  
 20 made and the appropriate fees are tendered and documentation  
 21 establishing that the person requesting release is entitled to  
 22 possession of the vehicle, or is the owner's insurance  
 23 representative, is presented within the initial 24 hours of storage,  
 24 and the storage facility fails to comply with the request to release  
 25 the vehicle or is not open for business during normal business  
 26 hours, then only one day's charge may be required to be paid until

1 after the first business day. A “business day” is any day in which  
2 the lienholder is open for business to the public for at least eight  
3 hours. If the request is made more than 24 hours after the vehicle  
4 is placed in storage, charges may be imposed on a full-calendar-day  
5 basis for each day, or part thereof, that the vehicle is in storage.

6 (2) “Documentation” that would entitle a person to possession  
7 of the vehicle includes, but is not limited to, a certificate of  
8 ownership, vehicle registration, information in the possession of  
9 the lienholder including ownership information obtained from the  
10 Department of Motor Vehicles or a facially valid registration found  
11 within the vehicle, or a notarized letter or statement from the legal  
12 or registered owner providing authorization to release to a particular  
13 person with a government-issued photographic identification card.  
14 Documentation that establishes that a person is the owner’s  
15 insurance representative includes, but is not limited to, a faxed  
16 letter or other letter from the owner’s insurance company. A  
17 lienholder is not responsible for determining the authenticity of  
18 documentation specifically described in this subdivision that  
19 establishes either a person’s entitlement to possession or that a  
20 person is the owner’s insurance representative.

21 (b) ~~If the vehicle was last titled in California or has no record~~  
22 ~~of being titled in any state as shown from the federal National~~  
23 ~~Motor Vehicle Title Information System report required by~~  
24 ~~subdivision (a) of Section 3072, and has a value determined to be~~  
25 ~~four thousand dollars (\$4,000) or less, has been determined to have~~  
26 ~~a value not exceeding four thousand dollars (\$4,000),~~ the lien shall  
27 be satisfied pursuant to Section 3072. Lien sale proceedings  
28 pursuant to Section 3072 shall commence within 15 days of the  
29 date the lien arises. No storage shall accrue beyond the 15-day  
30 period unless lien sale proceedings pursuant to Section 3072 have  
31 commenced. The storage lien may be for a period not exceeding  
32 60 days if a completed notice of a pending lien sale form has been  
33 filed pursuant to Section 3072 within 15 days after the lien arises.  
34 Notwithstanding this 60-day limitation, the storage lien may be  
35 for a period not exceeding 120 days if any one of the following  
36 occurs:

37 (1) A Declaration of Opposition form is filed with the  
38 department pursuant to Section 3072.

39 (2) The vehicle has an out-of-state registration.

40 (3) The vehicle identification number was altered or removed.

1 (4) A person who has an interest in the vehicle becomes known  
2 to the lienholder after the lienholder has complied with subdivision  
3 (c) of Section 3072.

4 (c) If the vehicle ~~was last titled in another state or~~ has been  
5 determined to have a value exceeding four thousand dollars  
6 (\$4,000) pursuant to Section 22670 of the Vehicle Code, the lien  
7 shall be satisfied pursuant to Section 3071. The storage lien may  
8 be for a period not exceeding 120 days if an application for an  
9 authorization to conduct a lien sale has been filed pursuant to  
10 Section 3071.

11 (d) (1) Any lien under this section shall be extinguished, and  
12 a lien sale shall not be conducted, if any one of the following  
13 occurs:

14 (A) The lienholder, after written demand to inspect the vehicle  
15 made by either personal service or certified mail with return receipt  
16 requested by the legal owner or the lessor, fails to permit the  
17 inspection by the legal owner or lessor, or his or her agent, within  
18 a period of time of at least 24 hours, but not to exceed 72 hours,  
19 after the receipt of that written demand, during the normal business  
20 hours of the lienholder. The legal owner or lessor shall comply  
21 with inspection and vehicle release policies of the impounding  
22 public agency.

23 (B) The amount claimed for storage exceeds the posted rates.

24 (2) "Agent" includes, but is not limited to, any person designated  
25 to inspect the vehicle by the request of the legal owner or lessor,  
26 in writing or by telephone, to the lienholder. A lienholder is not  
27 responsible for determining the authenticity of documentation  
28 establishing a person's agency for the purposes of inspection of a  
29 vehicle.

