

Committee on Regulated Industries

CS/CS/SB 1196 — Construction Liens

by Commerce and Tourism, Regulated Industries, and Senator Bogdanoff

This bill revises the procedures for protecting a leased property from a construction lien when the improvement is contracted for by a tenant of the property. The bill provides that a lessor may file a memorandum of the lease, in lieu of a copy of the lease, in the official records of the county where the leased property is located. In the alternative, a lessor may file a notice advising that leases for property located on a parcel of land prohibit liens in the official records of the county where the land is located. The notice must contain the name of the lessor, legal description of the parcel of land, the specific language contained in the lease or leases, and a statement that all or a majority of the leases expressly prohibit these types of liens. The bill requires the notice to be filed prior to the filing of any Notice of Commencement for work on the leased property. The bill provides that a contractor may file a demand on the lessor for a verified copy of the terms in the lease. Failure of the lessor to comply with a demand may result in a contractor being able to file a lien against the lessor's property. In addition, the bill provides that the lessor must be listed on the Notice of Commencement as the owner of the property.

If approved by the Governor, these provisions take effect October 1, 2011.

Vote: Senate 38-0; House 118-0