

WOLFE LAW GROUP

MIND OF A LAWYER. HEART OF A CONTRACTOR.

Model Disclosure Statement Required in Washington To Protect Lien Rights When Contracting With Owner

Ask yourself these three questions:

- 1) Are you a contractor of any sort?
- 2) Did you or do you contract directly with the property owner on any construction project(s)?
- 3) Is the residential project's contract more than \$1,000.00, or commercial project's contract less than \$60,000.00?

If you answered yes to these three questions, pay very close attention here. You must deliver a Model Disclosure Statement to the property owner before beginning work.

The Model Disclosure Statement is furnished to contractors by the [Washington Department of Labor and Industries](#). It's very, very easy to fill-out.

You must furnish the form to the property owner, have the property owner sign it, and keep a copy of the signed form in your files for a "minimum of three years."

If you fail to do this, not only do you lose the right to file any mechanics lien on the project, but you can also be fined by the Labor & Industries, and may be in violation of Consumer Protection laws.

Unfortunately, too few contractors in the State of Washington are aware of this requirement. If you do business directly with property owners, get your hands on this form and present it to the owner at the beginning of every project.

[Download the form from the Labor and Industries by Clicking Here.](#)



MODEL DISCLOSURE STATEMENT NOTICE TO CUSTOMER

This contractor is registered with the state of Washington, registration no. _____, and has posted with the state a bond or deposit of _____ for the purpose of satisfying claims against the contractor for breach of contract including negligent or improper work in the conduct of the contractor's business. The expiration date of this contractor's registration is _____.

THIS BOND OR DEPOSIT MIGHT NOT BE SUFFICIENT TO COVER A CLAIM THAT MIGHT ARISE FROM THE WORK DONE UNDER YOUR CONTRACT.

This bond or deposit is not for your exclusive use because it covers all work performed by this contractor. The bond or deposit is intended to pay valid claims up to _____ that you and other customers, suppliers, subcontractors, or taxing authorities may have.

FOR GREATER PROTECTION YOU MAY WITHHOLD A PERCENTAGE OF YOUR CONTRACT.

You may withhold a contractually defined percentage of your construction contract as retainage for a stated period of time to provide protection to you and help insure that your project will be completed as required by your contract.

YOUR PROPERTY MAY BE LIENED.

If a supplier of materials used in your construction project or an employee or subcontractor of your contractor or subcontractors is not paid, your property may be liened to force payment and you could pay twice for the same work.

FOR ADDITIONAL PROTECTION YOU MAY REQUEST THE CONTRACTOR TO PROVIDE YOU WITH ORIGINAL "LIEN RELEASE" DOCUMENTS FROM EACH SUPPLIER OR SUBCONTRACTOR AT YOUR PROJECT.

The contractor is required to provide you with further information about lien release document if you request it. General information is also available from the state Department of Labor and Industries.

I have received a copy of this disclosure statement.

Dated this _____ day of _____ of the year _____.

Signature of Customer

The contractor must retain a signed copy of the disclosure statement in his or her files for a minimum of three years, and produce a signed or electronic signature copy of the disclosure statement to the department upon request.