30 (e) A lienholder shall not be liable for any claim or dispute  
31 directly arising out of the reliance on documentation specifically  
32 described in paragraph (2) of subdivision (a) for purposes of  
33 releasing a vehicle.

34 SEC. 2. Section 3071 of the Civil Code is amended to read:

35 3071. (a) (1) A lienholder shall apply to the department for  
36 the issuance of an authorization to conduct a lien sale pursuant to  
37 this section for any vehicle with a value determined to be over four  
38 thousand dollars (\$4,000) ~~or any vehicle determined to be last~~  
39 ~~titled in a different state.~~ A filing fee shall be charged by the  
40 department and may be recovered by the lienholder if a lien sale

1 is conducted or if the vehicle is redeemed. The application shall  
2 be executed under penalty of perjury and shall include all of the  
3 following information:

4 (A) A description of the vehicle, including make, year model,  
5 identification number, license number, and state of registration.  
6 For motorcycles, the engine number also shall be included. If the  
7 vehicle identification number is not available, the department shall  
8 request an inspection of the vehicle by a peace officer, licensed  
9 vehicle verifier, or departmental employee before accepting the  
10 application.

11 (B) The names and addresses of the registered and legal owners  
12 of the vehicle, if ascertainable from the registration certificates  
13 within the vehicle, and the name and address of any person whom  
14 the lienholder knows, or reasonably should know, claims an interest  
15 in the vehicle.

16 (C) A statement of the amount of the lien and the facts that give  
17 rise to the lien.

18 (2) (A) A copy of a vehicle history report from the federal  
19 National Motor Vehicle Title Information System (NMVTIS),  
20 obtained from a NMVTIS data provider for the vehicle  
21 identification number of the vehicle, shall be included with the  
22 application required pursuant to paragraph (1). ~~Any fee charged~~  
23 ~~for~~ *The fee charged to obtain* the NMVTIS report may be recovered  
24 by the lienholder if a lien sale is conducted or if the vehicle is  
25 redeemed.

26 (B) As used in this section “NMVTIS,” “NMVTIS history  
27 report,” and “NMVTIS data provider” shall have the same  
28 meanings as defined in subdivision (d) of Section 11713.26 of the  
29 Vehicle Code.

30 (C) This section shall not prohibit a NMVTIS data provider  
31 from including, in a NMVTIS history report containing information  
32 required by paragraph (2) of subdivision (d) of Section 11713.26  
33 of the Vehicle Code, additional vehicle history information  
34 obtained from resources other than NMVTIS.

35 (D) This section shall not create any legal duty upon the  
36 lienholder related to the accuracy, errors, or omissions contained  
37 in a NMVTIS vehicle history report that is obtained from a  
38 NMVTIS data provider or any legal duty to provide information  
39 added to NMVTIS after the lienholder obtained the NMVTIS

1 vehicle history report pursuant to paragraph (1) of subdivision (a)  
2 of this section.

3 (E) In the event that all NMVTIS data providers cease to make  
4 NMVTIS vehicle history reports available to the public, this  
5 paragraph shall become inoperative.

6 (b) Upon receipt of an application made pursuant to subdivision  
7 (a), the department shall do all of the following:

8 (1) Notify the vehicle registry agency of a foreign state of the  
9 pending lien sale, if the vehicle bears indicia of registration in that  
10 state or the NMVTIS report required by subparagraph (A) of  
11 paragraph (2) of subdivision (a) indicates the vehicle was last titled  
12 in that state.

13 (2) By certified mail, send a notice, a copy of the application,  
14 and a return envelope preaddressed to the department to the  
15 registered and legal owners at their addresses of record with the  
16 department, and to any other person whose name and address is  
17 listed in the application.

18 (c) The notice required pursuant to subdivision (b) shall include  
19 all of the following statements and information:

20 (1) An application has been made with the department for  
21 authorization to conduct a lien sale.

22 (2) The person has a right to a hearing in court.

23 (3) If a hearing in court is desired, a Declaration of Opposition  
24 form, signed under penalty of perjury, shall be signed and returned  
25 to the department within 10 days of the date that the notice required  
26 pursuant to subdivision (b) was mailed.

