



The Garage Keepers Act by Doug Paterson, Q.C.

This is a useful Act for vehicle-repair businesses but annoying for unhappy vehicle owners.

This Act applies to farm vehicles and vehicles propelled by an internal combustion engine or other than muscle power – a glider for example.

If a vehicle is given bona fide repairs by a licensed mechanic, or is supplied with parts or accessories, or is painted, or stored or cared for, the lien applies to the amount of the bill.

The lien has priority over any other registered interest, bill of sale, or any other charge existing at the time of detention by the garage keeper. In detaining any vehicle pending payment of the bill, the garage is liable for the safekeeping of the vehicle AND its effects (or contents).

If the garage releases the vehicle, the lien is lost – unless the owner signs the invoice to acknowledge the debt AND before releasing the vehicle or within 15 days after release, the garage registers a financing statement in the Personal

Property Security Registry (a gimongous Winnipeg computer). The costs for this registration is added to the bill.

The lien is good for 8 months, unless the vehicle is sold before then under the Act or the bill is paid.

If the garage does file a financing statement referred to earlier, it may later seize and detain the vehicle if the bill stays unpaid. After waiting sixty days, and advertising its sale and posting a notice for two weeks on the garage front door, the vehicle may be sold by auction. If there was another registered financing statement against the vehicle, two weeks prior notice must also be given to that person.

The auction sale proceeds then are used to, (in order): pay the garage bill, storage bill, seizure bill, advertising, the auctioneer's fees and any other reasonable costs. Any surplus goes to the owner or to the Court of Queen's Bench. After one year it is paid to the Province's general fund.

If the vehicle owner disputes the garage bill, he/she must pay the bill plus the lesser of 10% or \$50 into the Court of Queen's Bench and the lien ceases and the owner gets the vehicle returned. The garage then has 30 days to start a court action to get the money. If the garage does not sue in time, the vehicle owner applies to get the money out of court.

If the garage does not give up the vehicle when required, it is guilty of an offence and must pay a fine of \$100 per day that possession was not given.