

SUBJECT: Liens on aircraft for work done by persons fueling them

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 7 ayes — Brimer, Dukes, J. Davis, Elkins, Giddings, Solomons, Woolley
0 nays
1 present, not voting — George
1 absent — Corte

WITNESSES: For — Reed Pigman
Against — None

BACKGROUND: Property Code, sec. 70.031 allows a person who stores, repairs, or maintains an aircraft to have a lien on the aircraft for the amount due on a contract for these services or for reasonable and usual compensation for them.

DIGEST: HB 3081 would add a person who fuels aircraft to the list of people who can have a lien on an aircraft for their services. It would amend other Property Code provisions detailing the recording of a lien, notification to the aircraft owner, and the selling of an aircraft by a lien holder to make those provisions apply to people who fuel aircraft.

HB 3081 would take effect September 1, 2001.

SUPPORTERS SAY: HB 3081 would put people who fuel aircraft on equal footing with those who store, repair, or maintain them. It is only fair that people who fuel aircraft be allowed to place liens on the aircraft if they have not been paid as are other people who handle the craft.

This bill would not significantly change or expand public policy dealing with liens, since others who work on aircraft already are authorized to place liens on the craft. In certain situations, liens are the best way for businesses to be compensated when they are owed money, rather than going through court or

some other route. Aircraft fueling charges can be in the tens of thousands of dollars, making liens the best route to recover unpaid bills.

**OPPONENTS
SAY:**

HB 3081 would continue the unwise trend of expanding liens to allow people to place liens on all kinds of property for any kind of work. This can hinder business transactions and be unfair to some property owners. Businesses that are owed money have other options for collecting it.

NOTES:

The companion bill, SB 1374 by Moncrief, has been referred to the Senate Business and Commerce Committee.