27 (4) If the Declaration of Opposition form is signed and returned  
28 to the department, the lienholder shall be allowed to sell the vehicle  
29 only if he or she obtains a court judgment, if he or she obtains a  
30 subsequent release from the declarant or if the declarant, cannot  
31 be served as described in subdivision (e).

32 (5) If a court action is filed, the declarant shall be notified of  
33 the lawsuit at the address shown on the Declaration of Opposition  
34 form and may appear to contest the claim.

35 (6) The person may be liable for court costs if a judgment is  
36 entered in favor of the lienholder.

37 (d) If the department receives the Declaration of Opposition  
38 form in the time specified, the department shall notify the  
39 lienholder within 16 days of the receipt of the form that a lien sale  
40 shall not be conducted unless the lienholder files an action in court

1 within 30 days of the department's notice under this subdivision.  
2 A lien sale of the vehicle shall not be conducted unless judgment  
3 is subsequently entered in favor of the lienholder or the declarant  
4 subsequently releases his or her interest in the vehicle. If a money  
5 judgment is entered in favor of the lienholder and the judgment is  
6 not paid within five days after becoming final, then the judgment  
7 may be enforced by lien sale proceedings conducted pursuant to  
8 subdivision (f).

9 (e) Service on the declarant in person or by certified mail with  
10 return receipt requested, signed by the declarant or an authorized  
11 agent of the declarant at the address shown on the Declaration of  
12 Opposition form, shall be effective for the serving of process. If  
13 the lienholder has served the declarant by certified mail at the  
14 address shown on the Declaration of Opposition form and the mail  
15 has been returned unclaimed, or if the lienholder has attempted to  
16 effect service on the declarant in person with a marshal, sheriff,  
17 or licensed process server and the marshal, sheriff, or licensed  
18 process server has been unable to effect service on the declarant,  
19 the lienholder may proceed with the judicial proceeding or proceed  
20 with the lien sale without a judicial proceeding. The lienholder  
21 shall notify the department of the inability to effect service on the  
22 declarant and shall provide the department with a copy of the  
23 documents with which service on the declarant was attempted.  
24 Upon receipt of the notification of unsuccessful service, the  
25 department shall send authorization of the sale to the lienholder  
26 and send notification of the authorization to the declarant.

27 (f) Upon receipt of authorization to conduct the lien sale from  
28 the department, the lienholder shall immediately do all of the  
29 following:

30 (1) At least five days, but not more than 20 days, prior to the  
31 lien sale, not counting the day of the sale, give notice of the sale  
32 by advertising once in a newspaper of general circulation published  
33 in the county in which the vehicle is located. If there is no  
34 newspaper published in the county, notice shall be given by posting  
35 a Notice of Sale form in three of the most public places in the town  
36 in which the vehicle is located and at the place where the vehicle  
37 is to be sold for 10 consecutive days prior to and including the day  
38 of the sale.

- 1 (2) Send a Notice of Pending Lien Sale form 20 days prior to  
2 the sale but not counting the day of sale, by certified mail with  
3 return receipt requested, to each of the following:
- 4 (A) The registered and legal owners of the vehicle, if registered  
5 in this state.
  - 6 (B) All persons known to have an interest in the vehicle.
  - 7 (C) The department.
- 8 (g) All notices required by this section, including the notice  
9 forms prescribed by the department, shall specify the make, year  
10 model, vehicle identification number, license number, and state  
11 of registration, if available, and the specific date, exact time, and  
12 place of sale. For motorcycles, the engine number shall also be  
13 included.
- 14 (h) Following the sale of a vehicle, the person who conducts  
15 the sale shall do both of the following:
- 16 (1) Remove and destroy the vehicle’s license plates.
  - 17 (2) Within five days of the sale, submit a completed “Notice of  
18 Release of Liability” form to the Department of Motor Vehicles.
- 19 (i) The Department of Motor Vehicles shall retain all submitted  
20 forms described in paragraph (2) of subdivision (h) for two years.
- 21 (j) No lien sale shall be undertaken pursuant to this section  
22 unless the vehicle has been available for inspection at a location  
23 easily accessible to the public for at least one hour before the sale  
24 and is at the place of sale at the time and date specified on the  
25 notice of sale. Sealed bids shall not be accepted. The lienholder  
26 shall conduct the sale in a commercially reasonable manner.
- 27 (k) Within 10 days after the sale of any vehicle pursuant to this  
28 section, the legal or registered owner may redeem the vehicle upon  
29 the payment of the amount of the sale, all costs and expenses of  
30 the sale, together with interest on the sum at the rate of 12 percent  
31 per annum from the due date thereof or the date when that sum  
32 was advanced until the repayment. If the vehicle is not redeemed,  
33 all lien sale documents required by the department shall then be  
34 completed and delivered to the buyer.
- 35 (l) Any lien sale pursuant to this section shall be void if the  
36 lienholder does not comply with this chapter. Any lien for fees or  
37 storage charges for parking and storage of a motor vehicle shall  
38 be subject to Section 10652.5 of the Vehicle Code.
- 39 SEC. 3. Section 3072 of the Civil Code is amended to read:

