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HOUSE BILL NO. 1494

Offered January 23, 2026

A BILL to amend and reenact §§ 46.2-644.01, 46.2-644.02, and 46.2-644.03 of the Code of Virginia and to amend the Code of Virginia by adding in Article 2 of Chapter 6 of Title 46.2 a section numbered 46.2-644.05, relating to motor vehicle liens; enforcement and sales.

Patron—Hodges

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-644.01, 46.2-644.02, and 46.2-644.03 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 6 of Title 46.2 a section numbered 46.2-644.05 as follows:

§ 46.2-644.01. Lien of keeper of vehicles.

A. For purposes of this section, "keeper of vehicles" means a garage keeper; a person keeping any vehicles, including a self-storage facility; and a tow truck driver or towing and recovery operator furnishing services involving the towing and recovery of vehicles or clean up related to vehicle collisions.

B. Every keeper of vehicles shall have a lien upon such vehicles for the amount that may be due him for the towing, storage, recovery, and care thereof, until such amount is paid. In the case of a tow truck driver or towing and recovery operator furnishing services to a truck, tractor truck, or combination of vehicles, any such lien held shall apply to any power unit, tractor, trailer, or semitrailer in the combination.

Such lien shall be in addition to any lien under § 46.2-644.02. Any garage keeper to whom a vehicle has been delivered pursuant to § 46.2-1209, 46.2-1213, or 46.2-1215 shall, within 30 days from the date of delivery, have a lien upon such vehicle pursuant to this section, provided that action has not been taken pursuant to such sections for the sale of the vehicle.

C. In the case of any vehicle for which the title shows an existing lien, the keeper of vehicles shall have a lien upon the vehicle for his reasonable charges for storage under this section not to exceed \$500; however, the keeper of vehicles shall also be entitled to a lien against any proceeds remaining after the satisfaction of all prior security interests or liens. In addition, any tow truck driver or towing and recovery operator shall have a lien for all normal costs incident to any towing and recovery services furnished for the vehicle.

In the case of any vehicle not subject to an existing lien on the title, the keeper of vehicles shall have a lien thereon for his reasonable charges for storage under this section, alone or in combination with a lien under § 46.2-644.02 not to exceed the value of the vehicle as determined by the provisions of § 8.01-419.1.

D. The keeper of vehicles, or the authorized agents of such, shall ascertain from the Department whether the certificate of title for the vehicle shows a lien in accordance with the provisions of § 46.2-644.03 within seven business days of taking possession of the vehicle. The owner or lienholder shall have 10 business days from the date of the notice sent by the Department pursuant to § 46.2-644.03 to reclaim the vehicle. The terms for such reclamation shall be the payment of the amount due to the keeper of the vehicles or other amount as agreed by the parties. If the vehicle remains unclaimed, the keeper of the vehicles may enforce the lien under the provisions of § 46.2-644.03 or relinquish the lien under the provisions of § 46.2-644.04.

For purposes of this subsection, the date of possession for a garage keeper to whom a vehicle has been delivered pursuant to § 46.2-1209, 46.2-1213, or 46.2-1215 shall be the date such lien attaches, and the date of possession for a self-storage facility shall be the date on which the facility owner learns that a leased space subject to default contains a motor vehicle.

E. Any lien created under this section shall not extend to any personal property or cargo that is not attached to or considered to be necessary for the proper operation of any motor vehicle, and it shall be the duty of any keeper of vehicles to permit the owner of the vehicle or cargo to access the vehicle in order to recover his personal property or cargo, provided that the owner claims and retrieves the items at least two business days prior to the auction date. The keeper of vehicles may dispose of any unclaimed personal property or cargo.

F. For the purposes of this section, in the case of a truck or combination of vehicles, the owner, or in the case of a rented or leased vehicle, the lessee of the truck or tractor truck, shall be liable for the costs of the towing, recovery, and storage of the cargo and of any trailer or semitrailer in the combination, and the keeper of vehicles of any such vehicle shall have an immediate lien upon any truck, tractor truck, or combination of vehicles, including any power unit, tractor, trailer, or semitrailer in the combination. Nothing in this subsection, however, shall bar the owner of the truck or tractor truck from subsequently seeking to recover from the owner of any trailer, semitrailer, or cargo all or any portion of these towing, recovery, and storage costs.

