

**CS FOR HOUSE BILL NO. 251(JUD)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE JUDICIARY COMMITTEE**

**Offered: 3/26/10**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVE RAMRAS**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to liens on vehicles and to towing, transporting, and storage of vehicles;**  
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 28.10.391(a) is amended to read:

5 (a) The filing of the application and documents under AS 28.10.381 and the  
6 issuance of a new certificate of title are constructive notice of any liens or  
7 encumbrances against the vehicle described in the certificate to a creditor of the  
8 owner, or to a subsequent purchaser or encumbrancer. However, **a mortgage,**  
9 **conditional sale contract, or similar lien or encumbrance on the vehicle is**  
10 **subordinate to a lien under AS 28.10.502 and is subject to the procedure**  
11 **provided in that section.** A [A] lien or encumbrance on a vehicle for labor, material,  
12 transportation, storage, or similar activity, **other than a lien under AS 28.10.502,**  
13 whether or not dependent on possession for its validity, is subordinate only to a  
14 mortgage, conditional sale contract, or similar lien or encumbrance **on the vehicle**

1 properly filed on or before the time that the vehicle is subject to, or comes into  
2 possession of, the lien or encumbrance claimant for the labor, material, transportation,  
3 storage, or similar activity.

4 \* **Sec. 2.** AS 28.10.502(b) is amended to read:

5 (b) A lien under this section is limited to towing and storage charges **and**  
6 **associated mailing fees. Unless a vehicle has already been reclaimed by the**  
7 **owner, the person possessing the vehicle under this section shall notify the**  
8 **registered owner and primary lienholder, if any, of the towing, transporting, or**  
9 **storage of the vehicle, by certified letter, return receipt requested, mailed to the**  
10 **registered owner and primary lienholder, if any, within seven working days after**  
11 **the initial towing, transporting, or storage of the vehicle. The letter shall be sent**  
12 **to the addresses of record of the registered owner and primary lienholder, if any,**  
13 **on file with the department or the corresponding office in another jurisdiction in**  
14 **which the title to the motor vehicle and the lien on it are recorded.** Storage charges  
15 cease to be part of the lien after 60 days unless the registered owner or primary  
16 lienholder, if any, has been given actual notice of the possessory lien within that time  
17 or unless **the** [A] certified letter has been mailed within **the time required in this**  
18 **subsection** [THAT TIME TO THE OWNER AND PRIMARY LIENHOLDER, IF  
19 ANY, AT THEIR ADDRESSES OF RECORD WITH THE DEPARTMENT OR  
20 THE CORRESPONDING OFFICE IN ANOTHER JURISDICTION IN WHICH THE  
21 TITLE TO THE MOTOR VEHICLE AND THE LIEN ON IT ARE RECORDED].

22 \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).