1 3072. (a) For vehicles with a value determined to be four  
2 thousand dollars (\$4,000) or less, the lienholder shall obtain a copy  
3 of a vehicle history report from the National Motor Vehicle Title  
4 Information System (NMVTIS), from a NMVTIS data provider  
5 for the vehicle identification number of the vehicle. ~~If the NMVTIS~~  
6 ~~vehicle history report indicates that the vehicle was last titled in~~  
7 ~~another state, the lien shall be satisfied pursuant to Section 3071,~~  
8 ~~regardless of value. Any fee charged for~~ *The fee charged to obtain*  
9 the NMVTIS report may be recovered by the lienholder if a lien  
10 sale is conducted or if the vehicle is redeemed.

11 (1) As used in this section “NMVTIS,” “NMVTIS history  
12 report,” and “NMVTIS data provider” shall have the same  
13 meanings as defined in subdivision (d) of Section 11713.26 of the  
14 Vehicle Code.

15 (2) This section shall not prohibit a NMVTIS data provider from  
16 including, in a NMVTIS history report containing information  
17 required by paragraph (2) of subdivision (d) of Section 11713.26  
18 of the Vehicle Code, additional vehicle history information  
19 obtained from resources other than NMVTIS.

20 (3) This section shall not create any legal duty upon the  
21 lienholder related to the accuracy, errors, or omissions contained  
22 in a NMVTIS vehicle history report that is obtained from a  
23 NMVTIS data provider or any legal duty to provide information  
24 added to NMVTIS after the lienholder obtained the NMVTIS  
25 vehicle history report pursuant to subdivision (a).

26 (4) In the event that all NMVTIS data providers cease to make  
27 NMVTIS vehicle history reports available to the public, this  
28 subdivision shall become inoperative.

29 ~~(b) For vehicles that were last titled in California or have no~~  
30 ~~record of being titled in any state as shown from the NMVTIS~~  
31 ~~report required in subdivision (a) of Section 3072, and with a value~~  
32 ~~determined to be four thousand dollars (\$4,000) or less, the~~

33 *(b) (1) The* lienholder shall apply to the department for the  
34 names and addresses of the registered and legal owners of ~~record.~~  
35 *record and interested parties known to the department.* The request  
36 shall include a description of the vehicle, including make, year,  
37 model, identification number, license number, and state of  
38 registration. If the vehicle identification number is not available,  
39 the department shall request an inspection of the vehicle by a peace  
40 officer, licensed vehicle verifier, or departmental employee before

1 releasing the names and addresses of the registered and legal  
2 owners and interested parties.

