

HB 2913 STAFF MEASURE SUMMARY

Carrier: Sen. Bentz

Senate Committee On Judiciary

Action Date: 04/03/19

Action: Do pass.

Vote: 7-0-0-0

Yeas: 7 - Bentz, Fagan, Gelser, Linthicum, Manning Jr, Prozanski, Thatcher

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Michael Lantz, Counsel

Meeting Dates: 4/3

WHAT THE MEASURE DOES:

Suspends surety bond requirement for vehicle repair businesses to impose vehicle liens until July 1, 2020.

Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Difficulty of obtaining surety bond
- Need for interim work group
- Provisions of measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2018, the Legislative Assembly enacted HB 4087, which required vehicle repair shops to carry a bond of at least \$20,000 in order to assert valid liens on customer vehicles for non payment of work performed and other associated costs. This requirement does not apply to dealerships, towers, or abandoned vehicles. The bond is to cover any damages or costs incurred by a vehicle owner who brings suit against the repair shop. The legislation took effect on January 1, 2019.

House Bill 2913 suspends the bond requirement until July 1, 2020.