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G. In the event a vehicle remains in the possession of a keeper of vehicles for a period of 45 calendar days following the date on which storage or repair charges become due and unpaid, and provided that such keeper of vehicles has sent written notice by certified mail, return receipt requested, no later than 25 days following the date on which storage and repair charges become due and unpaid to the last known address of the registered owner and to all lienholders of record as ascertained by the Department, such keeper of vehicles shall have the right to commence sale or other disposition procedures under § 46.2-644.03 or 46.2-644.05, without further requirement of court order or judicial process. The keeper of vehicles shall not proceed under 46.2-644.05 if such lienholder of record, owner, or other party of interest responds in writing within 20 calendar days after the date of certified mail delivery indicating an intent to reclaim the vehicle.

§ 46.2-644.02. Lien of mechanic for repairs.

A. Every mechanic who shall alter or repair any vehicle at the request of the owner or authorized person in possession of such vehicle shall have a lien thereon for his just and reasonable charges therefor and may retain possession of such property until such charges are paid. Such lien shall be in addition to any lien under § 46.2-644.01.

B. No lien under this section shall exceed \$1,000 for any vehicle for which the title shows an existing lien. However, the mechanic shall be entitled to a lien against the proceeds, if any, remaining after the satisfaction of all prior security interests or liens.

For any vehicle not subject to an existing lien on the title, no lien under this section, alone or in combination with a lien under § 46.2-644.01, shall exceed the value of the vehicle as determined by the provisions of § 8.01-419.1.

C. The mechanic or his authorized agent shall ascertain from the Department whether the certificate of title for the vehicle shows a lien thereon in accordance with the provisions of § 46.2-644.03 within seven business days after the due date of an invoice for the amount due for the alteration or repair. The mechanic may then enforce his lien under the provisions of § 46.2-644.03 or 46.2-644.05 after such invoice goes unpaid for ~~10~~ 15 days after it is due, *provided that such mechanic complies with the notice requirements of subsection G of § 46.2-644.01*, or relinquish his lien under the provisions of § 46.2-644.04.

D. If the owner of the vehicle held by the mechanic shall desire to obtain possession thereof, he shall make the mechanic defendant in proceeding in the county or municipal court to recover the vehicle.

The owner may give a bond payable to the court, in a penalty of the amount equal to the lien claimed by the mechanic and court costs, with security to be approved by the clerk, and conditioned for the performance of the final judgment of the court on the trial of the proceeding, and with a further condition to the effect that, if upon the hearing, the judgment of the court be that the lien of the mechanic on such vehicle, or any part thereof, be enforced, judgment may thereupon be entered against the obligors on such bond for the amount due the mechanic and court costs, if assessed against the owner, without further or other proceedings against them thereon. Upon giving of the bond, the vehicle shall be delivered to the owner.

§ 46.2-644.03. Enforcement of liens acquired under §§ 46.2-644.01 and 46.2-644.02.

A. For the purposes of this section:

"Bailee" means anyone who has one or more liens under § 46.2-644.01 or 46.2-644.02.

"Independent appraisal" means an estimate for the value of a motor vehicle prepared by an individual or business that (i) has all required business licenses and zoning approvals and (ii) is either a licensed appraiser in another state or a business authorized by an insurance company to prepare insurance appraisals. "Independent appraisal" does not include an estimate prepared by an individual or business with a financial interest in the bailee's business.

B. Any bailee eligible to enforce a lien under § 46.2-644.01 or 46.2-644.02, if the value of the vehicle affected by the lien does not exceed \$12,500, may sell such vehicle by public auction, for cash, in accordance with the provisions of this section. *A bailee who is a mechanic enforcing a lien under § 46.2-644.02 may elect to sell such vehicle by private sale, provided that the bailee provides notice of such sale in the same manner as provided in subsection E.* The proceeds shall be applied to the satisfaction of the debt and expenses of sale, and the surplus, if any, shall be paid within 30 days of the sale to any lienholder of record, and then to the owner of the vehicle, provided such lienholder or owner contacts the bailee prior to the sale to claim any surplus that may result. If such claim is made by the lienholder or owner within 30 days following the sale, the surplus shall be paid within 30 days of the claim. If no claim to the surplus is made within 30 days of the sale, or if the owner or lienholder cannot be ascertained by the Department, the bailee shall be entitled to keep the surplus.