3 *(2) If the required NMVTIS vehicle history report indicates that*  
4 *the vehicle was last titled in another state, the lienholder shall do*  
5 *one of the following:*

6 *(A) Apply to the registry agency of that foreign state directly,*  
7 *to obtain name and address information for the registered and*  
8 *legal owner of the vehicle in order to provide notifications required*  
9 *in paragraph (1) of subdivision (c). The request shall be sent by*  
10 *certified mail with return receipt requested or by United States*  
11 *Postal Service Certificate of Mailing. The notices required in*  
12 *subdivision (c) shall not be mailed until the name and address*  
13 *information is received or until 15 days after the request for*  
14 *information was mailed, whichever occurs first.*

15 *(B) Apply to the registry agency of that foreign state indirectly,*  
16 *through the use of an authorized vendor, to obtain name and*  
17 *address information of the registered and legal owner of the*  
18 *vehicle, in order to provide notifications required in paragraph*  
19 *(1) of subdivision (c).*

20 *(C) Send the registered and legal owner notifications required*  
21 *in paragraph (1) of subdivision (c) to the registry agency of the*  
22 *foreign state as referenced in paragraph (2) of subdivision (c).*

23 *(c) (1) The lienholder shall, immediately upon receipt of the*  
24 *names and addresses, send, by certified mail with return receipt*  
25 *requested or by United States Postal Service Certificate of Mailing,*  
26 *a completed Notice of Pending Lien Sale form, a blank Declaration*  
27 *of Opposition form, and a return envelope preaddressed to the*  
28 *department, to the registered owner and legal owner at their*  
29 *addresses of record with the ~~department~~, department or the records*  
30 *of the registry of a foreign state if last titled in that state, and to*  
31 *any other person known to have an interest in the vehicle. The*  
32 *lienholder shall additionally send a copy of the completed Notice*  
33 *of Pending Lien Sale form to the department by certified mail on*  
34 *the same day that the other notices are mailed pursuant to this*  
35 *subdivision.*

36 *(2) If the vehicle was last titled in another state and the name*  
37 *and address information of the registered and legal owner within*  
38 *that state is not obtained, the notices to the registered and legal*  
39 *owners required in paragraph (1) shall be sent to the registry*  
40 *agency of the foreign state, along with a request to forward the*

1 notices to the registered and legal owners. A blank stamped  
2 envelope for each notice shall be included.

3 (d) All notices to persons having an interest in the vehicle shall  
4 be signed under penalty of perjury and shall include all of the  
5 following information and statements:

6 (1) A description of the vehicle, including make, year model,  
7 identification number, license number, and state of registration.  
8 For motorcycles, the engine number shall also be included.

9 (2) The specific date, exact time, and place of sale, which shall  
10 be set not less than 31 days, but not more than 41 days, from the  
11 date of mailing. *For notices being sent to a registry agency of a*  
12 *foreign state pursuant to paragraph (2) of subdivision (c), the*  
13 *specific date of sale shall be set not less than 36 days, but not more*  
14 *than 41 days, from the date of mailing.*

15 (3) The names and addresses of the registered and legal owners  
16 of the vehicle and any other person known to have an interest in  
17 the vehicle.

18 (4) All of the following statements:

19 (A) The amount of the lien and the facts concerning the claim  
20 which gives rise to the lien.

21 (B) The person has a right to a hearing in court.

22 (C) If a court hearing is desired, a Declaration of Opposition  
23 form, signed under penalty of perjury, shall be signed and returned  
24 to the department within 10 days of the date the Notice of Pending  
25 Lien Sale form was mailed. *For notices sent to a registry agency*  
26 *of a foreign state and forwarded to the registered or legal owner*  
27 *within that state, the Declaration of Opposition form shall be*  
28 *signed and returned to the department within 15 days of the date*  
29 *the Notice of Pending Lien Sale form was mailed to the registry*  
30 *agency.*

31 (D) If the Declaration of Opposition form is signed and returned,  
32 the lienholder shall be allowed to sell the vehicle only if he or she  
33 obtains a court judgment or if he or she obtains a subsequent release  
34 from the declarant or if the declarant cannot be served as described  
35 in subdivision (f).

36 (E) If a court action is filed, the declarant shall be notified of  
37 the lawsuit at the address shown on the Declaration of Opposition  
38 form and may appear to contest the claim.

39 (F) The person may be liable for court costs if a judgment is  
40 entered in favor of the lienholder.

1 (e) If the department receives the completed Declaration of  
2 Opposition form within the time specified, the department shall  
3 notify the lienholder within 16 days that a lien sale shall not be  
4 conducted unless the lienholder files an action in court within 30  
5 days of the notice and judgment is subsequently entered in favor  
6 of the lienholder or the declarant subsequently releases his or her  
7 interest in the vehicle. If a money judgment is entered in favor of  
8 the lienholder and the judgment is not paid within five days after  
9 becoming final, then the judgment may be enforced by lien sale  
10 proceedings conducted pursuant to subdivision (g).

