

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

CHAPTER X
MISCELLANEOUS PROVISIONS.

259.201 Aeronautics commission; orders.

Sec. 201. If the commission rejects an application for permission to operate an aeronautical facility, flight school, or flying club, or if the commission rejects an application for permission to act as an airport manager, or if the commission issues an order requiring certain things to be done, the commission shall set forth its reasons and shall state the requirements to be met before approval is given or the order modified or changed. If the commission considers it necessary, the commission may order restrictions on the use of or on the closing of any aeronautical facility, flight school, or flying club, or may require an airport manager to cease operations, until all of the requirements determined by the commission have been complied with.

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.201;—Am. 1996, Act 370, Imd. Eff. July 3, 1996.

Former law: See section 4 of Act 177 of 1929, being CL 1929, § 4804; Act 53 of 1931.

259.202 Aeronautics commission; orders; appeal.

Sec. 202. A person who is aggrieved by an order of the commission may, within 10 days after the issuance of the order, appeal to, or have the action of the commission reviewed by, the circuit court of Ingham county, at Lansing, Michigan, in the manner provided for the review of the orders of other administrative bodies of this state, and rules of law applicable to such appeals or reviews shall apply.

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.202;—Am. 1996, Act 370, Imd. Eff. July 3, 1996.

Former law: See section 7 of Act 177 of 1929, being CL 1929, § 4807.

Administrative rules: R 259.201 et seq.; R 259.801 et seq.; R 259.1101 et seq. of the Michigan Administrative Code.

259.203 Fuel privilege tax; imposition; collection and remittance; refund; purchase of fuel by unregistered person; imposition of tax on aviation fuel.

Sec. 203. (1) A privilege tax at the rate of 3 cents per gallon is imposed on all fuel sold or used in producing or generating power for propelling aircraft using the aeronautical facilities on the lands and waters of this state. The tax must be collected and remitted in the same manner and method and at the same time as prescribed by law for the collection of the gasoline tax imposed on all gasoline used in producing or generating power for propelling motor vehicles used on the public highways of this state under the motor fuel tax act, 2000 PA 403, MCL 207.1001 to 207.1170. For the tax imposed under this subsection, a refund of 1-1/2 cents per gallon must be made to airline operators who show proof within 6 months after purchase that they are operating interstate on scheduled operations.

(2) If a person required to register with the department of treasury under section 94 of the motor fuel tax act, 2000 PA 403, MCL 207.1094, is not registered, the person shall not purchase fuel under this act at the rate imposed by subsection (1), but shall pay the applicable rate imposed on motor fuel by section 8 of the motor fuel tax act, 2000 PA 403, MCL 207.1008.

(3) The tax imposed under subsection (1) is not imposed on aviation fuel if the purchaser has certified in writing to the seller that the aviation fuel is being purchased solely for the purpose of formulating leaded racing fuel as that term is defined in section 4 of the motor fuel tax act, 2000 PA 403, MCL 207.1004. Aviation fuel qualifying under this subsection must be identified on shipping papers and invoices as "aviation fuel exempt for LRF".

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.203;—Am. 1957, Act 123, Eff. Sept. 27, 1957;—Am. 2000, Act 404, Imd. Eff. Jan. 8, 2001;—Am. 2008, Act 25, Eff. May 12, 2008;—Am. 2015, Act 260, Eff. Mar. 22, 2016.

Former law: See section 2 of Act 160 of 1931.

259.204 Aircraft fuels; storing, dispensing, and selling; rules and regulations; violation as misdemeanor.

Sec. 204. Every person dealing at wholesale or retail in aircraft fuels shall acquire and dispense the fuels in accordance with the laws of this state and the rules and regulations of the bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, or the department of environmental quality pertaining to storing, dispensing, and selling volatile fuels. Violation of this section is a misdemeanor.

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.204;—Am. 2006, Act 193, Imd. Eff. June 19, 2006.

Compiler's note: For transfer of powers and duties of state fire marshal to department of labor and economic growth, bureau of construction codes and fire safety, by type II transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

259.205 Garage keeper lien.

Sec. 205. A garage keeper who in pursuance of any contract, expressed or implied, written or unwritten, furnishes any labor, material, or supplies has a lien upon any aircraft stored, maintained, supplied, or repaired by him or her for the proper charges due for the storage, maintenance, keeping, and repair of the aircraft and for gasoline or aviation fuel, electric current, or other accessories and supplies furnished or expenses bestowed or labor performed on the aircraft at the request or with the consent of the registered owner of the aircraft, whether the owner is a conditional sale vendee or a mortgagor remaining in possession or otherwise. The garage keeper may detain the aircraft 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, to the extent it is for labor and material furnished in making repairs upon an aircraft, has priority over all other liens upon the aircraft.

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.205;—Am. 2002, Act 35, Eff. May 15, 2002.

259.205a Garage keeper lien; priority.

Sec. 205a. (1) If the vehicle subject to a lien under section 1 is an aircraft, the garage keeper's lien shall take priority over any prior lien unless the prior lienholder pays to the garage keeper the amount of the lien attributable to labor and materials, or the following applicable amount, whichever is less:

- (a) \$5,000.00 in the case of an aircraft that has a single engine of less than 150 horsepower.
- (b) \$10,000.00 in the case of an aircraft that has a single engine of 150 or more horsepower.
- (c) \$20,000.00 in the case of a multiengine, nonturbocharged aircraft, or an aircraft that is rated at less than 6,000 pounds maximum certificated gross takeoff weight.
- (d) \$40,000.00 in the case of a multiengine turbocharged aircraft, or an aircraft that is rated at 6,000 pounds or more maximum certificated gross takeoff weight.
- (e) \$100,000.00 in the case of a turboprop or turbojet aircraft.

(2) A payment made to a garage keeper under subsection (1) shall be added to the amount of the lien of the prior lienholder who made the payment, and shall be subtracted from the amount of the garage keeper's lien.

(3) The garage keeper's lien established in this act is the sole lien available to a garage keeper as to an aircraft, and the common law garage keeper's lien as to an aircraft is abolished.

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

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.

259.206 Operation of aircraft by lessee; notice of insurance coverage; violation; remedies; "lessee" defined.

Sec. 206. (1) A person who in the course of business rents an aircraft to a lessee, at the time of entering into the rental agreement, shall notify the lessee in writing of the extent the lessor's insurance will cover the operation of the aircraft by the lessee. If a person violates this section, the lessee may bring an action for either of the following:

(a) To void the agreement.

(b) To recover damages in the amount of \$500.00, or actual damages, whichever is greater.

(2) The remedies provided in subsection (1) shall be in addition to any other remedies provided by law, and shall not limit a person's right to use any other cause of action available under law.

(3) As used in this section, "lessee" means a person renting an aircraft from another, regardless of the form of the rental agreement.

History: Add. 1988, Act 96, Eff. July 1, 1988.

Compiler's note: Former section 206 of this act was not compiled.

259.208 Aeronautics code of the state of Michigan; short title.

Sec. 208. This act shall be known and may be cited as "Aeronautics code of the state of Michigan."

History: 1945, Act 327, Imd. Eff. May 28, 1945;—CL 1948, 259.208.