

HOUSE BILL No. 4549

March 13, 1991, Introduced by Reps. Baade, Wallace, Anthony, Gire, Gubow, Joe Young, Jr., Byrum, Harder, Knight, Dobronski, Olshove, Yokich and Clarke and referred to the Committee on Military and Veterans' Affairs.

A bill to amend sections 1b and 2 of Act No. 312 of the Public Acts of 1915; entitled as amended

"An act to establish, protect and enforce by lien the rights of garage keepers who furnish labor or material for storing, repairing, maintaining, keeping or otherwise supplying automobiles or other vehicles,"

section 1b as added and section 2 as amended by Act No. 58 of the Public Acts of 1990, being sections 570.301b and 570.302 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1b and 2 of Act No. 312 of the Public
2 Acts of 1915, section 1b as added and section 2 as amended by Act
3 No. 58 of the Public Acts of 1990, being sections 570.301b and
4 570.302 of the Michigan Compiled Laws, are amended to read as
5 follows:

1 Sec. 1b. (1) If the charges described in section 1 for an
2 aircraft are not paid when due, the garage keeper may, within 60
3 days after the last work or service is performed, file with the
4 FAA aircraft registry, Box 25504, Oklahoma City, OK 73125-4939, a
5 claim of lien, duly acknowledged, stating the name and address of
6 the lien claimant, the amount due, and describing the aircraft by
7 make, model, serial number, and registration number. If charges
8 described in section 1 for an aircraft are not paid within 60
9 days after a claim of lien together with an itemized statement of
10 the account is delivered to the registered owner of the aircraft
11 by personal service or service by registered or certified mail
12 addressed to the last known address of the registered owner of
13 the aircraft, and a record of the lien described above has been
14 filed with the federal aviation administration aircraft registry,
15 the garage keeper may sell the aircraft at public auction. The
16 sale shall be held not less than 20 days or more than 60 days
17 after the expiration of the 60-day period. HOWEVER, IF THE REG-
18 ISTERED OWNER OF THE AIRCRAFT IS A MEMBER OF A RESERVE COMPONENT
19 OF THE ARMED FORCES OF THE UNITED STATES IN ACTIVE SERVICE OR A
20 MEMBER OF THE NATIONAL GUARD OF THE UNITED STATES IN ACTIVE FED-
21 ERAL SERVICE, THE SALE SHALL BE HELD NOT LESS THAN 20 DAYS OR
22 MORE THAN 60 DAYS AFTER THE EXPIRATION OF THE 180-DAY PERIOD FOL-
23 LOWING THE TERMINATION OF THAT SERVICE.

24 (2) Not later than 20 days before any sale is held, the
25 garage keeper shall give written notice of the time and place of
26 the sale to the federal aviation administration aircraft
27 registry, to any lienholder as shown by the records of the

1 federal aviation administration aircraft registry, and to the
2 registered owner of the aircraft. Notice to the federal aviation
3 administration aircraft registry and the lienholders shall be
4 given by first class mail, addressed to the federal aviation
5 administration aircraft registry, Oklahoma City, Oklahoma, and to
6 the address of the lienholders. Notice to the registered owner
7 of the aircraft shall be given personally or by certified mail,
8 directly to the last known address of the registered owner.
9 Notice of the time and place of the sale also shall be posted in
10 a conspicuous place at the place of the sale and at every airport
11 within a 25-mile radius of the place of the sale.

12 (3) The garage keeper may bid for and purchase the aircraft
13 at the sale. If the garage keeper directly or indirectly pur-
14 chases the aircraft at the sale, the proceeds of the sale shall
15 be deemed to be either the amount paid by the garage keeper or
16 the fair cash market value of the aircraft as determined by a
17 neutral aircraft appraiser immediately before the time of sale,
18 whichever is the greater.

19 (4) Any surplus received at the sale, after all charges of
20 the garage keeper have been paid and satisfied and all costs of
21 sale have been deducted, shall be returned to any lienholder who
22 has a properly recorded security interest in the aircraft or part
23 of the aircraft before distribution of the proceeds of the sale
24 is complete, and the balance shall be returned to the registered
25 owner of the aircraft.

26 Sec. 2. Except as otherwise provided for aircraft in
27 section 1b, if charges described in section 1 are not paid within

1 45 days after a claim of lien together with an itemized statement
2 of the account is delivered to the registered owner of the vehi-
3 cle by personal service or service by registered or certified
4 mail addressed to the last known address of the registered owner
5 of the vehicle, the garage keeper may sell the vehicle at public
6 auction. The sale shall be held not less than 20 days nor more
7 than 60 days after the expiration of the 45-day period. HOWEVER,
8 IF THE REGISTERED OWNER OF THE VEHICLE IS A MEMBER OF A RESERVE
9 COMPONENT OF THE ARMED FORCES OF THE UNITED STATES IN ACTIVE
10 SERVICE OR A MEMBER OF THE NATIONAL GUARD OF THE UNITED STATES IN
11 ACTIVE FEDERAL SERVICE, THE SALE SHALL BE HELD NOT LESS THAN 20
12 DAYS OR MORE THAN 60 DAYS AFTER THE EXPIRATION OF THE 180-DAY
13 PERIOD FOLLOWING THE TERMINATION OF THAT SERVICE. Not later than
14 10 days before any sale is held, the garage keeper shall give
15 written notice of the time and place of the sale to the depart-
16 ment of state, to any lienholder as shown by the records of the
17 department of state, and to the registered owner of the vehicle.
18 Notice to the department of state and the lienholders shall be
19 given by first class mail, addressed to the department of state,
20 Lansing, Michigan, and to the address of the lienholders, as
21 shown by the records of the department. Notice to the registered
22 owner of the vehicle shall be given personally or by certified
23 mail, directly to the last known address of the registered
24 owner. The garage keeper may bid for and purchase the vehicle at
25 the sale. If the garage keeper directly or indirectly purchases
26 the vehicle at the sale, the proceeds of the sale shall be
27 considered to be either the amount paid by the garage keeper or

1 the fair cash market value of the vehicle at the time of sale,
2 whichever is the greater. Any surplus received at the sale,
3 after all charges of the garage keeper have been paid and satis-
4 fied and all costs of sale have been deducted, shall be returned
5 to any lienholder who has given notice to the garage keeper of
6 his or her claim of lien, before distribution of the proceeds of
7 the sale is complete, and the balance shall be returned to the
8 registered owner of the vehicle.