11 (f) Service on the declarant in person or by certified mail with  
12 return receipt requested, signed by the declarant or an authorized  
13 agent of the declarant at the address shown on the Declaration of  
14 Opposition form, shall be effective for the serving of process. If  
15 the lienholder has served the declarant by certified mail at the  
16 address shown on the Declaration of Opposition form and the mail  
17 has been returned unclaimed, or if the lienholder has attempted to  
18 effect service on the declarant in person with a marshal, sheriff,  
19 or licensed process server and the marshal, sheriff, or licensed  
20 process server has been unable to effect service on the declarant,  
21 the lienholder may proceed with the judicial proceeding or proceed  
22 with the lien sale without a judicial proceeding. The lienholder  
23 shall notify the Department of Motor Vehicles of the inability to  
24 effect service on the declarant and shall provide the Department  
25 of Motor Vehicles with a copy of the documents with which service  
26 on the declarant was attempted. Upon receipt of the notification  
27 of unsuccessful service, the Department of Motor Vehicles shall  
28 send authorization of the sale to the lienholder and shall send  
29 notification of the authorization to the declarant.

30 (g) At least 10 consecutive days prior to and including the day  
31 of the sale, the lienholder shall post a Notice of Pending Lien Sale  
32 form in a conspicuous place on the premises of the business office  
33 of the lienholder and if the pending lien sale is scheduled to occur  
34 at a place other than the premises of the business office of the  
35 lienholder, at the site of the forthcoming sale. The Notice of  
36 Pending Lien Sale form shall state the specific date and exact time  
37 of the sale and description of the vehicle, including the make, year  
38 model, identification number, license number, and state of  
39 registration. For motorcycles, the engine number shall also be

1 included. The notice of sale shall remain posted until the sale is  
2 completed.

3 (h) Following the sale of a vehicle, the person who conducts  
4 the sale shall do both of the following:

5 (1) Remove and destroy the vehicle's license plates.

6 (2) Within five days of the sale, submit a completed "Notice of  
7 Release of Liability" form with the Department of Motor Vehicles.

8 (i) The Department of Motor Vehicles shall retain all submitted  
9 forms described in paragraph (2) of subdivision (h) for two years.

10 (j) No lien sale shall be undertaken pursuant to this section  
11 unless the vehicle has been available for inspection at a location  
12 easily accessible to the public at least one hour before the sale and  
13 is at the place of sale at the time and date specified on the notice  
14 of sale. Sealed bids shall not be accepted. The lienholder shall  
15 conduct the sale in a commercially reasonable manner. All lien  
16 sale documents required by the department shall be completed and  
17 delivered to the buyer immediately following the sale and include  
18 a copy of the NMVTIS history report required by subdivision (a).

19 (k) Any lien sale pursuant to this section shall be void if the  
20 lienholder does not comply with this chapter. Any lien for fees or  
21 storage charges for parking and storage of a motor vehicle shall  
22 be subject to Section 10652.5 of the Vehicle Code.

23 SEC. 4. Section 3073 of the Civil Code is amended to read:

24 3073. The proceeds of a vehicle lien sale under this article shall  
25 be disposed of as follows:

26 (a) (1) The amount necessary to discharge the lien and the cost  
27 of processing the vehicle shall be paid to the lienholder. The cost  
28 of processing shall not exceed ~~any of the following: seventy dollars~~  
29 *(\$70) for each vehicle valued at four thousand dollars (\$4,000)*  
30 *or less, or one hundred dollars (\$100) for each vehicle valued over*  
31 *four thousand dollars (\$4,000).*

32 ~~(1) Seventy dollars (\$70) for each vehicle last titled in California~~  
33 ~~or that has no record of being titled in any state as shown from the~~  
34 ~~federal National Motor Vehicle Title Information System report~~  
35 ~~required in subdivision (a) of Section 3072, and valued at four~~  
36 ~~thousand dollars (\$4,000) or less, or one hundred dollars (\$100)~~  
37 ~~for each vehicle last titled in another state or valued over four~~  
38 ~~thousand dollars (\$4,000).~~

39 (2) ~~Any fee charged for~~ *The fee to obtain* a federal National  
40 Motor Vehicle Title Information System vehicle history report

1 required under subparagraph (A) of paragraph (2) of subdivision  
2 (a) of Section 3071 and subdivision (a) of Section 3072 may be  
3 recovered in addition to the cost of processing in this subdivision.

