

Sen. Transp. 2/26 Amend (3107) + Do Pass 3/13 (p. 625)

FEB 11 1991

HOUSE FILE 220
BY COMMITTEE ON TRANSPORTATION

Place On Calendar

(SUCCESSOR TO HF 145)

Passed House, Date 3/21/91 (p. 415) Passed Senate, Date 4/2/91 (p. 983)

Vote: Ayes 97 Nays 0 Vote: Ayes 50 Nays 0

Approved 4-8-91

Proposed House per Senate amendment H-3472

*Motion to reconsider (p. 981)
" w/2 (p. 985)*

4/4/91 (p. 1077)
Agree 74, Oppose 0

A BILL FOR

- 1 An Act to create a lien against aircraft and certain aircraft
- 2 equipment in favor of persons who have installed the equipment
- 3 in the aircraft and providing priority of the lien against
- 4 prior lienholders of record.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HOUSE FILE 220

S-3107

- 1 Amend House File 220, as passed by the House, as
- 2 follows:
- 3 1. Page 2, by inserting after line 20, the
- 4 following:
- 5 "Sec. ____ . This Act, being deemed of immediate
- 6 importance, takes effect upon enactment."
- 7 2. Title page, line 4, by inserting after the
- 8 word "record" the following: ", and providing an
- 9 effective date".

By COMMITTEE ON TRANSPORTATION
EUGENE FRAISE, Chairperson

S-3107 FILED MARCH 13, 1991

Adopted 4/2 (p. 983)

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HF 220

1 Section. 1. Section 577.1, Code 1991, is amended to read
2 as follows:

3 577.1 NATURE OF LIEN.

4 1. Any person who renders any service or furnishes any
5 material in the making, repairing, improving, or enhancing the
6 value of any inanimate personal property, with the assent of
7 the owner, express or implied, shall have a lien thereon for
8 the agreed or reasonable compensation for the service and
9 material while such property is lawfully in the person's
10 possession, which possession the person may retain until such
11 compensation is paid, but such lien shall be subject to all
12 prior liens of record, unless notice is given to all
13 lienholders of record and written consent is obtained from all
14 lienholders of record to the making, repairing, improving, or
15 enhancing the value of any inanimate personal property and in
16 this event the lien created under this section shall be prior
17 to liens of record.

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

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

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

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

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

35 The aircraft and equipment shall be deemed, for purposes of

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

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EXPLANATION

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 22 This bill creates a special lien for persons who install
 23 certain kinds of electronic equipment in aircraft. The lien
 24 causes the equipment and property to be deemed in the
 25 possession of the person who installs the equipment for up to
 26 ninety days after the installation of the equipment and may be
 27 continued indefinitely, unless released, if a notice of lien
 28 is filed with the federal aviation administration. The lien
 29 has priority over all other prior liens of record and is
 30 effective against all persons, including a bona fide
 31 purchaser.

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SENATE AMENDMENT TO HOUSE FILE 220

H-3472

1 Amend House File 220, as passed by the House, as
2 follows:

3 1. Page 2, by inserting after line 20, the
4 following:

5 "Sec. _____. This Act, being deemed of immediate
6 importance, takes effect upon enactment."

7 2. Title page, line 4, by inserting after the
8 word "record" the following: ", and providing an
9 effective date".

RECEIVED FROM THE SENATE

H-3472 FILED APRIL 3, 1991

House concurred 4/4/91 (p. 1077)

HOUSE FILE 220

AN ACT

TO CREATE A LIEN AGAINST AIRCRAFT AND CERTAIN AIRCRAFT EQUIPMENT IN FAVOR OF PERSONS WHO HAVE INSTALLED THE EQUIPMENT IN THE AIRCRAFT AND PROVIDING PRIORITY OF THE LIEN AGAINST PRIOR LIENHOLDERS OF RECORD, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 577.1, Code 1991, is amended to read as follows:

577.1 NATURE OF LIEN.

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.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

ROBERT C. ARNOULD
Speaker of the House

JOE J. WELSH
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 220, Seventy-fourth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved April 8, 1991

TERRY E. BRANSTAD
Governor