C. Before any lien may be enforced under this section, the bailee or his authorized agent shall initiate with the Department, in a manner prescribed by the Commissioner, a search for the owner and lienholder of record for the vehicle, the names and addresses of which if found shall be provided to the bailee. Any bailee or authorized agent who initiates more than five such requests within any 12-month period shall enter into an agreement with the Department to initiate requests and receive responses electronically.

The Department shall check (i) its own records, (ii) the records of a nationally recognized crime database, and (iii) records of a nationally recognized motor vehicle title database for owner and lienholder information. If a vehicle has been reported stolen, the Department shall notify the appropriate law-enforcement agency of

that fact. If a vehicle is found to have been titled in another jurisdiction, the Department shall contact that jurisdiction to ascertain the requested information and provide it to the bailee. At the time of the search, the Department shall also determine the value of the vehicle, using the trade-in value specified in a recognized pricing guide, and, for a vehicle titled in the Commonwealth, whether the records of the Department show that the owner of the vehicle has indicated that he is on active military duty or service. The Department shall include such information in the response to the request for vehicle information.

After responding to the request for vehicle information, the Department shall notify the owner and any lienholder of record of the request by first-class mail to the address provided on the vehicle record held by the Department or by the jurisdiction in which the vehicle is titled. Such notice shall include the name and contact information of the bailee and any terms for reclaiming the vehicle, as well as any additional information the Commissioner determines to be necessary.

No notice by the Department shall be required if no record for the vehicle can be found or, in the case of a vehicle titled in another jurisdiction, the other jurisdiction refuses to release the requested vehicle information to the Department. In either situation, the bailee may continue with lien enforcement under this section. However, if a vehicle record exists in another jurisdiction, the bailee shall assume all liability for proceeding with such enforcement without written notice to the owner and/or lienholder of record.

For every vehicle subject to a record search as provided for in this section, if the record for the vehicle is held by the Department, the Department shall place an administrative hold on the vehicle record until the bailee reports to the Department that the vehicle has been reclaimed or sold pursuant to this section.

D. Any bailee enforcing a lien in accordance with this section shall notify the Department of his intent to sell the vehicle in a manner prescribed by the Commissioner. A \$40 fee shall be paid to the Department at the time of notice. Upon receipt of such notice and fee, the Department shall repeat the vehicle record search prescribed in subsection A for the purpose of confirming the most recent owner and lienholder information for the vehicle.

If the Department confirms owner or lienholder information, either through a search of its own records or those of another jurisdiction, the Department shall notify the owner, at the last known address of record, and any lienholder, at the last known address of record, of the intent to sell the vehicle, by certified mail, return receipt requested, and advise them to reclaim the vehicle and repay the debt owed within 15 days from the date the notice was sent. Such notice, when sent in accordance with these requirements, shall be sufficient regardless of whether or not it was ever received.

Following the notice required in this subsection, if the vehicle remains unclaimed and the debt unpaid, the owner and all persons having security interest shall have waived all right, title, and interest in the vehicle, except to the extent that subsection B requires a surplus to be paid. The bailee shall notify the Department in a manner prescribed by the Commissioner within five business days if the vehicle is reclaimed and the debt paid. Should the bailee fail to notify the Department as required herein, and the Department must remove the administrative hold placed under subsection C at the request of the vehicle owner or lienholder, and upon submission of proof that the debt was paid and the vehicle reclaimed, the Department may impose and collect an administrative fee of \$40 from the bailee for each such removal.

E. At the time the bailee notifies the Department of his intent to sell the motor vehicle, the bailee shall provide the intended date of sale at public auction, including the time, place, and terms of such sale. The intended date shall be at least 21 days after the date of notification. The Department shall post notice on behalf of the bailee for at least 21 days prior to the date of sale, advertising the time, place, and terms of the sale. Such 21-day posting period shall run concurrently with the 15-day reclamation period provided for in subsection D. Notifications and postings shall be in an electronic manner prescribed by the Commissioner and shall include the vehicle identification number and a description of each vehicle to be sold. No other postings or notices advertising the sale shall be required.