4 (b) The balance, if any, shall be forwarded to the Department  
5 of Motor Vehicles within 15 days of any sale conducted pursuant  
6 to Section 3071 or within five days of any sale conducted pursuant  
7 to Section 3072 and deposited in the Motor Vehicle Account in  
8 the State Transportation Fund, unless federal law requires these  
9 funds to be disposed in a different manner.

10 (c) Any person claiming an interest in the vehicle may file a  
11 claim with the Department of Motor Vehicles for any portion of  
12 the funds from the lien sale that were forwarded to the department  
13 pursuant to subdivision (b). Upon a determination of the  
14 Department of Motor Vehicles that the claimant is entitled to an  
15 amount from the balance deposited with the department, the  
16 department shall pay that amount determined by the department,  
17 which amount shall not exceed the amount forwarded to the  
18 department pursuant to subdivision (b) in connection with the sale  
19 of the vehicle in which the claimant claims an interest. The  
20 department shall not honor any claim unless the claim has been  
21 filed within three years of the date the funds were deposited in the  
22 Motor Vehicle Account.

23 SEC. 5. Section 3074 of the Civil Code is amended to read:

24 3074. The lienholder may charge a fee for lien sale preparations  
25 not to exceed seventy dollars (\$70) in the case of a vehicle ~~last~~  
26 ~~titled in California or that has no record of being titled in any state~~  
27 ~~as shown from the federal National Motor Vehicle Title~~  
28 ~~Information System (NMVTIS) report required in subdivision (a)~~  
29 ~~of Section 3072, and having a value determined to be four thousand~~  
30 ~~dollars (\$4,000) or less and not to exceed one hundred dollars~~  
31 ~~(\$100) in the case of a vehicle last titled in another state or having~~  
32 a value determined to be greater than four thousand dollars  
33 (\$4,000), from any person who redeems the vehicle prior to  
34 disposal or is paid through a lien sale pursuant to this chapter. ~~Any~~  
35 ~~fee charged for a~~ *The fee charged to obtain a required* NMVTIS  
36 vehicle history report ~~required under subparagraph (A) of paragraph~~  
37 ~~(2) of subdivision (a) of Section 3071, and subdivision (a) of~~  
38 ~~Section 3072,~~ may be recovered in addition to the lien sale  
39 preparations fee authorized by this section. These charges may  
40 commence and become part of the possessory lien when the

1 lienholder requests the names and addresses of all persons having  
2 an interest in the vehicle from the Department of Motor Vehicles.  
3 Not more than 50 percent of the allowable fee may be charged  
4 until the lien sale notifications are mailed to all interested parties  
5 and the lienholder or registration service agent has possession of  
6 the required lien processing documents. This charge shall not be  
7 made in the case of any vehicle redeemed prior to 72 hours from  
8 the initial storage.

9 SEC. 6. Section 22851.1 of the Vehicle Code is amended to  
10 read:

11 22851.1. (a) If the vehicle is impounded pursuant to  
12 subdivision (i) of Section 22651 and not released as provided in  
13 that subdivision, the vehicle may be sold pursuant to this chapter  
14 to satisfy the liens specified in Section 22851 and in subdivision  
15 (b) of this section.

16 (b) A local authority impounding a vehicle pursuant to  
17 subdivision (i) of Section 22651 shall have a lien dependent upon  
18 possession by the keeper of the garage for satisfaction of bail for  
19 all outstanding notices of parking violation issued by the local  
20 authority for the vehicle, when the conditions specified in  
21 subdivision (c) have been met. This lien shall be subordinate in  
22 priority to the lien established by Section 22851, and the proceeds  
23 of any sale shall be applied accordingly. Consistent with this order  
24 of priority, the term "lien," as used in this article and in Chapter  
25 6.5 (commencing with Section 3067) of Title 14 of Part 4 of  
26 Division 3 of the Civil Code, includes a lien imposed by this  
27 subdivision. In any action brought to perfect the lien, where  
28 required by subdivision (d) of Section 22851.8 of this code, or by  
29 subdivision (d) of Section 3071 or subdivision (e) of Section 3072  
30 of the Civil Code, it shall be a defense to the recovery of bail that  
31 the owner of the vehicle at the time of impoundment was not the  
32 owner of the vehicle at the time of the parking offense.

