

1 IN THE HOUSE

BY MR. GIERSDORF

2 HOUSE BILL NO. 177

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to liens on motor vehicles;  
7 amending subsection (4) of Sec. 7, Ch. 124,  
8 SLA 1951 as amended by Ch. 20, SLA 1957;  
9 and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 Section 1. Subsection (4) of Sec. 7, Ch. 124, SLA 1951 as  
12 amended by Ch. 20, SLA 1957 is hereby amended to read as follows:

13 (4) FILING EFFECTIVE TO GIVE NOTICE. Such filing and  
14 the issuance of a new certificate of title as herein pro-  
15 vided shall constitute constructive notice of all liens and  
16 encumbrances against the vehicle described therein to credi-  
17 tors of the owner, or to subsequent purchasers and encum-  
18 brancers.

19 Provided, however that any encumbrance or lien on a  
20 vehicle for work, labor, material, transportation, storage,  
21 or similar-type activity, whether or not dependent on  
22 possession for its validity, shall be subordinate only to  
23 mortgages, conditional sales contracts, or similar-type  
24 encumbrances or liens properly filed on or before the time  
25 that the vehicle is subject to, or comes into possession of,  
26 the encumbrance or lien claimant.

27 Provided, further, that no lien or encumbrance of what-  
28 ever nature, including any lien authorized by Art. V, Ch.  
29 5, ESLA 1955, shall be valid against or prohibit the

1 the issuance of a certificate of title and registration  
2 to a person or business entity holding a prior lien, encum-  
3 brance or title retention instrument previously filed with  
4 the Department; and provided, further, that any equity re-  
5 maining in a defaulting purchaser shall be subject to any  
6 lien or encumbrance otherwise filed.

7 Sec. 2. This Act shall take effect immediately upon its  
8 passage and approval or upon its becoming law without such  
9 approval.  
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