

INSTRUCTIONS FOR TITLING/REGISTERING WATERCRAFT UNDER THE PROVISIONS SET FORTH IN THE CODE OF VIRGINIA FOR MECHANIC'S LIENS

For boats valued \$7500.00 and under:

- 1. If the boat shows registration numbers from any state, you must contact that state's registration/titling agency to request a copy of the registration records showing who the last registered owner was and any lienholder's on the title.
- 2. Send a Certified Letter to all owners and lienholders. The letter must state that there is now a lien against the boat because repairs were not paid for 10 days after the bill was due and that the boat will be sold at auction to pay for the repairs unless the outstanding bill is paid in full prior to the auction. The letter must be sent 10 days in advance of the sale giving date, time, and place of sale.
- 3. The letter must also include an itemized list of charges incurred to be paid.
- 4. If the owner is unknown or is not a resident of the county/city in which the boat is being held, a notice of public auction describing the boat, date, time, and place of auction must be posted in three public locations in that county or city at least ten days prior to the date of the auction.
- 5. Before the sale, an auction notice stating the time, place and terms of the auction must be displayed at a public place (<u>whether or not the owner is known or unknown</u>). After at least 10 days have passed, hold an auction to sell the boat.
- 6. Once the boat has been sold, disposition of the money received should take place as follows:
 - a) Up to the first \$625.00 goes first to the mechanic to cover cost of repairs and sale if charges are at least \$625.00.
 - b) Any other liens against the boat on file with the state's registration and titling agency must be paid in full.
 - c) (If no bid will cover the above two expenses, the boat should not be sold unless agreement is made in writing between the lienholder and garage).
 - d) Amounts left after the payment of the lien should be applied next to the balance of the garage bill.
 - e) Any amounts left after full payment of liens and garage bills should be given to the owner if he/she can be found.
 - f) Any remaining funds must be held by the owner of the facility to return to the occupant if he/she comes to claim the proceeds.
- 7. After the above steps have been taken, the buyer may apply for title and registration in his name submitting the following paperwork to this department:
 - **D** Application for Certificate of Number and Certificate of Title with appropriate fees.
 - **D** The Affidavit of Compliance for Enforcement of Liens on Vessels completed and notarized.
 - **Copy of letter sent to all owners and lienholders of record described in #1 above.**
 - □ Copies of receipts of certified mail showing that the letters were sent and/or signed for at least 10 days in advance of the sale or the actual unopened letters if returned as undeliverable.
 - **Copy of the notice of public auction.**
 - **Copy of an itemized bill for repairs for which the lien was created and boat was sold.**
 - **Copy of bill of sale with full description of boat from the person conducting the auction to the applicant.**



For boats valued at \$7501.00 to \$15,000.00:

- 1. If the boat shows registration numbers from any state, you must contact that state's registration/titling agency to request a copy of the registration records showing who the last registered owner was and any lienholder's on the title.
- 2. Send a Certified Letter to all owners and lienholders. The letter must state that there is now a lien against the boat because repairs were not paid for within 10 days after the bill was due and that the boat will be sold at auction to pay for the repairs unless the outstanding bill is paid in full prior to the auction. The letter must be sent 10 days in advance of the sale giving date, time, and place of sale.
- 3. The letter must also include an itemized list of charges incurred to be paid.
- 4. The Mechanic should apply by petition to the General District Court for the sale of the vessel.
- 5. If the court is satisfied that the debt and lien are established and the property should be sold to pay the debt, the court shall order the sale to be made by the sheriff of the county or city
- 6. Once the boat has been sold, disposition of the money received should take place as follows:
- 7. Up to the first \$625.00 goes first to the mechanic to cover cost of repairs and sale.
- 8. Any other liens against the boat on file with the State registration/titling agency must be paid in full.
- 9. (If no bid will cover the above two expenses, the boat should not be sold unless agreement is made in writing between the lienholder and garage).
- 10. Amounts left after the payment of the lien should be applied next to the balance of the garage bill.
- 11. Any amounts left after full payment of liens and garage bills should be given to the owner if he/she can be found.
- 12. Once the above steps have been taken, the buyer may make application to the Department for Title and Registration by submitting the following:
 - **D** Application for Certificate of Title and Certificate of Registration with appropriate fees.
 - □ Affidavit of Compliance for Enforcement of Liens on Vessels Under a Judicial Order completed and Notarized.
 - **Copy of Court Order from General District Court to Sheriff authorizing the sale.**
 - **Bill of Sale from person conducting the auction to the applicant.**

For boats valued in excess of \$15,000.00:

