

Equestrian liens have as much kick as all other liens

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Lawyers assert attorney liens on client matters to ensure payment for their legal services. Hospitals assert liens on personal-injury cases to collect payment for their provided medical services. Contractors file mechanic's liens as a security interest in the title to property to protect their right to payment for supplied labor or materials that improve the property. Mortgage liens encumber real estate to secure the repayment of the loan.

Equestrian sports require the care and maintenance of the equestrian athlete. Expenses for horse boarding, breeding, training, medical care, farrier (a/k/a blacksmith) services and many others are incurred daily and can accumulate quickly.

The accruing invoices left unpaid could lead to the ultimate demise of these equestrian sport service providers, such as the horse boarding and training operation, equine veterinarian practice and farrier businesses. There is an old saying — “No hooves, no horse.” The same can be said for the equestrian sports themselves: “No support, no sport.”

Like the other service industries referenced above, equine industry lien laws protect a number of equine industry professionals and dictate required legal enforcement processes which may include the sale of the horse to pay the amount due.

Therefore, it is imperative that equine industry service providers understand their lien rights so collection opportunities are not missed and comply with the collection requirements so they are not subject to conversion or theft claims for failure to comply with the legal process. Horse owners must also familiarize themselves with the attachment and enforcement of these liens at the risk of losing their horse.

Types of equine liens

Illinois provides the following equine service related liens: Farrier liens for unpaid hoof care and shoeing services; breeder liens for unpaid costs relating to horse breeding services; stable keeper's liens for delinquent management, protection, control and care billings such as horse training and boarding; and agister's liens for unpaid invoices relating to keeping, pasturing, and feeding horses.

As a practical matter, agister's liens typically apply to cattle and other livestock, while the stable keeper's lien is more appropriately applied to domestic horses. The stable keeper's lien is broader than the agister's lien in that it may cover expenses for medical services, training fees or other costs associated with the horse beyond mere feeding and pasturing.

The types of services and personal property subject to the stable keeper's lien may be broadened by contract. For example, a facility boarding agreement may grant a lien on the owner's boarded horse for the costs associated with administering supplements or medications, trailering the horse, providing assistance to the veterinarian, breeder or farrier servicing the horse, incurred late fees, bank fees for returned checks and legal fees and costs incurred in the lien enforcement process.

The contractual lien may even include attachment to personal property stored at the boarding facility, such as a horse trailer, tack and equipment, feed and supplements, all of which may collectively be quite valuable and easy to sell after the lien is enforced and title transfers to the lienholder.

Lien attachment

Specific statutes define when a lien attaches to a horse. The farrier's lien statute requires the farrier to file a specifically written claim in the county recorder of deeds' office within six months after shoeing the horse to secure the benefits of a lien.

The breeder's lien statute requires a stallion owner to file his written claim within 24 months after a mare has been served by his stallion. These two types of liens require filings because typically the horse is not in the farrier's or breeder's possession after the service is provided.

However, the stable keeper's and liens are possessory liens, meaning, there is a right to collect payment while the horse is in the service provider's possession. These possessory liens are defeated if the horse is returned to the debtor while the bill remains due.

Notably, in the event local authorities are contacted by either the facility seeking to maintain possession of the horse or by the owner trying to take possession of the horse, the officer may restrict the removal of the horse from the facility if the officer is shown a written boarding agreement signed by the horse owner acknowledging the facility's lien for any amounts owed for the fees and expenses defined above.

This is quite effective especially in an industry where law enforcement officials typically are not aware of and/or do not understand the legal rights provided by these lien statutes.

Lien enforcement

The statutes also dictate how to enforce lien rights. The farrier and breeding lien statutes entitle a lienholder to file a complaint in court to foreclose their lien against the person who is responsible for the service payment. The foreclosure may then proceed to a public sale of the horse. Any sale under these statutes is subject to redemption by the owner for 30 days after the day of sale.

The stable keeper's and agister's liens provide that enforcement must be by public sale of the horse and the stored property unless the boarding agreement provides clear authorization that the horse and property may be sold through a private sale or ownership transfer directly to the facility to satisfy the lien.

The enforcement process under these statutes requires a written demand for payment and notice of public sale to the owner before the horse may be sold. Again, a properly drafted boarding agreement may permit the sale of the horse through a private sale, thus expediting the process at minimizing the costs associated therewith.

Sale of the horse to satisfy a stable keeper or agister lien in conformity with the statutory and/or written boarding agreement requirements bars any action against the lienholder for the recovery of the horse or its value.

Improper lien enforcement proceedings in Illinois, such as selling the horse privately without notice and without a boarding agreement or other contractual right to do so, can result in civil penalties and possible criminal charges for conversion or even theft of the horse and other personal property sold.

Like the sale of other assets at public auctions, the sheriff or other person conducting the sale shall provide a public sale certificate of purchase of the horse to the highest

bidder. The original owner shall thereafter have no claim of right, title or interest in the horse.

At the time the horse is sold through a private sale, the facility shall provide the buyer with the private sale certificate certifying that the requirements of the stable keeper's or agister's lien statute were met and that the buyer is the legal title owner of the horse. A bill of sale for the horse can include these specific terms. The original owner shall thereafter have no claim of right, title or interest in the horse.

Contract rights count

Lien enforcement statutes are important to encourage service providers in any industry, including equestrian sports, to ensure these integral services are continuously made available.

The lien statutes may not cover all services in the equine industry, and the enforcement provisions may be complicated and/or difficult to follow, thereby subjecting enforcers to unintended counterclaims.

Properly drafted boarding agreements and other equine industry service contracts can provide broader lien rights and simplified enforcement processes to expedite the process and ensure the transfer clear title of the horses and other personal property if completed without the debtor's ultimate payment.

Equestrian sports rely on the equine athletes, who rely on equine service providers, who can rely on the lien statutes and contract rights, to collect their unpaid invoices.