

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017**

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**HOUSE BILL 707  
Committee Substitute Favorable 4/26/17**

Short Title: Lien Agent/Notice of Cancellation.

(Public)

Sponsors:

Referred to:

April 11, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING LIEN  
3 AGENTS FOR THE PURPOSE OF PROVIDING FOR THE CANCELLATION AND  
4 RENEWAL OF A NOTICE TO LIEN AGENT.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 44A-11.1 reads as rewritten:

7 "§ 44A-11.1. Lien agent; designation and duties.

8 ...

9 (f) Any attorney who, in connection with a transaction involving improved real  
10 property subject to this section for which the attorney is serving as the closing attorney,  
11 contacts the lien agent in writing and requests copies of the notices to lien agent and  
12 cancellations of notice to lien agent received by the lien agent relating to the real property not  
13 more than five business days prior to the date of recordation of a deed or deed of trust on the  
14 real property, shall be deemed to have fulfilled the attorney's professional obligation as closing  
15 attorney to check such notices to lien agent and cancellations of notice to lien agent and shall  
16 have no further duty to request that the lien agent provide information pertaining to notices or  
17 cancellations received subsequently by the lien agent."

18 SECTION 2. G.S. 44A-11.2 reads as rewritten:

19 "§ 44A-11.2. Identification of lien agent; notice to lien agent; effect of notice.

20 ...

21 (q) For any improvement to real property comprising of one- or two-family dwellings  
22 subject to G.S. 44A-11.1, if a potential lien claimant has filed a Notice to Lien Agent and has  
23 received final payment in an amount satisfactory to resolve the Notice to Lien Agent previously  
24 filed, the potential lien claimant shall cancel the Notice to Lien Agent within a reasonable time  
25 of receipt of final payment by utilizing the Internet Web site approved for such use by the  
26 designated lien agent. A potential lien claimant may cancel a Notice to Lien Agent by utilizing  
27 the Internet Web site approved for such use by the designated lien agent for any reason at any  
28 time.

29 (r) A Notice to Lien Agent cancelled pursuant to subsection (q) shall have the effect of  
30 cancelling and discharging the Notice to Lien Agent and the corresponding protections  
31 provided under this section as to the subject matter of the Notice to Lien Agent. Cancelling a  
32 Notice to Lien Agent pursuant to subsection (q) does not act to cancel a claim of lien on real  
33 property filed or affect priority of lien rights pursuant to this section.

34 (s) A Notice to Lien Agent, not otherwise cancelled or renewed pursuant to this section,  
35 expires and is discharged five years from the date of filing.



1       (t)     A Notice to Lien Agent may be renewed prior to its cancellation or automatic  
2 expiration for one five-year period by utilizing the Internet Web site approved for such use by  
3 the designated lien agent. Such renewal shall extend the date of expiration by five years.

4       (u)     If a Notice to Lien Agent is timely renewed prior to cancellation or expiration  
5 pursuant to this section, the renewal shall maintain and relate back to the original filing date of  
6 the Notice to Lien Agent.

7       (v)     If the Notice to Lien Agent is cancelled or automatically expires pursuant to this  
8 section, a later filed Notice to Lien Agent filed by the potential lien claimant for improvements  
9 to same real property would only have the protections provided under this section from the date  
10 of the filing of the later filed notice, and such notice to lien agent would not relate back to or  
11 renew the cancelled filing."

12           **SECTION 3.** G.S. 58-26-45 reads as rewritten:

13       "**§ 58-26-45. Registration as a lien agent.**

14       ...

15       (b)     Upon receipt of the notice of designation by the owner pursuant to G.S. 44A-11.1, a  
16 lien agent shall have the duty to do all of the following:

17       ...

18           (9)     Receive cancellations of notices to lien agent and renewals of notices to lien  
19 agent pursuant to G.S. 44A-11.2.

20       ...

21       (d)     For services rendered pursuant to each designation as a lien agent for improvements  
22 to real property comprising one- or two-family dwellings, a lien agent shall collect a fee of  
23 ~~twenty-five-thirty~~ dollars ~~(\$25.00)-(\$30.00)~~ from the owner. For services rendered pursuant to  
24 each designation as a lien agent for all other improvements to real property, the lien agent shall  
25 collect a fee of ~~fifty-fifty-eight~~ dollars ~~(\$50.00)-(\$58.00)~~ from the owner.

26       (e)     The Department shall publish on its Web site a current list of lien agents registered  
27 pursuant to this section."

28           **SECTION 4.** This act becomes effective October 1, 2018.