Upon notice by the bailee that the vehicle will be sold, the Department shall provide a certification document in a manner prescribed by the Commissioner to the bailee. The bailee shall complete all applicable certification statements on the document and provide it to the buyer of the vehicle, who shall submit the document and an application to the Department in order to obtain a certificate of title for the vehicle. Upon receipt of a completed application and certification document, the Department shall issue a certificate of title to the buyer or a nonrepairable certificate, if requested, free of all prior liens and claims of ownership of others.

F. If the value of the vehicle is more than \$12,500 but does not exceed \$25,000, the bailee, after the notice is sent by the Department pursuant to subsection C, may apply by petition to any general district court of the county or city wherein the vehicle is, or, if the value of the vehicle exceeds \$25,000, to the circuit court of the county or city, for the sale of the vehicle. No notice sent by the Department pursuant to this section shall substitute for service of process for any court proceeding. If the name of the owner cannot be ascertained, the name "John Doe" shall be substituted in any proceeding pursuant to this section.

If, on the hearing of the case on the petition, the defense, if any made thereto, and such evidence as may be adduced by the parties respectively, the court is satisfied that the debt and lien are established and the

vehicle should be sold to pay the debt, the court shall order the sale to be made by the sheriff of the county or city. The sheriff shall make the same and apply and dispose of the proceeds in the same manner as if the sale were made under a writ of fieri facias. No additional notifications or postings by the Department related to the sale shall be required.

If a court has ordered the sale of the vehicle, the bailee shall submit to the Department a copy of the court order in a manner prescribed by the Commissioner. Upon receipt, the Department shall provide a certification document to the bailee. The bailee and sheriff conducting the sale, or his authorized representative, shall complete all applicable certification statements on the document and provide it to the buyer of the vehicle, who shall submit the document and an application to the Department in order to obtain a certificate of title for the vehicle. Upon receipt of a completed application and certification document, the Department shall issue a certificate of title to the buyer or a nonrepairable certificate, if requested, free of all prior liens and claims of ownership of others.

G. In determining the value of the property as required by this section, the Commissioner shall use a recognized pricing guide and, in using such guide, shall use the trade-in value specified in such guide.

However, the bailee may submit an independent appraisal and supporting documentation to show the accurate value of the vehicle in a manner prescribed by the Commissioner. Upon receipt, the Department shall update the vehicle record to reflect the value established by the independent appraisal and notify the bailee that enforcement under this section may proceed based on the new value.

If the Department is unable to determine a trade-in value for a vehicle, the Commissioner may establish guidelines for acceptable alternate valuation options to include independent appraisals and retail or loan values that may be available in online or printed pricing guides. The bailee may submit documentation pursuant to such guidelines in order to establish the value of the vehicle.

H. For a vehicle (i) for which neither the owner nor any other lienholder or secured party can be determined by the Department through a diligent search as required by this section, (ii) manufactured for a model year at least six years prior to the current model year, and (iii) having a value of no more than \$4,500 as determined by the provisions of this section, a bailee may, after showing proof that the vehicle has been in his continuous custody for at least 30 days, apply for and receive from the Department of Motor Vehicles title or a nonrepairable certificate to such vehicle, free of all liens and claims of ownership of others, and proceed to sell or otherwise dispose of the vehicle.

I. Notwithstanding any provisions to the contrary, a bailee shall comply with the provisions of the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.) (the Act) when disposing of a vehicle owned by a member of the military on active duty or service. If the records of the Department show that the owner of the vehicle has indicated to the Department that he is on active military duty or service, such indicator shall be prima facie evidence that the vehicle is subject to the provisions of the Act. However, neither the presence nor absence of such indicator on the vehicle record shall absolve the bailee of his obligation to ascertain the owner's military service status, if any, in accordance with the Act.

J. All fees imposed and collected pursuant to this section shall be paid into the state treasury and set aside as a special, nonreverting fund to be used to meet the expenses of the Department.

