

Act No. 58
Public Acts of 1990
Approved by the Governor
April 16, 1990
Filed with the Secretary of State
April 17, 1990

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990**

Introduced by Reps. Nye, Sparks, Power, Dunaskiss, Bender, Emmons, Muxlow and Martin

ENROLLED HOUSE BILL No. 4878

AN ACT to amend sections 1 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 1 as amended by Act No. 126 of the Public Acts of 1986, being sections 570.301 and 570.302 of the Michigan Compiled Laws; and to add section 1b.

The People of the State of Michigan enact:

Section 1. Sections 1 and 2 of Act No. 312 of the Public Acts of 1915, section 1 as amended by Act No. 126 of the Public Acts of 1986, being sections 570.301 and 570.302 of the Michigan Compiled Laws, are amended and section 1b is added to read as follows:

Sec. 1. Every garage keeper who in pursuance of any contract, expressed or implied, written or unwritten, furnishes any labor, material, or supplies shall have a lien upon any vehicle stored, maintained, supplied, or repaired by him or her for the proper charges due for the storage, maintenance, keeping, and repair thereof and for gasoline or aviation fuel, electric current, or other accessories and supplies furnished or expenses bestowed or labor performed thereon at the request or with the consent of the registered owner of the vehicle, whether the owner is a conditional sale vendee or a mortgagor remaining in possession or otherwise. The garage keeper may detain the vehicle at any time it is in his or her possession within 90 days after performing the last labor or furnishing the last supplies for which the lien is claimed. The lien, insofar as the lien is for labor and material furnished in making repairs upon a vehicle, shall have priority over all other liens upon the vehicle. Except as provided in section 1a for aircraft, the lien shall become of no effect as against the holder of a security interest, conditional sales agreement, or other lien prior to the accrual of the lien upon the payment by the prior lien holder to the garage keeper of the amount of the lien, but not exceeding \$600.00 in the case of a ground vehicle, and \$200.00 in the case of watercraft, or any accessory used for the operation of watercraft, which payment shall then be added to the amount of the lien of the prior lien holder.

Sec. 1b. (1) If the charges described in section 1 for an aircraft are not paid when due, the garage keeper may, within 60 days after the last work or service is performed, file with the FAA aircraft registry, Box 25504, Oklahoma City, OK 73125-4939, a claim of lien, duly acknowledged, stating the name and address of the lien claimant, the amount due, and describing the aircraft by make, model, serial number, and registration number. If charges described in section 1 for an aircraft are not paid within 60 days after a claim of lien together with an itemized statement of the account is delivered to the registered owner of the aircraft by personal service or service by registered or certified mail addressed to the last known address of the registered owner of the aircraft, and a record of the lien described above has been filed with the federal aviation administration aircraft registry, the garage keeper may sell the aircraft at public auction. The sale shall be held not less than 20 days or more than 60 days after the expiration of the 60-day period.

(2) Not later than 20 days before any sale is held, the garage keeper shall give written notice of the time and place of the sale to the federal aviation administration aircraft registry, to any lienholder as shown by the records of the federal aviation administration aircraft registry, and to the registered owner of the aircraft. Notice to the federal aviation administration aircraft registry and the lienholders shall be given by first class mail, addressed to the federal aviation administration aircraft registry, Oklahoma City, Oklahoma, and to the address of the lienholders. Notice to the registered owner of the aircraft shall be given personally or by certified mail, directly to the last known address of the registered owner. Notice of the time and place of the sale also shall be posted in a conspicuous place at the place of the sale and at every airport within a 25-mile radius of the place of the sale.

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

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

Sec. 2. Except as otherwise provided for aircraft in section 1b, if charges described in section 1 are not paid within 45 days after a claim of lien together with an itemized statement of the account is delivered to the registered owner of the vehicle by personal service or service by registered or certified mail addressed to the last known address of the registered owner of the vehicle, the garage keeper may sell the vehicle at public auction. The sale shall be held not less than 20 days nor more than 60 days after the expiration of the 45-day period. Not later than 10 days before any sale is held, the garage keeper shall give written notice of the time and place of the sale to the department of state, to any lienholder as shown by the records of the department of state, and to the registered owner of the vehicle. Notice to the department of state and the lienholders shall be given by first class mail, addressed to the department of state, Lansing, Michigan, and to the address of the lienholders, as shown by the records of the department. Notice to the registered owner of the vehicle shall be given personally or by certified mail, directly to the last known address of the registered owner. The garage keeper may bid for and purchase the vehicle at the sale. If the garage keeper directly or indirectly purchases the vehicle at the sale, the proceeds of the sale shall be considered to be either the amount paid by the garage keeper or the fair cash market value of the vehicle at the time of sale, whichever is the greater. Any surplus received at the sale, after all charges of the garage keeper have been paid and satisfied and all costs of sale have been deducted, shall be returned to any lienholder who has given notice to the garage keeper of his or her claim of lien, before distribution of the proceeds of the sale is complete, and the balance shall be returned to the registered owner of the vehicle.

Section 2. This amendatory act shall take effect July 1, 1990.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.