- 1. If the boat shows registration numbers from any state, you must contact that state's registration/titling agency to request a copy of the registration records showing who the last registered owner was and any lienholder's on the title.
- 2. Send a Certified Letter to all owners and lienholders. The letter must state that there is now a lien against the boat because repairs were not paid for within 10 days after the bill was due and that the boat will be sold at auction to pay for the repairs unless the outstanding bill is paid in full prior to the auction. The letter must be sent 10 days in advance of the sale giving date, time, and place of sale.
- 3. The letter must also include an itemized list of charges incurred to be paid.
- 4. The Mechanic should apply by petition to the Circuit Court for the sale of the vessel.
- 5. If the court is satisfied that the debt and lien are established and the property should be sold to pay the debt, the court shall order the sale to be made by the sheriff of the county or city
- 6. Once the boat has been sold, disposition of the money received should take place as follows:
- 7. Up to the first \$625.00 goes first to the mechanic to cover cost of repairs and sale if charges are at least \$625.00



- 8. Any other liens against the boat on file with the State registration/titling agency must be paid in full.
- 9. (If no bid will cover the above two expenses, the boat should not be sold unless agreement is made in writing between the lienholder and garage).
- 10. Amounts left after the payment of the lien should be applied next to the balance of the garage bill.
- 11. Any amounts left after full payment of liens and garage bills should be given to the owner if he/she can be found.
- 12. Once the above steps have been taken, the buyer may make application to the Department for Title and Registration by submitting the following:
 - **D** Application for Certificate of Title and Certificate of Registration with appropriate fees.
 - □ Affidavit of Compliance for Enforcement of Liens on Vessels Under a Judicial Order completed and Notarized.
 - **Copy of Court Order from Circuit Court to Sheriff authorizing the sale.**
 - **D** Bill of Sale from person conducting the auction to the applicant.



Affidavit of Compliance for Enforcement of Liens on Vessels as Required by Chapter 4, Mechanics' and Certain Other Liens §43-34 of the Code of Virginia

Appraised Value of Vessel: <u>\$</u>_____

Appraiser's Name: _____

If the appraised value is:

\$7,500 or less – May be sold at public auction after giving proper notice to owner(s) and any known lienholder(s).

\$7,501 or over – See reverse side of this form

The following documents must be submitted along with this affidavit:

- a. Copy of boat registration/title records showing last registered/titled owner(s) and any lienholder(s) existing in the titling records.
- b. Return receipts from post office showing letter was mailed to last registered owner and lienholder at least 10 days prior to auction and shows the signature of the recipient. If letter was returned unopened, attach the unopened, undeliverable letter.
- c. Copy of the letter mailed which establishes lien and indicates lien was not paid in ten (10) days after it was due.
- d. Copy of public notice indicating time, place, and terms of the sale. (Note: Notice is to be posted in three (3) public places in the county or city wherein the vessel is located if the owner is a non-resident or address is unknown.)
- e. Copy of an itemized bill for which the lien was created.
- f. Copy of the bill of sale with full description of the boat to the purchaser from the person conducting the auction.

I affirm that I have complied with the provisions of Section 43-34 of the <u>Code of Virginia</u> that provides for the sale of the vessel at public auction and that true and accurate copies of supporting documents are attached to this affidavit.

v	

Signature of Lienholder or Sheriff

STATE OF VIRGINIA

City/County of _____:

On this _____ day of ______, 20____ before me personally appeared the affiant(s) signing above, acknowledged and made oath that the matters set forth in the foregoing affidavit are true.

Notary Public

My Commission Expires

Seal

NOTE: Person(s) applying to register/title this vessel must submit an "Application for Motorboat Certificate of Number/Certificate of Title", appropriate fees, this affidavit and documents noted above.

Date



Affidavit of Compliance for Enforcement of Liens on Vessels Under a Judicial Order As Required by Chapter 4, Mechanics' and Certain Other Liens §43-34 of the Code of Virginia

Appraised Value of Vessel: \$

Appraiser's Name: _____

If appraised value is:

\$7,500 or less – See the reverse side of this form

\$7,501 not to exceed \$15,000 – After notice to owner(s) and lienholder(s), you must apply by petition to General District Court for sale of vessel.

\$15,001 or over - After notice to owner(s) and lienholder(s), you must apply by petition to Circuit Court for sale of vessel.

The following documents must be submitted along with this affidavit:

- Copy of boat registration/title records showing last registered/titled owner(s) and any lienholder(s) existing in the a. records.
- b. Copy of court order from General District Court or Circuit Court to sheriff authorizing the sale.

I affirm that I have complied with the provisions of the attached court order authorizing the sale of this vessel.

Signature of Sheriff

Date

STATE OF VIRGINIA City/County of _____

> _____, 20_____ before me personally appeared the affiant(s) On this day of signing above, acknowledged and made oath that the matters set forth in the foregoing affidavit are true. Х

Notary Public

My Commission Expires

Seal

NOTE: Person(s) applying to register/title this vessel must submit an "Application for Motorboat Certificate of Number/Certificate of Title", appropriate fees, bill of sale, this affidavit and documents noted above.