K. Residents or businesses of other jurisdictions in possession of vehicles titled in the Commonwealth, or the authorized agents of such residents or businesses, seeking to enforce laws in those jurisdictions that are substantially similar to the enforcement of liens under §§ 46.2-644.01 and 46.2-644.02 may request information for such vehicles from the Department. The Department shall conduct the information search as provided for in subsection C, provide the names and addresses of the owner and lienholder, if any, for each vehicle to the requester, and notify the named owner and lienholder, if any, by first-class mail of the request. Such notification shall not replace any notification requirements imposed by the jurisdiction in which the requester and subject vehicle are located, nor shall the enforcement rules of this section apply to vehicles not located within the Commonwealth. If the Department finds that the vehicle is titled in another jurisdiction, the Department shall identify that jurisdiction to the requester with no further obligation to the requester or vehicle owner. The Department shall collect a \$25 fee for such search.

L. Notwithstanding any other provision of this section to the contrary, a keeper of vehicles, as defined in § 46.2-644.01, enforcing a lien pursuant to this subsection, and in accordance with subsection G of § 46.2-644.01, shall notify the Department of and provide such evidence as necessary, as determined by the Department, to show (i) the date of first possession; (ii) the amounts due, including for storage, repair, and towing; (iii) that certified mail notices were sent to the owner and all recorded lienholders; (iv) that no response was received within the 20-calendar-day response window following certified mail notice; and (v) the date of sale and whether it was a public auction or private sale, if applicable. Upon receipt of such information and evidence, the Department shall issue a disposition certificate or replacement title, or authorize sale or transfer, to the keeper of vehicles or purchaser without the need for a court ordered title.

§ 46.2-644.05. Expedited sale of certain unclaimed vehicles subject to liens.

A. Notwithstanding any other provision of law to the contrary, in addition to any rights under §§ 46.2-644.01, 46.2-644.02, and 46.2-644.03, a keeper of vehicles, as defined in § 46.2-644.01, or mechanic who has taken possession of a vehicle for purposes of repair, storage, towing, or recovery services, and who has

provided written notice to the owner and lienholders as required under subsection G of § 46.2-644.01, may elect to use the expedited sale process pursuant to this section if the vehicle remains unclaimed and charges remain unpaid.

B. The expedited sale process shall proceed as follows:

1. At the end of the 20-calendar-day response window following certified mail notice, if no valid claim or redemption has been made by the owner or any lienholder of record, the keeper of vehicles or mechanic may schedule the vehicle for sale at public auction or private sale.

2. The keeper of vehicles shall publish notice of the pending sale in a newspaper of general circulation in the county or city where the garage is located once per week for two consecutive weeks; and post a conspicuous notice at the garage premises for at least 14 calendar days prior to sale.

3. Following sale, the keeper of vehicles shall provide to the purchaser and the Department a bill of sale, copies of the notification and any evidence submitted to the Department pursuant to subsection L of § 46.2-644.03, and, if required by the Department, a certificate of disposition. Upon verification of such information, the Department shall issue a new certificate of title in the purchaser's name or, if unsold, in the name of the keeper of vehicles. Title issued under this section shall be considered valid and good title against any prior owner or lienholder interests, provided the keeper of vehicles complied in good faith with all notice and sale requirements.

C. Notwithstanding any other provision of law, a keeper of vehicles or mechanic who acts in good faith under this section shall be immune from civil liability by any prior owner or lienholder for damages, loss of value, or other claims, except in cases of gross negligence or willful misconduct, including failure to send required notices, intentional concealment of information, or fraudulent misrepresentation.

D. A keeper of vehicles or mechanic choosing to use such expedited process shall retain all documentation, including any intake records, repair orders, storage invoices, notice letters and certified mail return receipts, publication or posting notices, sale records, bill of sale, or sworn affidavits, for a minimum of five years.

E. No provision of this section shall be construed to impair or degrade the rights of bona fide purchasers for value or lienholders who redeem or pay outstanding charges prior to sale, nor impair any rights of registered security interest holders recorded with the Department prior to the first possession of the vehicle by the keeper of vehicles.