33 (c) A lien shall exist for bail with respect to parking violations  
34 for which no person has answered the charge in the notice of  
35 parking violation given, or filed an affidavit of nonownership  
36 pursuant to and within the time specified in subdivision (b) of  
37 Section 41103.

38 SEC. 7. Section 22851.12 of the Vehicle Code is amended to  
39 read:

1 22851.12. (a) The lienholder may charge a fee for lien-sale  
2 preparations from any person who redeems the vehicle prior to  
3 disposal or is sold through a lien sale pursuant to this chapter. The  
4 fee shall not exceed the following: *not to exceed seventy dollars*  
5 *(\$70) in the case of a vehicle having a value determined to be four*  
6 *thousand dollars (\$4,000) or less and not to exceed one hundred*  
7 *dollars (\$100) in the case of a vehicle having a value determined*  
8 *to be greater than four thousand dollars (\$4,000), from any person*  
9 *who redeems the vehicle prior to disposal or is sold through a lien*  
10 *sale pursuant to this chapter. The fee charged to obtain a required*  
11 *federal National Motor Vehicle Title Information System vehicle*  
12 *history report pursuant to Section 3071 or 3072 of the Civil Code*  
13 *may be recovered in addition to the lien sale preparations fee.*  
14 *These charges may commence and become part of the possessory*  
15 *lien when the lienholder requests the names and addresses of all*  
16 *persons having an interest in the vehicle from the department. Not*  
17 *more than 50 percent of the allowable fee may be charged until*  
18 *the lien sale notifications are mailed to all interested parties and*  
19 *the lienholder or the registration service agent has possession of*  
20 *the required lien processing documents. This charge shall not be*  
21 *made in the case of any vehicle redeemed prior to 72 hours from*  
22 *the initial storage.*

23 (1) ~~Seventy dollars (\$70) in the case of a vehicle having a value~~  
24 ~~determined to be five hundred dollars (\$500) or less and the lien~~  
25 ~~is satisfied pursuant to Sections 22851.8 and 22851.10.~~

26 (2) ~~Seventy dollars (\$70) in the case of a vehicle last titled in~~  
27 ~~California or that has no record of being titled in any state as shown~~  
28 ~~from the federal National Motor Vehicle Title Information System~~  
29 ~~report required in subdivision (a) of Section 3072 of the Civil~~  
30 ~~Code, and having a value determined to be four thousand dollars~~  
31 ~~(\$4,000) or less.~~

32 (3) ~~One hundred dollars (\$100) in the case of a vehicle last titled~~  
33 ~~in another state or having a value determined to be greater than~~  
34 ~~four thousand dollars (\$4,000).~~

35 (b) ~~These charges may commence and become part of the~~  
36 ~~possessory lien when the lienholder requests the names and~~  
37 ~~addresses of all persons having an interest in the vehicle from the~~  
38 ~~department. Not more than 50 percent of the allowable fee may~~  
39 ~~be charged until the lien sale notifications are mailed to all~~  
40 ~~interested parties and the lienholder or the registration service~~

1 ~~agent has possession of the required lien processing documents.~~  
2 ~~This charge shall not be made in the case of any vehicle redeemed~~  
3 ~~prior to 72 hours from the initial storage.~~

4 SEC. 8. No reimbursement is required by this act pursuant to  
5 Section 6 of Article XIII B of the California Constitution because  
6 the only costs that may be incurred by a local agency or school  
7 district will be incurred because this act creates a new crime or  
8 infraction, eliminates a crime or infraction, or changes the penalty  
9 for a crime or infraction, within the meaning of Section 17556 of  
10 the Government Code, or changes the definition of a crime within  
11 the meaning of Section 6 of Article XIII B of the California  
12 Constitution.