

# HOUSE BILL No. 4492

March 3, 2009, Introduced by Reps. Constan, Durhal, Bettie Scott, Stanley, Robert Jones, Miller, Cushingberry, Liss, Gonzales, Scripps, Geiss, Kandrevas, Terry Brown, Spade, Ebli, Leland and LeBlanc and referred to the Committee on Judiciary.

A bill to amend 2002 PA 481, entitled  
"Special tools lien act,"  
by amending sections 13 and 23 (MCL 570.553 and 570.563).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 13. (1) An end user has a lien, dependent on possession,  
2       on any special tool in the end user's possession belonging to a  
3       customer for the amount due the end user from the customer for  
4       metal fabrication work performed with the special tool. An end user  
5       may retain possession of the special tool until the amount due is  
6       paid.

7       (2) THE AMOUNT DUE TO AN END USER FROM A CUSTOMER UNDER THIS  
8       ACT INCLUDES BOTH OF THE FOLLOWING:

9       (A) INTEREST ON THE PRINCIPAL DUE TO THE END USER AT THE RATE  
10      OF 13% COMPOUNDED ANNUALLY OR, IF THERE IS A WRITTEN AGREEMENT  
11      BETWEEN THE END USER AND THE CUSTOMER RELATING TO THE SPECIAL TOOL

1 THAT CONTAINS A PROVISION FOR INTEREST, THE INTEREST RATE IN THE  
2 WRITTEN AGREEMENT, WHICHEVER IS LESS.

3 (B) A REASONABLE ATTORNEY FEE IF THE END USER HAS INCURRED  
4 ATTORNEY FEES IN RECOVERING THE AMOUNT DUE.

5 Sec. 23. (1) A special tool builder shall permanently record  
6 on every special tool that the special tool builder fabricates,  
7 repairs, or modifies the special tool builder's name, street  
8 address, city, and state.

9 (2) A special tool builder shall file a financing statement in  
10 accordance with the requirements of section 9502 of the uniform and  
11 commercial code, 1962 PA 174, MCL 440.9502.

12 (3) A special tool builder has a lien on any special tool  
13 identified pursuant to subsection (1). The amount of the lien is  
14 the amount that a customer or end user owes the special tool  
15 builder for the fabrication, repair, or modification of the special  
16 tool. The information that the special tool builder is required to  
17 record on the special tool under subsection (1) and the financing  
18 statement required under subsection (2) ~~shall constitute~~ **CONSTITUTE**  
19 actual and constructive notice of the special tool builder's lien  
20 on the special tool.

21 (4) THE AMOUNT OWED TO A SPECIAL TOOL BUILDER FROM A CUSTOMER  
22 OR END USER UNDER THIS ACT INCLUDES BOTH OF THE FOLLOWING:

23 (A) INTEREST ON THE PRINCIPAL DUE TO THE SPECIAL TOOL BUILDER  
24 AT THE RATE OF 13% COMPOUNDED ANNUALLY OR, IF THERE IS A WRITTEN  
25 AGREEMENT BETWEEN THE SPECIAL TOOL BUILDER AND THE CUSTOMER OR END  
26 USER RELATING TO THE SPECIAL TOOL THAT CONTAINS A PROVISION FOR  
27 INTEREST, THE INTEREST RATE IN THE WRITTEN AGREEMENT, WHICHEVER IS

1 LESS.

2 (B) A REASONABLE ATTORNEY FEE IF THE SPECIAL TOOL BUILDER HAS  
3 INCURRED ATTORNEY FEES IN RECOVERING THE AMOUNT OWED.

4 (5) ~~(4)~~ The special tool builder's lien attaches when actual  
5 or constructive notice is received. The special tool builder  
6 retains the lien that attaches under this section even if the  
7 special tool builder is not in physical possession of the special  
8 tool for which the lien is claimed.

9 (6) ~~(5)~~ ~~The~~ **A SPECIAL TOOL BUILDER'S** lien remains valid until  
10 the first of the following events takes place:

11 (a) The special tool builder is paid the amount owed by the  
12 customer or end user.

13 (b) The customer receives a verified statement from the end  
14 user that the end user has paid the amount for which the lien is  
15 claimed.

16 (c) The financing statement is terminated.

17 (7) ~~(6)~~ The priority of a lien created under this act on a  
18 special tool shall be determined by the time the lien attaches. The  
19 first lien to attach ~~shall have~~ **HAS** priority over liens that attach  
20 ~~subsequent to~~ **AFTER** the first lien.