

Chapter 6

Post-Repair Requirements

Section 6-1

Final invoices

6-1.1 Requirement. A repair facility is required to give a final written invoice, i.e., an itemized statement of charges, upon the return of the customer's vehicle. This must be given to all customers, including repairs being performed under warranty. See Appendix E for an example of a written invoice.

6-1.2 List of items. A written invoice must include the following information and items:

- a) The repairs requested by the customer.
- b) Any additional repairs which are determined necessary by the repair facility and are authorized by the customer.
- c) The repair facility's estimate of repair charges for both the repairs originally requested and any additional repairs authorized by the customer.
- d) The actual total charge for all parts and labor involved in the repair, not to exceed the estimate by more than 10% or \$50, whichever is less, unless authorized by the customer. If the amount is less than the price quoted in the estimate, the customer may not be charged more than the actual cost of the repairs.
- e) If a routine charge is made to cover the cost of miscellaneous shop supplies, such as rags, cleaning fluids, lubricants, etc., or for the disposal of hazardous waste materials, the charge for these items must be included in the written estimate. The actual cost that will be charged, as opposed to a percentage of the repair costs, must be shown in the final invoice.
- f) A description of the repairs and services performed, and a detailed identification of all parts replaced, specifying which parts are new Original Equipment Manufacturer (OEM), new, OEM surplus, used, rebuilt or reconditioned.

- g) A certification statement stating the repairs were completed properly or a detailed explanation of the facility's inability to complete repairs properly. The statement must be **signed by the owner of the repair facility or a designated representative**. This person is not required to be a certified mechanic.
- h) The name and mechanic certification number of all mechanics who performed diagnosis and/or repairs. If repair work is performed by a trainee under the supervision of a certified mechanic, the invoice must include the name and number of the certified mechanic and the name and number of the trainee.
- i) The facility's registration number.

Note: An electronic signature is acceptable for the certification statement. However, the repair facility is still legally responsible for each electronic signature used on each final invoice.

Note: A repair facility does not have to guarantee/warranty its repairs. If it does, the guarantee/warranty must be in writing and must disclose the scope of the warranty, including any limitations that may exist. The repair facility must maintain all records regarding the guaranteed repair for the length of the guarantee/warranty.

Section 6-2

Replaced parts

6-2.1 Requirement. Customers have the right to the return of all parts replaced, except those that must be returned to a supplier or manufacturer for warranty or rebuilding purposes, which the customer is entitled to inspect. A repair facility is required by law to give customers a notice which informs them of their right to reclaim replaced parts. **See Appendix C, Notice of Parts Return' for more information.** Exceptions are noted below.

6-2.2 Exceptions. Some replaced parts do not have to be returned to the customer. The following are examples:

- a) If a part is replaced at no charge, the facility does not have to show the part to the customer. For example, this would include parts replaced under warranty.
- b) For reasons of safety, a gasoline tank or any other container-type part that was filled with or was otherwise in appreciable contact with flammable fuels, unless the part is rendered nonflammable. If any returned part presents an actual danger of flammability or explosiveness, the facility shall clearly inform the customer of that danger.

- c) Large or heavy parts that are not easily portable need not be immediately returned. The facility should store these parts at the repair facility for the customer's inspection. The facility may not prevent the customer from removing any large or heavy part at the customer's own expense.

6-2.3 Time factor. All replaced parts not returned to the customer must be kept by the facility for a minimum of two business days after the vehicle has been reclaimed by the customer.

- a) The customer can cancel this requirement by authorizing the facility to dispose of the parts. For the facility's protection, it is suggested the customer indicate on the written invoice the release of the parts.
- b) If a dispute arises involving a replaced part within the two business days, the facility must place an identifying mark on the part *in the presence of the customer* and retain the part until the dispute is resolved.

6-2.4 Exchange (core) agreement. The customer may keep a replaced part that would otherwise be returned to a supplier as part of an exchange agreement under the following conditions:

- a) The repair facility may require the customer to pay the core charge involved in the exchange agreement.
- b) The core charge must be refunded to the customer upon return of the part to the facility.

6-2.5 Explanation of parts replacement. Upon request, a customer is entitled to an explanation of the reason why a part was replaced.

Section 6-3

Garage keeper's lien

6-3.1 What is a garage keeper's lien (GKL)? A garage keeper who has a Michigan repair facility registration is entitled to compensation for proper charges due after diagnosing, repairing, or storing a vehicle at the request of the registered owner. If the vehicle owner does not pay the charges due, the garage keeper can detain the vehicle and file for a garage keeper's lien. When properly filed with the Department of State, the garage keeper's lien has priority over all other liens.

Note: This process cannot be used for mobile homes. A court order or surety bond is required.

To apply for a GKL, a repair facility must:

- a) Be in possession of the vehicle.
- b) Be a registered repair facility; the repair facility number can be confirmed by logging into your e-Services account or using the facility search function on the public e-Services page.
- c) Have actually performed diagnostics or repairs requested by the vehicle owner.
- d) Submit a formal storage agreement signed by the vehicle owner if requesting a lien placement because of payment default for storage.

