



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 201
[2009 Senate Bill 506]

Vehicle Towing and Storage Liens

CURRENT LAW

Under current law, a person authorized to tow or store a motor vehicle who does so at the direction of a traffic officer or the vehicle's owner (towing service provider) has a lien on the motor vehicle for reasonable towing and storage charges and may retain possession of the vehicle until these charges are paid.

Current law specifies that:

- A towing service provider must, within 30 days after taking possession of a motor vehicle, make a reasonable effort to provide written notice to the vehicle owner and any secured party whose security interest is noted on the vehicle's certificate of title (secured party) that they must take steps to obtain the release of the motor vehicle.
- A towing and storage lien has priority over the prior security interest of a secured party only up to a specified dollar amount (the priority amount).
- To reclaim the towed vehicle, the owner or secured party must pay all towing and storage charges up to the priority amount and all reasonable storage charges accruing more than 60 days after the vehicle was towed. If a towing service provider fails to make a reasonable effort to notify the owner and secured party as required, the towing service provider's lien is void.

Under current law, the procedure for enforcing a towing and storage lien depends upon the value of the vehicle. Under the procedure applicable to motor vehicles with a value of \$500 or less, a towing service provider must provide at least 20 days notice by registered mail to the owner and any secured party before selling or junking the vehicle.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

2009 WISCONSIN ACT 201

2009 Wisconsin Act 201 makes various changes relating to towing and storage liens, including all of the following:

- Under the Act, these liens apply to the towing and storing of any vehicle, not just motor vehicles. The Act defines a vehicle as any device for moving persons or property or pulling implements from one place to another on land or rails or in the air.
- The Act clarifies the towing service provider's lien rights and the vehicle owner's payment obligation, a secured party's obligation in repossessing the vehicle, and the towing service provider's obligation to provide notice of vehicle possession and lien rights.
- The Act requires the towing service provider's notice before selling or junking the vehicle to be by certified mail, rather than registered mail.
- The Act increases the priority amount and provides for the priority amount to be annually adjusted for inflation.
- The Act increases the trigger amount for determining which lien enforcement procedure is used and specifies that the lien enforcement procedure described for lesser value vehicles is the exclusive enforcement procedure.

Effective date: 2009 Wisconsin Act 201 takes effect on August 1, 2010. The Act first applies to vehicles towed or put into storage on the effective date of the Act.

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DLS:jal