

2A:44-157 to 2A:44-159

LEGISLATIVE HISTORY CHECKLIST

NJSA: 2A:44-157 to 2A:44-159 (Liens--processors of goods--clarify)

LAWS OF: 1985 CHAPTER: 492

BILL NO: S2519

Sponsor(s): Graves

Date Introduced: December 13, 1984

Committee: Assembly: -----

Senate: Law, Public Safety and Defense

Amended during passage: No Substituted for A3165 (not attached since identical to S2519)

Date of Passage: Assembly: January 13, 1986

Senate: December 9, 1985

Date of Approval: January 21, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

SENATE, No. 2519

STATE OF NEW JERSEY

INTRODUCED DECEMBER 13, 1984

By Senator GRAVES

Referred to Committee on Law, Public Safety and Defense

AN ACT concerning processors of goods and amending sections
2A :44-157, 2A :44-158, and 2A :44-159 of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. N. J. S. 2A :44-157 is amended to read as follows:

2 2A :44-157. Definitions. As used in this article:

3 "Processor" means a person, partnership or corporation en-
4 gaged in the business of spinning, throwing, manufacturing, bleach-
5 ing, mercerizing, dyeing, weighting, printing, finishing, dressing,
6 scraping or otherwise treating or processing of linen, cotton, wool,
7 silk, artificial silk, yarns, *synthetic fibers* or goods, skins, pelts,
8 furs or hides, or goods of which linen, cotton, wool, silk, artificial
9 silk, *yarns, synthetic fibers*, skins, pelts, furs or hides form a com-
10 ponent part.

11 "Debtor" means a person, partnership or corporation in-
12 debted to a "processor" for labor performed or materials fur-
13 nished in and about the business mentioned in the preceding
14 paragraph of this section.

15 "Owner" [includes] means a person, partnership or corpora-
16 tion] having title to the property herein described, either at law
17 or in equity, or having a lien or encumbrance thereon or an interest
18 in the same, other than the lien of the processor herein created.

19 "Person" includes a natural person or his legal representative,
20 partnership, corporation, company, trust, business entity or asso-
21 ciation, and any agent, employee, salesman, partner, officer, di-
22 rector, member, stockholder, associate, trustee or cestui que trust
23 thereof.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.
Matter printed in italics *thus* is new matter.

24 "Property" includes linen, cotton, wool, silk, artificial silk, yarn,
 25 *synthetic fibers* or goods, skins, pelts, furs or hides, or goods of
 26 which linen, cotton, wool, silk, artificial silk, *yarns, synthetic fibers,*
 27 skins, pelts, furs or hides form a component part.

1 2. N. J. S. 2A:44-158 is amended to read as follows:

2 2A:44-158. Property subject to lien. *a.* A processor shall be en-
 3 titled to a lien upon the property of others which comes into [his]
 4 *the processor's* possession, for the entire indebtedness [of the
 5 person, for whose account labor was performed or materials fur-
 6 nished by him,] *owed to the processor by the person as a result of*
 7 *the processor having performed labor or having furnished materials*
 8 *for that person* in and about the spinning, throwing, manufactur-
 9 ing, bleaching, mercerizing, dyeing, weighting, printing, finishing,
 10 dressing or scraping, or otherwise treating or processing or ship-
 11 ping, trucking and storing of said property[, or of other property
 12 for the debtor].

