

SECTION 2 — COMMERCIAL LIENS ACT



Module 10: Interaction Between the CLA and Other Laws

How lien rights work alongside the Motor Vehicle Act, CRT, insurance laws, municipal bylaws, and more

Opening Narration

Narrator:

The Commercial Liens Act (CLA) does not operate in isolation. Towlers and repairers must also comply with the Motor Vehicle Act, municipal bylaws, insurance rules, and even court or CRT decisions.

This module explains how these laws interact — and most importantly, which laws take priority when conflicts arise.

Understanding these relationships ensures that you stay compliant while protecting your lien rights.

Lesson 1 — CLA vs. Motor Vehicle Act (MVA)

The **Motor Vehicle Act (MVA)** governs impoundments, police authority, and certain towing operations.

✓ When the MVA governs:

- Police impounds (s. 251 MVA)
- Storing impounded vehicles
- Release procedures for impounds
- Authorized impound lot operator rules

✓ When the CLA governs:

- Any non-police impound tow
- Any repair or storage situation not covered by RSBC
- Any unpaid charges outside the RSBC/Impound process
- Sale of non-impound vehicles
- Private property tows
- Accident tows
- Abandoned vehicles

Key Rule:

Impounds follow RSBC procedures, not the CLA.
Everything else follows the CLA.

Example

- Police impound → RSBC rules
- Accident tow → CLA
- Parking lot tow → CLA
- Abandoned vehicle → CLA

Lesson 2 — CLA vs. Civil Resolution Tribunal (CRT)

The **CRT** has jurisdiction over most vehicle-related disputes, including:

- Repair invoices
- Tow charges
- Storage charges

- Lien disputes
- Orders to release vehicles
- Reasonableness of charges
- Claims up to \$5,000 (small claims) and up to \$50,000 for motor vehicle disputes

✓ CRT can override a lien *after hearing a case*

If the tribunal decides:

- Charges are unreasonable
- Authorization was lacking
- The lien was improperly asserted
- Sale procedures were defective

✓ CRT cannot override the CLA itself

But CRT decisions can reorder payment, require release, or refund charges.

✓ Towers and repairers must comply with CRT orders.

Example

Owner disputes \$4,000 repair bill at CRT → CRT may reduce charges → lien applies only to authorized amount.

Lesson 3 — CLA vs. Insurance Law (ICBC & Private Insurers)

Insurers often attempt to direct towers or repairers — but insurers do *not* override lien rights.

✓ A lien exists even when insurance is involved

The debtor is still the vehicle owner.

✓ Insurers cannot demand release without paying

Unless:

- Police order removal
- A court orders release

- Ownership has transferred legally (written-off vehicles only)

✓ Insurer approval ≠ customer authorization

Authorization must come from the owner or lawful possessor.

✓ Insurers may challenge reasonableness of charges

Often resolved through CRT or negotiation.

✓ For EVs, insurers may request specialized handling

Safety procedures are lien-eligible.

Lesson 4 — CLA vs. Municipal Bylaws (Private Property Tows)

Municipal bylaws regulate things like:

- Signage
- Drop fees
- Release-at-scene rules
- Tow limits
- Documentation requirements

✓ Municipal bylaws govern *how* you tow

Examples:

- Whether you can charge a drop fee
- Conditions for towing from private property
- Maximum rates in regulated cities
- Requirements for lot signage

✓ The CLA governs what happens *after* the tow

Lien creation and enforcement apply once the vehicle is on your lot.

✓ Bylaw violations may undermine lien authority

Example:

If signage is non-compliant, the tower may not have lawful authority → lien may be challenged.

Lesson 5 — CLA vs. Police Authority

Police authority is powerful, legally defined, and overrides many other rights.

✓ Police may:

- Direct a tow
- Order release of a vehicle
- Seize a vehicle for investigation
- Move or examine a vehicle
- Require evidence preservation

✓ If police remove a vehicle from your lot:

Lien may be:

- Suspended
- Extinguished
- Later compensated (rare and case-specific)

✓ You must comply with lawful police orders

Refusal is unlawful.

✓ Police orders do not retroactively invalidate a lien

But they may override possession rights in the moment.

Lesson 6 — CLA vs. Court Orders

Courts may order that a vehicle be:

- Released
- Sold
- Returned to the owner
- Transferred to a third party

- Seized by bailiffs
- Frozen as evidence

✓ **Court orders override lien holder preferences**

Even if you are owed money.

✓ **Lien holder may still recover debt**

Through CRT or civil court — but possession must be surrendered.

Lesson 7 — CLA vs. Out-of-Province Laws

Vehicles originating from:

- Alberta
- Washington
- Ontario
- Out-of-country jurisdictions

...still fall under **BC law** while in BC possession.

✓ **Your lien is valid even if the owner is elsewhere**

But notice must be sent to the best available address.

✓ **Sale of out-of-province vehicles is allowed**

With proper documentation and notice procedures.

Lesson 8 — CLA vs. Consumer Protection Laws

Repair shops must also comply with:

- Motor Vehicle Act Regulations on repair disclosures
- Consumer Protection BC requirements
- Requirements for written estimates
- Requirements for customer authorization
- Disclosure of parts and labour

Failure to follow consumer protection laws may invalidate repairer liens.

Lesson 9 — Conflict Between Laws — Which One Wins?

When laws conflict, here is the hierarchy towers and repairers should remember:

1. Court Orders

Always override all other rules.

2. Police Authority (MVA, warrant, evidence seizure)

Overrides lien rights in the moment.

3. Motor Vehicle Act Impound Rules

Override the CLA for impounded vehicles.

4. Commercial Liens Act

Governs all non-statutory lien situations.

5. Municipal Bylaws

Regulate how towing is conducted, but do not govern lien enforcement.

6. Contracts with insurers or customers

Cannot override legislation.

Lesson 10 — Practical Examples

Example A — Impound Tow

Impound lot rules (RSBC) → CLA does *not* apply. Creates a statutory lien, which may be enforced under the CLA.

Example B — Collision Tow with Investigation

CLA applies → until police seize the vehicle.
Then MVA/police authority overrides possession.

Example C — Private Parking Tow

Municipal bylaw governs tow authority → CLA governs lien and sale.

Example D — ICBC Requests Release

CLA governs release → you may refuse until paid.
Police order → must comply.
ICBC instruction alone → does not override lien.

Example E — CRT Orders Reduction of Charges

CLA lien is reduced → must release upon payment of reduced amount.

Lesson 11 — Summary

Narrator:

To recap:

- The CLA works alongside several other laws.
- Impoundment rules under the Motor Vehicle Act override the CLA.
- CRT may reduce charges or order release but cannot rewrite the CLA.
- Insurers do not override lien rights unless legally assigned ownership.
- Municipal bylaws regulate towing procedure, not lien enforcement.
- Police authority may override possession but does not retroactively invalidate your lien.
- Court orders supersede all other rights.

Understanding how these laws interact helps towers and repairers enforce liens properly — and avoid costly mistakes.
