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House Bill 4812 (Substitute H-2 as reported without amendment)
Sponsor: Representative Andrew Richner
House Committee: Commerce
Senate Committee: Financial Services

CONTENT

The bill would amend Public Act 155 of 1981, which provides for ownership rights in dies, molds, and forms used in making plastics, to establish the lien of a "moldbuilder" and provide procedures for enforcing the lien.

The Act specifies that a molder maintains a lien on any die, mold, or form in his or her possession that belongs to a customer of the molder. The bill would retain the lien provisions that apply to a molder. The Act defines "molder" both as a person who makes dies, molds, and forms, and as a person who uses them to manufacture, assemble, or fabricate a plastic product. Under the bill, a molder would be limited to a person who *uses* a die, mold, or form to manufacture, assemble, or fabricate plastic parts. A "moldbuilder" would be a person who *fabricated, cast, or otherwise made, repaired, or modified* a die, mold, or form for use in the manufacture, assembly, or fabrication of plastic parts. A moldbuilder would have a lien on any die, mold, or form that he or she fabricated, repaired, or modified. The amount of the lien would be the amount that a customer or molder owed the moldbuilder for the fabrication, repair, or modification of the die, mold, or form.

A moldbuilder would permanently have to record his or her name and address on every die, mold, or form he or she fabricated, repaired, or modified. A moldbuilder also would have to file a financing statement in accordance with the Uniform Commercial Code. The lien would remain valid until the moldbuilder was paid the amount owned by the customer or molder, the customer received a verified statement from the molder that the molder had paid the amount of the lien, or the financing statement was terminated, whichever occurred first.

To enforce the lien, the moldbuilder would have to give written notice to the customer and the molder. If the moldbuilder were not paid after 90 days, the moldbuilder would have a right to possession of the die, mold, or form, and could enforce the right by judgment, foreclosure, or any available judicial procedure. The moldbuilder could take possession of the mold, die, or form (without judicial process, if this could be done without breach of the peace); and/or sell the die, mold, or form in a public auction. Before selling it, however, the moldbuilder would have to notify the customer, the molder, and all others with a perfected security interest in the die, mold, or form. If the customer or molder disputed the lien, the moldbuilder could not sell the die, mold, or form until the dispute was resolved.

MCL 445.611 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 2-6-02

Fiscal Analyst: Jessica Runnels

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Analysis available @ <http://www.michiganlegislature.org>

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