6-3.2 Applying for a garage keeper's lien. In order to apply for a garage keeper's lien on a vehicle, the following steps must be followed:

- a) The garage keeper must be in possession of the vehicle. The garage keeper may not detain the vehicle for more than 225 days after performing the last labor or furnishing the last supplies for which a lien is claimed against the vehicle. A garage keeper will not be able to sell the vehicle under the Garage keeper's Lien Act if the sale is not within the 225-day limit. Therefore, carefully follow the procedures below to avoid unnecessary delays in the process.
- b) An Application for Garage Keepers Lien (BDVR-35) along with a \$10 check or money order payable to "State of Michigan" should be sent for each application to:

Michigan Department of State
Special Services Branch
7064 Crowser Drive
Lansing, MI 48918

Note: The Application for Garage Keeper's Lien for Facilities/Mechanics (BDVR-35) can be found on the Department's website at www.michigan.gov/sos under "Publications and Forms." Applications must be submitted within 105 days after the lien attaches.

- c) If the application is complete, a GKL case number will be assigned, and the Secretary of State will mail a TR-42 Certificate of Foreclosure of Garage Keeper's Lien and Bill of Sale to you. You will be notified if your application is not complete. Corrections must be made, and a complete application submitted with 105 days after the lien attaches.
- d) The TR-42 will have an issue date and list all recorded owners and lienholders. Within 30 days after the issue date, the garage keeper must send a certified letter, return receipt requested, to all owners, lienholders, and

the Regulatory Monitoring Division. The letter must contain the following:

- 1) Notice of claim of lien against the vehicle.
 - 2) Vehicle identification number (VIN).
 - 3) Vehicle description (year, make and body style).
 - 4) Copy of the itemized statement of account, including any storage fees.
 - 5) The owner(s) of the vehicle may pay the amount necessary to satisfy the lien, in addition to the reasonable expenses or fees incurred by the garage keeper to redeem the vehicle up until the date of sale.
 - 6) Statement that all lienholders are being notified of the garage keeper's lien and have the right to take possession of the vehicle after paying the amount due.
 - 7) The date, time, manner, and place of vehicle sale (at least 75 days after the TR-42 issue date).
- e) On the TR-42 Certificate of Foreclosure fill in the dates the repairs were completed and the date the certified letters were mailed. Retain the mail receipts for your records. Retain the TR-42 until the sale is complete.
- f) Sell the vehicle at the time, date, manner, and place specified in the certified letter described in section d) above.
- g) After the sale complete the remainder of the TR-42 form and give to the vehicle buyer.
- h) The buyer must take the completed TR-42 to a Secretary of State branch office and apply for a title. Title fee and tax are paid at that time at the branch office.
- i) Distribute sale proceeds as follows:
- 1) Lien amount owed to garage keeper.
 - 2) Cost of sale to garage keeper.
 - 3) Any prior lienholder who gave notice to the garage keeper.
 - 4) Other reasonable charges of the garage keeper.
 - 5) The owner listed on TR-42.

- j) A garage keeper may have a lien for storage (up to \$10 per day unless otherwise agreed to in writing). Storage charges shall not exceed 120 days unless otherwise agreed to in writing. Storage charges may be in addition to the maximum lien determined in Section 3(4) of the Garage Keeper's Lien Act. Lienholders are not responsible for any storage charges that accrue until 45 days following the date of the letter from section d) above.
- k) If no one purchases the vehicle at the public sale, the garage keeper may purchase the vehicle. In this case, the garage keeper lien is terminated. The garage keeper must take the completed TR-42 to a Secretary of State branch office and apply for a title.
- l) If the owner or lienholder pays for the vehicle charges before the sale, fill in the box at the bottom of the TR-42 and return the form to the address above. If the lienholder claims the vehicle and intends to apply for a repossession title, give the completed TR-42 to them.

Please contact the Department's Call Center at (888) 767-6424 if you have questions.

6-3.3 Prohibition. A repair facility may not assert a lien in any transaction where the facility has violated the Act. This includes providing the customer with an improper estimate and invoice.

6-3.4 Penalties. Anyone making a false statement on a GKL application or certification required under the GKL Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000 or imprisonment of not more than 90 days, or both, for the first conviction under this section. Any subsequent conviction under this section carries a fine of not more than \$5,000 or imprisonment for not more than one year, or both.

Section 6-4

Garage keeper's liability

The Garage Keeper's Liability Act protects the vehicle owner from property damages inflicted on the vehicle while it is in the care and custody of the garage keeper.

6-4.1 Vehicle damage. Damage to a motor vehicle, wherever it is stored in the care or control of the garage keeper, is evidence of garage keeper negligence. This presumption pertains only if the owner immediately advises the garage keeper of the loss or damage claimed before leaving the facility with the vehicle.

6-4.2 Written statement. The garage keeper may provide blank forms for noting the condition of a vehicle when the vehicle is received for repairs at the repair facility. These should be completed in duplicate and signed by the vehicle owner, who receives one copy. A vehicle owner's refusal to sign such a form prohibits recovery for damages under the Garage Keeper's Liability Act.