

**Senate Study Bill 3038 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED ATTORNEY GENERAL  
BILL)

**A BILL FOR**

1 An Act relating to artisan's liens and Iowa's consumer frauds  
2 Act and private right of action for consumer frauds Act and  
3 making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 537B.6, Code 2009, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 17. Attempt to enforce a lien pursuant to  
4 section 577.1 in connection with a transaction in which the  
5 supplier has engaged in a deceptive act or practice pursuant to  
6 subsections 2 through 12 of this section.

7 Sec. 2. Section 577.2, Code 2009, is amended to read as  
8 follows:

9 **577.2 Enforcement of lien.**

10 1. Said The lien provided for in section 577.1 may be  
11 foreclosed in the manner provided in the uniform commercial  
12 code, section 554.7308.

13 2. Any attempt by a supplier, as defined in section 537B.2,  
14 to enforce a lien pursuant to this chapter in connection with a  
15 transaction in which the supplier has engaged in a deceptive  
16 act or practice pursuant to section 537B.6, subsections 2  
17 through 12, is an unfair practice pursuant to section 714.16,  
18 subsection 2, paragraph "a", and section 714H.3, subsection 1,  
19 and any such lien is void.

20 EXPLANATION

21 This bill relates to artisan's liens and Iowa's consumer  
22 frauds Act and private right of action for consumer frauds Act  
23 and makes penalties applicable.

24 The bill provides that a supplier, defined as a person  
25 offering to contract for repairs or service on a motor vehicle  
26 under the motor vehicle service trade practices Act (Code  
27 chapter 537B), who attempts to enforce an artisan's lien under  
28 Code section 577.1 in connection with a transaction in which  
29 the supplier engaged in a deceptive practice or act under Code  
30 chapter 537B is an unfair practice under both the Iowa consumer  
31 frauds Act (Code section 714.16) and the private right of  
32 action for consumer frauds Act (Code chapter 714H).

33 Iowa's consumer frauds Act prohibits unfair and deceptive  
34 trade practices in the sale, lease, or advertisement of a  
35 product or service and authorizes the attorney general to file

1 a lawsuit on behalf of a consumer to obtain temporary and  
2 permanent injunctive relief, consumer reimbursement, costs and  
3 attorney fees, and civil penalties up to \$40,000 per violation.  
4 Under the private right of action for consumer frauds Act,  
5 a consumer may sue to recover actual damages and may seek  
6 punitive damages up to three times the actual damages in cases  
7 of willful and wanton conduct by a defendant. In addition, if  
8 the consumer prevails in a private right of action lawsuit, the  
9 court must award reasonable attorney fees.