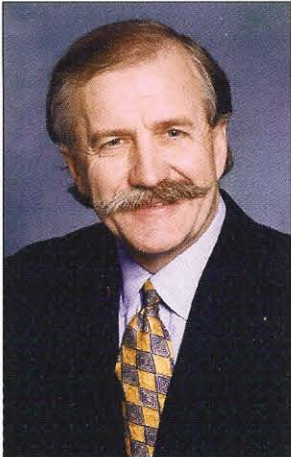


# liens for training, board



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**M**ANY NSBA MEMBERS OWN HORSES THAT ARE EITHER BOARDED OR TRAINED at a training facility. In addition, other NSBA members own or operate such facilities. In either case, every NSBA member should know about liens on horses.

Liens are property rights that secure payment of debts. For example, when you purchase a farm or a pickup truck with monthly payments, the bank or financing company retains a lien on the property. If you fail to make the required monthly payments, the bank or financing company can exercise its lien rights by foreclosing on the farm or repossessing the truck. It will then sell the property at public auction to pay off the lien, including interest, costs and legal fees. If there is anything left, you would get the balance, although this would be a rare occurrence.

There is another category of liens called possessory liens. These liens are attached to property that is in the possession of the lienholder. A well known example would be the mechanics lien. When you take your pickup to the shop for repairs, the shop has a possessory lien on the truck to secure payment of its bill. The mechanic can keep your vehicle until payment is made. If payment is not made, he can sell the vehicle to obtain payment, as described in the prior example.

Typically, most boarding and training facilities will have a possessory lien on the customer's horse because they are in possession of the horse. Most state laws allow the boarding facility or trainer to keep the horse until their bill is paid. No court action is usually necessary at this point. Simply inform the owner of your intentions, demanding payment upon your terms. If payment is not made, the horse may be sold at public auction, subject to the legal proceeding required in your state. However, the horse must be cared for in a reasonable fashion to minimize the expenses incurred.

For example, it may be reasonable to move the horse to a less expensive area or to stop training the horse altogether, so the owner is not subject to an unreasonably high bill. In other words, the boarding facility or trainer must mitigate the damages.

Whenever a dispute arises from non-payment of boarding or training bills, it is usually best to work out a compromise sooner rather than later. Although the possessory lien interest gives the boarding facility and trainer significant leverage in getting their bills paid, there is no assurance that the full expenses will be paid.

Depending on your state laws, there will be different requirements to enforce the lien. For example: notice requirements to the creditor (owner), waiting periods for non-payment before further action may be taken, requirements for advertising and conducting the sale and applying the proceeds toward the debt, including costs and legal fees.

Failure to follow the requirements explicitly may result in even more expense and problems for both owner and trainer. It is always a good idea to consult with experienced counsel before you simply sell the horse at private treaty, or even public auction, to make sure you are in full compliance with the laws of your state.

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