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THE SENATE COMMITTEE ON ADMINISTRATION

August 29, 2007

The Honorable Greg Abbott
Attorney General
Price Daniel, Sr. Building, 8th Floor
209 West 14th Street
Austin, Texas 78701-8701

RECEIVED

AUG 29 2007

OPINION COMMITTEE

FILE # ML-45332-07
I.D. # 45332

Dear General Abbott:

RQ-0616-GA

As Chair of the Administration Committee, I would like to request an opinion on the use of Worker's Liens, as established by § 70.001 of the Texas Property Code, by auto repair shops. Currently, some auto repair shops refuse to release their worker's lien on a customer's vehicle (and thus, refuse to relinquish the vehicle) until the consumer pays "document fees". These are fees assessed in addition to any fees charged for the vehicle's repair and are often assessed for "paper work, conferring with an adjuster, or conferring with a customer". Specifically, I would like to know:

- (1) Whether a worker's lien may be maintained by an auto repair shop when a consumer or an insurance company has fully paid the authorized charges for the vehicle's repair and for which the remaining balance consists of only "document fees";
- (2) Whether "document fees" constitute part of the auto repair shop's statutory lien; and,
- (3) Whether this statutory lien may be maintained if the "document fees" are assessed after the balance due has been paid or tendered.

In my research, I found two cases that indicate that a worker's lien should be discharged when the full amount of the repairs are made: *Hinson v. Peak Fin., L.P.* (2004 LEXIS 11018, Tex. App. San Antonio, 2004) (mechanic's lien was discharged under *Tex. Prop. Code* § 70.001(a) because the insurance company paid the entire balance due and the titleholder tendered the insurance deductible to the mechanic but was refused), and *Seureau v. Mudd*, 515 S.W.2d 746 (Tex. Civ. App. Houston 14th Dist. 1974) (shop not entitled to enforce statutory lien where the customer's bill exceeded the amount he authorized for the repair of the vehicle). However, it is not clear whether "document fees" constitute part of the auto repair shop's statutory lien.

Thank you in advance for your assistance with my request. Please do not hesitate to contact me if you have questions concerning this request. You may reach me at 512-463-0350.

Sincerely,

A handwritten signature in cursive script that reads "Kim Brimer".

Kim Brimer
Senate Administration Committee
Chairman