

AERONAUTICS CODE OF THE STATE OF MICHIGAN (EXCERPT)
Act 327 of 1945

259.205b Garage keeper lien; filing of lien claim; sale; notice; purchase; disposition of surplus.

Sec. 205b.

(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 federal aviation administration aircraft registry, 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, 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 determined 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.

History: Add. 2002, Act 35, Eff. May 15, 2002