

**CHAPTER 5**  
**LIEN SALE PROCEDURES**  
**REVISED NOVEMBER 2018**  
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**CHAPTER 5**  
**LIEN SALE PROCEDURES**

1. PURPOSE. This chapter provides direction for liens on stored vehicles.
  
2. LIENS ON STORED VEHICLES.
  - a. Per Section 22851 of the California Vehicle Code (CVC), whenever a vehicle has been removed to a storage facility under the provisions of Division 11, Chapter 10, of the CVC, and the tow operator has received a CHP 180, Vehicle Report, the tow operator has established a lien on the vehicle for the towing, storage, or labor costs associated with the recovery or load salvage operations.
  
  - b. Possession. A lien arises when a possession is accomplished. Pursuant to Section 3068.1 of the California Civil Code (CC), a possession and lien are deemed to arise when the vehicle is removed and is in transit or when vehicle recovery operations or load salvage operations have begun.

NOTE: No lien shall attach to a vehicle removed under Section 22655.5 CVC unless the vehicle was used by the alleged perpetrator of the crime with the express or implied permission of the owner of the vehicle.

- (1) The tow operator is entitled to compensation for towing, storage, or labor associated with recovery or load salvage.
  
- (2) No lien shall arise for the services rendered unless the operator has presented a written statement to the vehicle's owner or agent for the signed authorization of the services performed. (Example: A tow driver canceled by a private party after beginning a tire change.)
  
- (3) The maximum number of days for which storage can be charged against a stored/impounded vehicle is dependent upon the filing of an application for authorization to conduct a lien sale. Information regarding the lien sale process can be found beginning with Section 3067 CC.
  
- (4) Per Section 22851(b) CVC, any personal property in or on the vehicle is not part of the lien and shall be released to the registered owner (R/O) or agent upon demand. This does not apply to integral vehicle components (i.e., wheels, tires, solid mounted stereos, etc.).

(5) The tow operator is not responsible for personal property once a vehicle has been disposed of through the lien sale process.

(6) Because the lien is dependent upon possession of the vehicle, it shall not be assigned to another party.

(7) Questions regarding current lien sale procedures on other than low-valued abandoned vehicles to be junked or dismantled should be referred to the Department of Motor Vehicles (DMV), Lien Sale Section, Reg. 46, P.O. Box 12817, Sacramento, CA 95852 or (916) 657-7617.

c. Lien Sale Preparation.

(1) Procedures for conducting a lien sale for a vehicle stored at a self-service storage facility valued over \$4,000 are contained in Section 3071 CC. Procedures for conducting a lien sale for a vehicle valued at \$4,000 or less are contained in Section 3072 CC.

(2) The lienholder may assess a fee to conduct a lien sale when a request for the names and addresses of all persons having an interest in the vehicle have been made through the DMV (forms Reg. 656, Application for Lien Sale Authorization and Lienholder's Certification, or Inf. 1126, Registration Information Request for Lien Sale).

(3) The operator may charge a lien sale preparation fee (Section 3074 CC):

(a) Not to exceed \$70 for a vehicle valued at \$4,000 or less.

(b) Not to exceed \$100 for a vehicle valued at more than \$4,000.

(4) The lienholder may charge not more than 50 percent of the lien sale preparation fee prior to mailing lien sale notifications. After mailing of the notifications, the lienholder or registered service agent must have possession of the lien processing documents before charging more than 50 percent of the lien sale fee (Section 22851.12 CVC).

(5) A lien sale preparation fee shall not be made in any case of a vehicle redeemed prior to 72 hours and only when the R/O or agent redeems the vehicle prior to disposal or is paid through the lien process (Section 22851.12 CVC).

d. Unidentified Vehicles Valued at \$500 or Less. Disposition of a vehicle valued at \$500 or less depends upon the lienholder's intent to reconstruct and register the vehicle or have it dismantled. The provisions of Section 22851.12 CVC are applicable if the vehicle is to be dismantled.

- (1) Per Section 22851.10 CVC, the vehicle is to be disposed of only to a licensed dismantler or scrap iron processor.
- (2) Ensure the requirements of Section 22852 CVC (Notice to Owner) regarding vehicle storage hearings have been satisfied or the Stolen Vehicle System (SVS) is notified in compliance with Section 22853 CVC.
- (3) The vehicle must be in such condition that the identification numbers are not available to determine the owner(s) of record.
- (4) A DMV Reg. 462, Public Agency Authorization to Dispose of a Vehicle Valued at \$500 or Less to a Scrap Iron Processor or Dismantler, must be completed by the public agency that ordered the vehicle removed. The public agency ordering the vehicle removed must complete items 1 through 11 of the DMV Reg. 462.
- (5) The yellow copy of the DMV Reg. 462 is retained at the Area office.
- (6) Deliver the pink and white copies of the DMV Reg. 462 to the applicable firm or person to which the vehicle is sold as noted below.
  - (a) A licensed dismantler.
  - (b) A public agency.
  - (c) A franchise or contractor.
  - (d) The lienholder, who shall endorse the bill of sale portion to the licensed dismantler.

e. Vehicles Stored Pursuant to Section 22669(a) and (b) of the California Vehicle Code and Valued at \$500 or Less. Disposition of vehicles valued at \$500 or less depends upon the lienholder's intent to reconstruct and register the vehicle or have it dismantled. If the vehicle is to be dismantled, the provisions of Section 22851.3 CVC apply.

- (1) Per Section 22851.10 CVC, the vehicle is to be disposed of only to a licensed dismantler or scrap iron processor.
- (2) Ensure the requirements of Section 22852 CVC regarding vehicle storage hearings have been satisfied or the SVS is notified in compliance with Section 22853 CVC.
- (3) An addendum shall be attached to the Notice of Stored Vehicles that states the following: "The vehicle will be disposed of 15 days from the date of

the notice. If the owner, interested person, or agent disagrees with the decision of the post-storage hearing, the decision may be reviewed pursuant to Section 11523 of the California Government Code (GC); and, during the time of the initial hearing or during the time the decision is being reviewed pursuant to Section 11523 GC, the vehicle in question may not be disposed.”

(4) If the vehicle remains unclaimed for 15 days, the lienholder may request the Area issue a DMV Reg. 462. The Area shall direct any requests for California Law Enforcement Telecommunications System-generated information to the DMV.

(5) If the vehicle is to be reregistered, an identification number must be assigned prior to commencing the lien sale procedures. (Refer to Sections 3071.5 or 3073 CC.)

f. Vehicles Stored Pursuant to Section 22669(d) of the California Vehicle Code and Valued at \$500 or Less. All provisions of paragraph 2.e. apply, except for the dollar value of the vehicle and requirement for a 15-day notice affixed to the vehicle. Vehicles stored pursuant to 22669(d) CVC and valued over \$500 must be disposed of as required under Sections 3067 through 3075 CC.

g. Vehicles Valued in Excess of \$500. If a vehicle is estimated to have a value exceeding \$500, the vehicle must be disposed as required under Sections 3067 through 3075 CC.