



HOUSE BILL 1102: Mechanics Liens - Clarify Lien Agent Notice

2013-2014 General Assembly

Committee:	Senate Judiciary I	Date:	June 25, 2014
Introduced by:	Reps. Stevens, Arp	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 1102 makes technical changes to G.S. 44A-11.1 and G.S. 44A-11.2 (requirements for the notice to lien agent form).

CURRENT LAW: Article 2 of Chapter 44A grants lien rights to contractors and subcontractors who improve real property to secure payment of debts owing for labor, professional design or surveying services, or materials or rental equipment furnished to improve the real property.

G.S. 44A-11.1 requires a property owner to designate a lien agent for improvements to real property costing \$30,000 or more, except for improvements to a single-family dwelling "that is used by the owner as a residence." Potential lien claimants are required to give notice to the designated lien agent in order to preserve their lien rights in accordance with G.S. 44A-11.2.

BILL ANALYSIS: House Bill 1102 makes technical changes to G.S. 44A-11.1 and G.S. 44A-11.2. Section 1 provides that the designation of a lien agent does not make the lien agent an agent of the owner for purposes of receiving a Notice of Subcontract. Section 2 provides that the service of the Notice of Lien Agent does not satisfy the service or filing requirements applicable to a Notice of Subcontract. Also, Section 2 adds language to provide that a Notice of Lien Agent shall not be combined with or make reference to a Notice of Subcontract or Notice of Claim of Lien on Funds.

EFFECTIVE DATE: This act becomes effective October 1, 2014, and applies to Notices to Lien Agent served on or after that date.

Shelly DeAdder, Staff Attorney, substantially contributed to this summary.