Code of Virginia

Title 43; Chapter 4

Liens of Innkeepers, Livery Stable, and Marina Keepers, Mechanics and Bailees

- 43-31 Lien of innkeepers, etc
- 43-32 Lien of keeper of livery stable, garage, marina, etc
- <u>43-33</u> Lien of mechanic for repairs
- 43-34 Enforcement of liens acquired under §§ 43-31 through 43-33 and of liens of bailees
- <u>43-34.1</u> Lien of keeper of hangar or tie-down on aircraft subject to a chattel mortgage
- 43-35 How and when validity of lien, or claim of other person to property, is tried
- 43-36 Appeals, how taken and tried
- <u>43-37</u> Sale of baggage and other personal property held pursuant to § 43-31 or unclaimed
- <u>43-38</u> Withdrawal from such sale upon payment of charges, interest and expenses
- $\underline{43-39}$ Distribution of proceeds of sale
- 43-40 Subsequent payment of surplus proceeds to persons entitled thereto

§ 43-32 Lien of keeper of livery stable, marina, etc.

- A. Every keeper of a livery stable, hangar, tie-down, or marina, and every person pasturing or keeping any horses or other animals, boats, aircraft, or harness, shall have a lien upon such horses and other animals, boats, aircraft, and harness, for the amount which may be due him for the towing, storage, recovery, keeping, supporting, and care thereof, until such amount is paid.
- B. In the case of any boat or aircraft subject to a chattel mortgage, security agreement, deed of trust, or other instrument securing money, the keeper of the marina, hangar, or tie-down shall have a lien thereon for his reasonable charges for storage under this section not to exceed \$500 and for alteration and repair under \$ 43-33 not to exceed \$800. However, in the case of a storage lien, to obtain the priority for an amount in excess of \$300, the person asserting the lien shall make a reasonable attempt to notify any secured party of record at the Department of Wildlife Resources by telephonic means and shall give written notice by certified mail, return receipt requested, to any secured party of record at the Department of Wildlife Resources within seven business days of taking possession of the boat or aircraft. If the secured party does not, within seven business days of receipt of the notice, take or refuse redelivery to it or its designee, the lienor shall be entitled to priority for the full amount of storage charges, not to exceed \$500. Notwithstanding a redelivery, the watercraft shall be subject to subsection D.
- C. In addition, any person furnishing services involving the towing and recovery of a boat or aircraft, shall have a lien for all normal costs incident thereto, if the person asserting the lien gives written notice within seven days of receipt of the boat or aircraft by certified mail, return receipt requested, to all secured parties of record at the Department of Wildlife Resources.
- D. In addition, any keeper shall be entitled to a lien against any proceeds remaining after the satisfaction of all prior security interests or liens, and may retain possession of such property until such charges are paid.



§ 43-33 Lien of mechanic for repairs

Every mechanic, who shall alter or repair any article of personal property at the request of the owner of such property, shall have a lien thereon for his just and reasonable charges therefor and may retain possession of such property until such charges are paid.

And every mechanic, who shall make necessary alterations or repairs on any article of personal property which from its character requires the making of ordinary repairs thereto as a reasonable incident to its reasonable and customary use, at the request of any person legally in possession thereof under a reservation of title contract, chattel mortgage, deed of trust, or other instrument securing money, the person so in possession having authority to use such property, shall have a lien thereon for his just and reasonable charges therefor to the extent of \$800. In addition, such mechanic shall be entitled to a lien against the proceeds, if any, remaining after the satisfaction of all prior security interests or liens, and may retain possession of such property until such charges are paid. In any action to enforce the lien hereby given all persons having an interest in the property sought to be subjected shall be made parties defendant.

If the owner of the property held by the mechanic shall desire to obtain possession thereof, he shall make the mechanic defendant in proceeding in the county or municipal court to recover the property.

The owner may give a bond payable to the court, in a penalty of the amount equal to the lien claimed by the mechanic and court costs, with security to be approved by the clerk, and conditioned for the performance of the final judgment of the court on the trial of the proceeding, and with a further condition to the effect that, if upon the hearing, the judgment of the court be that the lien of the mechanic on such property, or any part thereof, be enforced, judgment may thereupon be entered against the obligors on such bond for the amount due the mechanic and court costs, if assessed against the owner, without further or other proceedings against them thereon. Upon giving of the bond, the property shall be delivered to the owner.

