

1 IN THE HOUSE

BY MR. STEVENS

2

HOUSE BILL NO. 253

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the priority of liens on
7 a motor vehicle."

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

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* Section 1. AS 28.10.510 is amended to read:

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Sec. 28.10.510. FILING EFFECTIVE TO GIVE NOTICE. The

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filing and the issuance of a new certificate of title is

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constructive notice of all liens and encumbrances against the

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vehicle described in the certificate to creditors of the

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owner, or to subsequent purchasers and encumbrancers. [HOW-

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EVER, AN ENCUMBRANCE OR LIEN ON A VEHICLE FOR WORK, LABOR,

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MATERIAL, TRANSPORTATION, STORAGE, OR SIMILAR ACTIVITY,

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WHETHER OR NOT DEPENDENT ON POSSESSION FOR ITS VALIDITY, IS

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SUBORDINATE ONLY TO MORTGAGES, CONDITIONAL SALES CONTRACTS,

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OR SIMILAR ENCUMBRANCES OR LIENS PROPERLY FILED ON OR BEFORE

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THE TIME THAT THE VEHICLE IS SUBJECT TO, OR COMES INTO THE

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POSSESSSION OF, THE ENCUMBRANCE OR LIEN CLAIMANT.]

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* Sec. 2. AS 28.10 is amended by adding a new section to

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read:

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Sec. 28.10.512. SUPERIORITY OF CERTAIN LIENS. (a) An

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encumbrance or lien, or any portion of an encumbrance or lien,

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not exceeding \$100 on a vehicle for work, labor, material,

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transportation, storage, or similar activity necessary to

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maintain the utility or value of the vehicle, whether or not

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dependent on possession of the vehicle for its validity, is

1 superior and preferred to all mortgages, conditional sales
2 contracts, or other similar encumbrances or liens.

3 (b) An encumbrance or lien, or any portion of an
4 encumbrance or lien, exceeding \$100 on a vehicle for work,
5 labor, material, transportation, storage, or similar ac-
6 tivity necessary to maintain the utility or value of the
7 vehicle, whether or not dependent on possession of the
8 vehicle for its validity, is superior and preferred to mort-
9 gages, conditional sales contracts, or other similar en-
10 cumbrances or liens if

11 (1) the mortgages, conditional sales contracts,
12 or other similar encumbrances or liens are not described on
13 the certificate of title in the lawful possession of the
14 person requesting the work, labor, material, transportation,
15 storage, or similar activity; or

16 (2) the holder of the mortgage, conditional sales
17 contract, or other similar encumbrance or lien described on
18 the certificate of title in lawful possession of the person
19 requesting the work, labor, material, transportation,
20 storage, or similar activity, is notified by certified mail
21 with return requested, or by other means with verification
22 of the notice by certified mail with return requested, of
23 the request and the estimated cost involved, and the holder
24 fails to claim the superiority of his lien by certified
25 mail with return requested, or by other means with verifi-
26 cation of the claim by certified mail with return requested,
27 within five days after personal notice or seven days after
28 notice by mail.
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