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## SENATE BILL 828

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

## INTRODUCED BY

Ti mothy Z. Jennings

## AN ACT

RELATING TO AIRCRAFT LIENS; PROVIDING ENFORCEMENT OF LIENS ON AIRCRAFT TO BE DISMANTLED OR DESTROYED THAT HAVE NO CURRENT REGISTRATION OR ARE UNDER FOREIGN REGISTRY; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 48-3-29 NMSA 1978 (being Laws 1985, Chapter 92, Section 1) is amended to read:

"48-3-29. LIEN FOR REPAIR OR SERVICE TO AIRCRAFT--DETENTION--PRIORITY--ENFORCEMENT.--

A. Any person engaged in the business of operating an airport, hangar or place for maintenance or repair of aircraft who stores, maintains or repairs [any] aircraft accessories or furnishes materials for an aircraft at the request or with the consent of the owner or [his] the owner's

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representative, agent or lessee, whether the owner is a conditional vendee or a mortgagor or in possession or not, shall have a lien upon the aircraft or any part thereof for the sum due for storing, maintaining or repairing the aircraft for labor furnished, for accessories or materials and for all costs incurred in enforcing the lien and may detain the aircraft until the sum due is paid. The possessory lien shall have priority over all other liens, including recorded liens on the aircraft, except liens for taxes, and the operator of the aircraft shall be deemed the agent of any owner, mortgagee, conditional vendor or other lienor of the aircraft for the establishment of that lien.

B. If the person who provides the services provided in Subsection A of this section relinquishes possession of the aircraft due to the acceptance or receipt of a check, draft or written order for payment of the indebtedness due on the aircraft, but the check, draft or written order for payment is returned because of insufficient funds, no account, closed account or issuance of a stoppayment order, or if possession is lost due to the illegal acts of the owner or [his] the owner's agent, the possessory lien on the aircraft shall continue for a period of thirty days from the date actual possession was relinquished or lost. At the expiration of the thirty days, the lien shall continue but shall be subordinate to prior recorded liens on the

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aircraft. The lien shall not be applicable to a bona fide purchaser for value without notice of an aircraft lien or to a bona fide encumbrancer for value without notice of the aircraft lien, if the sale or encumbrance occurs subsequent to the relinquishment or loss of possession.

- C. At any time, the aircraft upon which a lien is claimed may be repossessed.
- D. Any person entitled to a lien pursuant to Subsection A of this section shall, within ninety days after the date on which labor was last performed or materials, supplies or services last furnished, file in the office of the county clerk of the county in which the aircraft is based, or where the labor was performed or materials, supplies or services furnished, a statement verified by oath. The statement shall include the name of the person entitled to the lien, the name of the owner of the aircraft, a description of the aircraft and the sum due for labor performed or materials, supplies or services furnished.
- E. The lien perfected pursuant to Subsection D of this section may be enforced against the aircraft, whether or not in the possession of the lienholder, by judgment of the court having jurisdiction in the county where the lien is filed and a writ of execution pursuant to that judgment. The court may, in its discretion, award reasonable [attorney's] attorney fees to the prevailing party.

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F. Aircraft liens perfected pursuant to this section for a sum due for storing, maintaining or repairing an aircraft for labor furnished, for accessories or materials and for all costs incurred in enforcing the lien, where a record of the registration with the federal aviation administration cannot be found or the aircraft is of foreign registry, shall be enforced as provided in Subsection E of this section. In the event that the aircraft is to be dismantled or destroyed it shall not be necessary, following execution of a judgment, to transfer title to the aircraft under the provisions of the foreign registry or the federal aviation administration to the purchaser at a sheriff's sale; provided, that notice of the destruction or dismantling and of termination of the registration shall be provided by the purchaser to the federal aviation administration or the seat of the foreign registry. The sheriff's bill of sale shall be sufficient to transfer the aircraft for the purpose of dismantling and destruction."

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

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