

How To File a Mechanic's Lien - A Comprehensive Overview That Applies to Any State

If you provided labor, materials, equipment, professional services or just about anything else to a construction project, you may be entitled to file a mechanics lien against the property to secure payment for your services.

On private construction projects, the mechanics lien attaches to the land itself, and restricts the owner from selling, refinancing or transferring the property without accommodating the lien. On public construction projects (projects on state or federal lands), the lien typically attaches to the project's bond, which acts to insure payment of subcontractors and suppliers.

So, how do you actually file a mechanic's lien? The devil is always in the details, and if you're a reader of this blog you likely know that mechanic lien laws in the United States have an extraordinary amount of detail. See, for example, all the posts we have describing the many mistakes one can make in filing a lien.

To make matters more complex, the requirements for filing a lien differs depending on the project's location. This post does not intend to describe in detail how you can file a lien in your particular state or county. Instead, we'll provide you with an overview of the resources available to you online, and a comprehensive general discussion of what to do to file a claim.

Consult These Resources

This blog post is not going to exhaust the legal requirements associated with mechanics liens (i.e. when they must be filed, when notices are required, etc.). However, the web is full of resources on mechanic liens that answer these questions.

In fact, we publish one of these resources at mechaniclien.com. Go to this site, select your state and project type, and you'll see a chart explaining the lien and

notice requirement. A lien law summary sheet is also available, as well as forms you can use (i.e. lien forms, notice forms, etc.). It's all free.

In addition to this, Avvo.com has some really great state-specific publications, such as:

- How to File a Mechanics Lien in Washington State
- How to File a Mechanic's Lien in Oregon
- How to File a Mechanic's Lien in Louisiana
- How to File a Miller Act Claim

Step 1: Do You Have The Right?

The first step to filing a mechanic's lien is to determine whether you have the right to file the lien. This typically involves asking yourself these three questions:

- Are you in the class of persons allowed to lien by the law? Each state has
 different laws that allow certain classes of construction participants to file
 construction liens. Some are very liberal allowing virtually anyone to file.
 Others are more conservative. One frequent restrict is on suppliers to
 suppliers (i.e. Miller Act Claims not allowed to suppliers of suppliers), and
 another is no equipment lessors (i.e. Mississippi just began allowing equipment
 lessors to lien).
- 2. Was notice required, and if so...did you send it? If you were required to send preliminary notice, and you didn't...you may have forfeited your lien rights. So, it's important to figure out whether your state required a preliminary notice. We posted this <u>listing of notice states</u> on this blog here.
- 3. Would your lien be timely? Mechanic liens must be filed within a certain amount of time following completion of your work. You must determine how long you have, and whether you still have time to lien.

Step 2: Draft Lien With Care

If you have the right to lien, the next step is to produce the lien. Lien laws are quirky. You must be careful, and include every piece of information required by the statute.

We've written about strict requirements of mechanic lien forms previously (<u>read it here</u>). One of the most frequent mistakes is that the lien claimant fails to properly identify a the liened property. Most states require a <u>legal property description</u>, as opposed to a simple address.

Step 3: File with Recording Office

There are two areas of danger here.

First, make sure you file with the correct recording office. Each state will designate an office that accepts mechanic lien filings. Make sure you know the correct office, and that you file in the correct county.

Second, follow the filing requirements listed by the count. For example, many counties have strict font, margin and paper size requirements. Failing to follow these standards may cost you additional filings fees, or result in having your lien rejected. Also, note warnings from counties that mailed filings can take days or weeks to process! We reported a <u>6 week backlog in Los Angeles County in 2008...and this is not unusual.</u> Make sure you get the lien into the county recorder's hands...and get it filed upon presentation.

Step 4: Notify Parties and Enforce

After you file the lien, make sure you notify the appropriate parties. In most states, the lien claimant must sent immediate notice to the property owner. In some states, like Oregon, notice must also go to other parties. Make sure you know who gets notices, and you send the required notices.

And finally, don't let your lien expire. Your mechanic lien is only valid for a definite period of time. Make sure you file a lawsuit to enforce the lien before it expires if you don't get paid...or, if you are in a state that allows it, file to extend the lien.

Read this article on the Construction Lien Blog here: http://constructionlienblog.com/?p=2163