

1 AN ACT relating to mechanic's liens.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 376.270 is amended to read as follows:

4 **(1)** Any person engaged in the business of selling, repairing or furnishing accessories or
5 supplies for motor vehicles shall have a lien on the motor vehicle for the reasonable
6 or agreed charges for repairs, work done or accessories or supplies furnished for the
7 vehicle, and for storing or keeping the vehicle, and may detain any motor vehicle in
8 his ***or her*** possession on which work has been done by him ***or her*** until the
9 reasonable or agreed charge~~therefor~~ has been paid.

10 **(2)** The lien shall not be lost by the removal of the motor vehicle from the garage or
11 premises of the person performing labor ***or***~~,~~ repairing or furnishing accessories or
12 supplies ~~therefor,~~ if the lien ***is***~~shall be~~ asserted within ***thirty (30) days***~~six (6)~~
13 ~~months~~ by filing in the office of the county clerk a statement showing the amount
14 and cost of materials furnished or labor performed on the vehicle. The statement
15 shall be ***entered into the Automated Vehicle Information System***~~filed~~ in the same
16 manner as ***the notation of a security interest pursuant to KRS 186A.190***~~provided~~
17 ~~in the case of a mechanic's and materialman's lien~~, after the removal of the vehicle,
18 unless the owner of the vehicle consents to an additional extension of time, in which
19 event the lien shall extend for the length of time the parties agree upon. The
20 agreement shall be reduced to writing and signed by the parties~~thereto~~.

21 **(3) *The lien shall be in a form prescribed by the Transportation Cabinet and shall be***
22 ***subject to the fees for the recording and release of liens as set forth in KRS***
23 ***64.012(1)(b).***

24 ➔Section 2. KRS 376.272 is amended to read as follows:

25 (1) Any marina asserting a possessory lien pursuant to KRS 376.270 may enforce the
26 lien by filing a civil action in the county in which the boat is located.

27 (2) Prior to filing an action pursuant to subsection (1) of this section, the marina shall

1 send, by certified mail, return receipt requested, notice of intent to enforce the lien
2 to:

- 3 (a) All known owners at their last known address; and
4 (b) All secured parties discernible through reasonable effort. For the purposes of
5 this paragraph, "reasonable effort" includes notice to any secured party that
6 has:

- 7 1. Properly perfected its security interest in the boat by having its lien
8 indicated on a certificate of title for the boat;
9 2. Properly perfected its security interest through an unexpired sufficient
10 financing statement filed in the jurisdiction of the boat owner's
11 residence, as that jurisdiction appears on the certificate of title, or
12 equivalent document, for the boat; or
13 3. Become a mortgagee of a federally documented vessel by recording a
14 ship mortgage on the vessel pursuant to Chapter 313 of Title 46 of the
15 United States Code.}

16 ~~— In addition to the notice required in this subsection, the marina shall advertise the~~
17 ~~notice of intent to enforce the lien at least once per week for two (2) consecutive~~
18 ~~weeks pursuant to KRS Chapter 424.}~~

19 (3) Upon the marina properly sending notice of its intent to enforce its lien in
20 accordance with subsection (2) of this section, a boat's owner may not remove the
21 boat from the marina without a court order.

22 (4) The notice of intent to enforce the lien required by subsection (2) of this section
23 shall include:

- 24 (a) The name of the owner of the boat as indicated on the certificate of title,
25 certificate of registration, or certificate of documentation;
26 (b) The owner's last known address;
27 (c) The make, model, length, and hull identification number of the boat if visually

1 discernable; and

2 (d) A description of any attached outboard motor, including make, horsepower,
3 and serial number if visually discernable.

4 (5) Any secured party to whom notice was sent pursuant to subsection (2) of this
5 section shall be named as a party in any civil action filed to enforce a marina's lien
6 under KRS 376.270 and called upon to enter therein and set forth its claim or
7 interest in the boat that is subject to the action, and the secured party shall be served
8 with summons at its address as indicated on the certificate of title, financing
9 statement, or ship mortgage through which its security interest was perfected.

10 (6) Upon judgment being entered in favor of a marina pursuant to this section, and
11 subject to any restrictions of the United States Code, or any regulations issued
12 pursuant thereto, regarding federally documented vessels, the court shall order the
13 boat, or any part of the furniture and tackle as may be sufficient, to be sold for the
14 satisfaction of the judgment. The marina shall conduct the sale in conformity with
15 reasonable commercial practices among dealers in the type of boat being sold and in
16 accordance with the court order. The sale shall be advertised in conformity with
17 reasonable commercial practices among dealers for the type of boat being sold ~~and,~~
18 ~~additionally, shall be advertised at least ten (10) days prior to the sale pursuant to~~
19 ~~KRS Chapter 424].~~

20 (7) The court shall authorize and direct the county clerk to issue a title to the purchaser
21 of the boat at a sale authorized by and conducted in conformance with this section,
22 and the purchaser shall take title to the boat free of any liens or encumbrances. Any
23 liens or encumbrances attached to the boat shall attach to the proceeds of the sale in
24 the same order of priority that the liens and encumbrances attach to the boat
25 pursuant to applicable law.

26 ➔Section 3. KRS 376.280 is amended to read as follows:

27 (1) Any boat or motor vehicle remaining in the possession of a person *pursuant to*

1 **Section 1 of this Act** who has made repairs, performed labor, or furnished
2 accessories or supplies ~~[therefor]~~ and to whom the charges for such repairs, labor,
3 accessories or supplies has been owing for a period of more than thirty (30) days,
4 may be sold to pay such deferred purchase money or charges. **The mechanic's lien,**
5 **along with a statement showing the amount and cost of the materials furnished**
6 **or labor performed on the vehicle, shall be asserted within thirty (30) days by**
7 **filing it in the office of the county clerk. The mechanic's lien and statement shall**
8 **be entered into the Automated Vehicle Information System in the same manner**
9 **as the notation of a security interest pursuant to KRS 186A.190. Thirty (30) days**
10 **after the filing of the mechanic's lien, notice of** the proposed sale ~~[shall be~~
11 ~~advertised pursuant to KRS Chapter 424, and notice thereof]~~ shall be sent by
12 certified mail, return receipt requested or by registered mail to the owner of the boat
13 or motor vehicle and to any other person known to have any interest therein,
14 addressed to such persons at their last known addresses, at least ten (10) days before
15 the sale is held.

16 (2) The term "boat," as used in subsection (1) of this section, means any watercraft not
17 enumerated in subsection (1) of KRS 376.360 and sloops having an overall length
18 of forty (40) feet or less.