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AB-2319 Tow truck operators: liens: exceptions. (2019-2020)

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Assembly Bill No. 2319

CHAPTER 50

An act to amend Section 3068.2 of the Civil Code, relating to liens.

[Approved by Governor September 09, 2020. Filed with Secretary of State September 09, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2319, Berman. Tow truck operators: liens: exceptions.

Existing law grants a tow truck operator a lien dependent on possession on a vehicle that has been removed for various costs. A tow truck operator may also have a deficiency claim against the registered owner of the vehicle if a subsequent lien sale of the vehicle does not equal specified towing, storage, and related charges. Existing law excepts from liability for this deficiency a registered owner of a vehicle who has sold or transferred the vehicle prior to the vehicle's removal and who was not responsible for creating the circumstances leading to its removal if the owner has executed a certain notice and submitted it to the Department of Motor Vehicles.

This bill would revise the circumstances pursuant to which a registered owner who has sold or transferred a vehicle that has been removed is excepted from the above-described deficiency liability. The bill would authorize a registered owner to utilize other methods identified in the Vehicle Code as sufficient for this purpose, including having made proper endorsement and delivery of the certificate of ownership.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 3068.2 of the Civil Code is amended to read:

3068.2. (a) A tow truck operator who has a lien on a vehicle pursuant to Section 3068.1 has a deficiency claim against the registered owner of the vehicle if the vehicle is not leased or leased with a driver for an amount equal to the towing and storage charges, not to exceed 120 days of storage, and the lien sale processing fee pursuant to Section 3074, less the amount received from the sale of the vehicle.

(b) A tow truck operator who has a lien on a vehicle pursuant to Section 3068.1 has a deficiency claim against the lessee of the vehicle if the vehicle is leased without a driver for an amount equal to the towing and storage charge, not to exceed 120 days of storage, and the lien sale processing fee described in Section 3074, less the amount received from the sale of the vehicle.

(c) Storage costs incurred after the sale shall not be included in calculating the amount received from the sale of the vehicle.

(d) A registered owner who has sold or transferred the owner's vehicle prior to the vehicle's removal and who was not responsible for creating the circumstances leading to the removal of the vehicle is not liable for any deficiency under this section if that registered owner has fulfilled the requirements of Section 5602 of the Vehicle Code. The person identified as the transferee in the notice submitted to the Department of Motor Vehicles shall be liable for the amount of any deficiency only if that person received notice of the transfer and is responsible for the event leading to abandonment of the vehicle or requested the removal.

(e) Except as provided in Section 22524.5 of the Vehicle Code, if the transferee is an insurer and the transferor is its insured or the transferor's agent or representative, the insurer shall not be liable for any deficiency, unless the insurer agrees at the time of the transfer, to assume liability for the deficiency.