

HB 2913 STAFF MEASURE SUMMARY

Carrier: Rep. Evans

House Committee On Business and Labor

Action Date: 02/20/19

Action: Do Pass.

Vote: 11-0-0-0

Yeas: 11 - Barker, Barreto, Boles, Bonham, Boshart Davis, Bynum, Clem, Doherty, Evans, Fahey, Holvey

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Suspends requirement that person hold \$20,000 surety bond before working on, storing, or transporting motor vehicle as condition for person to attach lien on motor vehicle for reasonable or agreed charges for labor, materials, or service. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Consumer protection aspect of measure
- History of developing proposal enacted in 2018
- Current lack of market for type of surety bond vehicle dealers need
- Future effort to address issue and return with additional legislation

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

House Bill 4087, enacted in 2018, requires vehicle repair shops to carry a bond of at least \$20,000 in order to properly attach a lien on a motor vehicle for cost of work performed, storage, and transportation. The bond requirement went into effect January 1, 2019. Repair shops indicate their inability to secure a bond, as the current surety bond market does not offer the type of bond needed. House Bill 2913 suspends the bond requirement upon passage and reinstates the requirement on July 1, 2020.