

577.1 Nature of lien — generally — aircraft and equipment.

1. Any person who renders any service or furnishes any material in the making, repairing, improving, or enhancing the value of any inanimate personal property, with the assent of the owner, express or implied, shall have a lien thereon for the agreed or reasonable compensation for the service and material while such property is lawfully in the person's possession, which possession the person may retain until such compensation is paid, but such lien shall be subject to all prior liens of record, unless notice is given to all lienholders of record and written consent is obtained from all lienholders of record to the making, repairing, improving, or enhancing the value of any inanimate personal property and in this event the lien created under [this section](#) shall be prior to liens of record.

2. The assent of the owner shall be implied, for purposes of determining whether a lien on inanimate personal property exists, if all of the following are established:

a. The inanimate personal property is a multi-engine aircraft, eligible for registration under section 501 of the federal Aviation Act of 1958, 49 U.S.C. § 1401.

b. The aircraft is either owned, leased, operated, or on order by an air carrier certified under section 604(b) of the federal Aviation Act of 1958, 49 U.S.C. § 1424(b), or by any other person that rents or leases commercial airliners to certified air carriers in the regular course of business.

c. The material furnished is new electronic navigation or communications aviation equipment.

d. The equipment is delivered for installation on the aircraft at the request of a lessee, operator, or other person, or an agent of the lessee, operator, or other person, who has an interest in or exercises control over the aircraft.

The aircraft and equipment shall be deemed, for purposes of determining priority over perfected security interests, to be in the possession of the person who furnished the equipment, if the person either manufactures or sells the equipment in the regular course of business and allows the equipment to be made available for installation on the aircraft by releasing it for delivery. Possession of the aircraft and equipment shall be deemed to continue up to, and including, ninety days after the equipment is fully installed on the aircraft, except that if a notice of lien is filed with the federal aviation administration, and no subsequent release of the lien is on file, it shall be deemed to continue indefinitely. A notice of lien under [this section](#) is not required to be verified or notarized, but shall be signed by the lienholder, the lienholder's designated agent, or the lienholder's attorney and must identify the aircraft which is the subject of the lien. Notwithstanding [subsection 1](#), liens obtained under [this subsection](#) attach and take priority over all other prior liens of record without the giving of prior notice or the obtaining of consent and are enforceable against all persons, including a bona fide purchaser.

[R60, §1898; C73, §2177; C97, §3130; C24, 27, 31, 35, 39, §10343; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §577.1]

91 Acts, ch 22, §1

Bond to release, chapter 584

Secured transactions; §554.9101 et seq.