§ 43-34 Enforcement of liens acquired under §§ 43-31 through 43-33 and of liens of bailees

Any person having a lien under §§ <u>43-31</u> through <u>43-33</u> and any bailee, except where otherwise provided, having a lien as such at common law on personal property in his possession which he has no power to sell for the satisfaction of the lien, if the debt for which the lien exists is not paid within 10 days after it is due and the value of the property affected by the lien does not exceed \$7,500, may sell such property or so much thereof as may be necessary, by public auction, for cash. The proceeds shall be applied to the satisfaction of the debt and expenses of sale, and the surplus, if any, shall be paid within 30 days of the sale to any lienholder, and then to the owner of the property. A seller who fails to remit the surplus as provided shall be liable to the person entitled to the surplus in an amount equal to \$50 for each day beyond 30 days that the failure continues.

Before making the sale, the seller shall advertise the time, place, and terms thereof in a public place. In the case of property other than a motor vehicle required to be registered in Virginia having a value in excess of \$600, 10 days' prior notice shall be given to any secured party who has filed a financing statement against the property, and written notice shall be given to the owner as hereinafter provided.

If the value of the property is more than \$7,500 but does not exceed \$15,000, the party having the lien, after giving notice as herein provided, may apply by petition to any general district court of the county or city wherein the property is, or, if the value of the property exceeds \$15,000, to the circuit court of the county or city, for the sale of the property. If, on the hearing of the case on the petition, the defense, if any made thereto, and such evidence as may be adduced by the parties respectively, the court is satisfied that the debt and lien are established and the property should be sold to pay the debt, the court shall order the sale to be made by the sheriff of the county or city. The sheriff shall make the same and apply and dispose of the proceeds in the same manner as if the sale were made under a writ of fieri facias.



If the owner of the property is a resident of this Commonwealth, any notice required by this section may be served as provided in § 8.01-296 or, if the sale is to be made without resort to the courts, by personal delivery or by certified or registered mail delivered to the present owner of the property to be sold at his last known address at least 10 days prior to the date of sale. If he is a nonresident or if his address is unknown, notice may be served by posting a copy thereof in three public places in the county or city wherein the property is located. For purposes of this section, a public place means a premises owned by the Commonwealth, a political subdivision thereof or an agency of either which is open to the general public.

§ 43-35 How and when validity of lien, or claim of other person to property, is tried

Any person may file his petition, at any time before the property is sold or the proceeds of sale are paid to the plaintiff under the judgment of the trial justice or court, disputing the validity of the plaintiff's lien thereon, or stating a claim thereto, or an interest in or lien on the same, and its nature; and the trial justice or the court, as the case may be, shall inquire into such claim, and if it be found that the petitioner has title to, or a lien on, or any interest in, such property or proceeds of sale, the trial justice or court shall make such order as is necessary to protect his rights.

§ 43-36 Appeals, how taken and tried

Any party may appeal from the judgment of the trial justice, as in case of warrants for small claims under Chapter 6 ($\frac{16.1-76}{16.1-76}$ et seq.) of Title 16.1, and such appeal shall be heard and determined in like manner, as appeals under such chapter.

§ 43-38 Withdrawal from such sale upon payment of charges, interest and expenses

Such baggage or other personal property shall be withdrawn from sale and released to the owner thereof upon payment to such hotel, at any time prior to such sale, of the debt or charges, if any, against the same, with legal interest thereon and the expenses incurred in preparation for such sale prior to such payment.

§ 43-39 Distribution of proceeds of sale

The proceeds of sale shall be applied to the expenses of such sale, including the expense of notices, and to the satisfaction of the debt or charges, if any, with legal interest against such baggage or other personal property. The surplus, if any, shall be paid by the hotel to the owner of such baggage or other personal property, upon written application filed with such hotel by the owner within thirty days after such sale. If no such application is so filed, then such hotel shall pay over such surplus to the State Treasurer, who shall credit the same to the Literary Fund. Compliance by a hotel with the provisions of this and the two preceding sections ($\frac{43-37}{43-38}$) shall be a complete bar and defense to any claim that may thereafter be made by anyone against such hotel on account of such baggage or other personal property.

§ 43-40 Subsequent payment of surplus proceeds to persons entitled thereto

At any time within ten years after the payment into the state treasury of the surplus proceeds of any such sale as provided in the preceding section (§ 43-39), the former owner or owners of the property so sold, upon evidence of such ownership satisfactory to the Comptroller, shall be paid the principal amount of such surplus proceeds so paid into the state treasury out of any moneys held in reserve on the books of the Department of Accounts for the benefit of the Literary Fund upon warrant of the Comptroller. If any such claim be disallowed in whole or in part by the Comptroller, it may be recovered in the manner and subject to the conditions and limitations provided in §§ 8.01-192 through 8.01-195 and 8.01-255 for recovering claims against the Commonwealth.