



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

May 15, 1992

Mike Monroney  
Aeronautical Center

P.O. Box 25082  
Oklahoma City, Oklahoma 73125

Gary Cooper  
California Aviation  
Business Association  
1100 North N Street  
Sacramento, CA 94814

Dear Mr. Cooper:

Proposed California Legislation  
Regarding Artisan Liens on Aircraft

This will respond to your request for review of proposed legislation, now pending in the California State Legislature, which establishes authority for claiming liens for furnishing of repair, labor, materials, and storage for aircraft. The question which you have posed is whether the legislation, if it is passed and signed into law, will support the recordation of mechanic and artisan liens submitted by California repairpersons.

Based on our review, artisan liens which are submitted in accordance with the provisions of the proposed legislation will be recorded by the Federal Aviation Administration (FAA) Aircraft Registry.

As you are aware, the FAA Aircraft Registry is authorized, under Section 503(a) of the Federal Aviation Act of 1958, to record conveyances that affect ownership of, or interest in, civil aircraft registered in the United States (49 U.S.C. App. Section 1403). Historically, the recordation of mechanic or artisan liens on aircraft has been somewhat problematic, as it was uncertain as to whether an artisan lien meets the requirements for a conveyance for purposes of Section 503(a).

In considering an appropriate position on this matter, we determined that an artisan lien does not meet the definition of a conveyance if it is not supported by a recording provision within the legislation which authorizes a claim of lien. Absent a recording provision, an artisan lien is no more than a claim of an interest in an aircraft, which does not meet the requirements of a conveyance. An lien which may be recorded in accordance with applicable State law provisions, however, arguably meets the criteria for a conveyance since it is an interest created under the authority of State legislation. We concluded that if an artisan lien on an aircraft is authorized by State statute to be recorded either at a local State office or with the Registry, it is a conveyance within the meaning of Section 503(a).

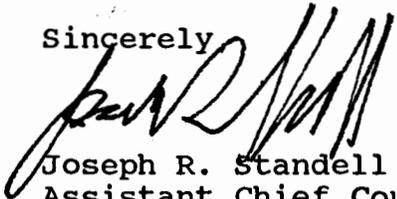
In December 1981, this office issued a legal opinion which established a policy of recording artisan liens which arise under State statutes which provide for filing of such liens at a State office (copy attached). Consequently, we advised the Registry to record those artisan liens which have a recording or filing provision, provided that all other State statutory requirements (including timely submission to the Registry) have been met. Accordingly, the Registry has not recorded artisan liens arising in the State of California, since the relevant artisan lien statute does not provide for recording of the lien.

The draft legislation which, in pertinent part, proposes to add a recording provision to the California artisan lien provisions will satisfy the requirement for recordation of such liens, in accordance with the position adopted by this office in the December 1981 opinion. If the legislation is adopted, including the recording provision, artisan liens which meet the requirements of the legislation will be recordable by the Registry.

If this legislation is enacted, we would appreciate information as to the final form of the new statute. This information will assist us in arranging for publication in the Federal Register which gives notice that California has enacted this legislation.

Should you have any additional questions on this matter, you may contact Al Rodriguez of this office at (405) 680-3296.

Sincerely



Joseph R. Standell  
Assistant Chief Counsel  
Aeronautical Center

Enclosure