13 *b.* *A processor shall be entitled to a lien upon the property of*
 14 *any person which comes into the processor's possession at a time*
 15 *when that person is indebted to the processor for labor previously*
 16 *performed or materials previously furnished or both in or about*
 17 *the spinning, throwing, manufacturing, bleaching, mercerizing,*
 18 *dyeing, weighting, printing, finishing, dressing or scraping, or*
 19 *otherwise treating or processing or shipping, trucking or storing*
 20 *of other property of the debtor previously released, delivered,*
 21 *relinquished, shipped or surrendered by the processor, for the entire*
 22 *indebtedness owed to the processor by the debtor.*

1 3. N. J. S. 2A:44-159 is amended to read as follows:

2 2A:44-159. Waiver or impairment of lien; assignment. The lien
 3 under section 2A:44-158 of this title shall not be affected in any
 4 way by the recovery of a judgment or the taking of a bill or note
 5 for the money due for labor or material; *or by the processor having*
 6 *released, delivered, relinquished, shipped or surrendered property*
 7 *of the debtor without having been paid in full at the time of the*
 8 *release, delivery, relinquishment, shipment or surrender; or by any*
 9 *extension of credit by the processor to any person at any time.* The
 10 lien may be enforced as though tthe judgment had not been re-
 11 covered [or]; the bill or note *had not been* taken; *the goods had*
 12 *not been released, delivered, relinquished, shipped or surrendered*
 13 *without full payment; or the processor had not agreed to extend*
 14 *credit.* The lien and the indebtedness under section 2A:44-158 of
 15 this title may be assigned without impairing the lien, and the lien
 16 may be enforced by the assignee directly, or on his behalf by the
 17 assignor, to the extent of the indebtedness so assigned.

1 4. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to state more clearly and affirm the extent of the statutory lien provided to processors of goods under N. J. S. 2A:44-157 et seq. At present the law indicates that the lien afforded to processors of goods may be asserted against property that comes into the possession of the processor for the entire indebtedness of the owner of the property, relating to labor performed or materials furnished in connection with the processing of goods. Nevertheless, there may exist some doubt as to the validity of the lien if it arises out of an indebtedness for labor performed or materials furnished in connection with the processing of goods that have already been relinquished by the processor.

This bill reaffirms in more specific language a processor's right to assert a valid lien against property in the possession of the processor based upon an indebtedness to the processor arising out of the processing of either that property or other property that has been relinquished by the processor.

This bill also makes specific provisions for the validity of the processor's lien notwithstanding the processor having extended credit, either before or after the goods were relinquished, to the person against whose property the lien is being asserted. The bill would thus allow processors of goods to extend credit to their customers in the normal course of their business without vitiating or waiving the statutory lien.

SENATE LAW, PUBLIC SAFETY AND DEFENSE
COMMITTEE

STATEMENT TO

SENATE, No. 2519

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 1985

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S-1764, sponsored by Senator John Russo, D-Ocean, which places the Police Training Commission within the Department of Law and Public Safety, includes special investigators in county prosecutors' offices within the training provisions, and adds the President of the County Prosecutors' Association and the President of the Sheriffs' Association of New Jersey to the Commission membership.

S-2519, sponsored by Senator Frank Graves, D-Passaic, to enable a processor of goods to assert a lien over goods in his possession on the basis of prior indebtedness or of credit issued to the owner of the goods.

S-2907, sponsored by Senator Edward O'Connor, D-Hudson, to establish the Vietnam Veterans' Memorial Committee of 14 members to select a design and a site for a memorial in honor of Vietnam veterans.

S-3150, sponsored by Senator John Russo, D-Ocean, to require that any out of state veterinarian to be eligible for licensing in New Jersey under a reciprocity agreement to have practiced clinical veterinary medicine for three consecutive years prior to application for the license.

S-3330, sponsored by Senator Wynona Lipman, D-Essex, to extend to January 1, 1988, the authority of the City of Newark to impose a payroll and parking tax and for Jersey City to impose a parking tax.

S-3424, sponsored by Senator Paul Contillo, D-Bergen, to appropriate \$15,000 to the Department of Environmental Protection to reimburse the Borough of Maywood for expenses incurred in employing an environmental health physicist to aid in resolving a thorium contamination problem.

S-3438, sponsored by Senator Carmen Orechio, D-Essex, to transfer certain responsibilities from the legislative counsel in the Office of Legislative Services to the New Jersey Law Revision Commission.