

Mechanics Lien for Material or Labor

This bill provides a procedure for preservation of a Mechanics Lien for material or labor furnished to a subcontractor and providing for related matters.

As leasing equipment becomes more popular, this is a means of protection for dealers. Rented equipment in current law was not entitled to file mechanic's liens. Notice of lien filing shall be done in the same manner as current law.

It reads as follows: "If material is rented by a person to the owner, the owner's agent, trustee, contractor, or subcontractor, the person shall have a lien upon such a building, improvement or land to secure payment for the material rental. The lien is for the reasonable rental value during the period of actual use of the material and any reasonable periods of non-use of the material taken into account in the rental agreement. The delivery of the material to such building, improvement, or land whether or not delivery is made by the person, creates a presumption that the material was used in the course of alteration, construction, or repair of the building, improvement, or land. However, this presumption shall not pertain to recoveries sought under a surety bond."

It goes on to read; "In the case of an owner-occupied dwelling, a mechanic's lien perfected under this chapter is enforceable only to the extent of the amount due the principal contractor by the owner-occupant under the contract, less any payments made by the owner-occupant to the principal contractor prior to the owner-occupant begin served with the notice..."