

Introduced by Senator Figueroa

February 5, 2003

An act to add Section 3259.5 to the Civil Code, relating to private works of improvement.

LEGISLATIVE COUNSEL'S DIGEST

SB 134, as introduced, Figueroa. Private works of improvement: liens.

Existing law governs public and private works of improvement. Among other things, these provisions require that the owner of a work of improvement sign and verify any notice of completion or notice of cessation and that the notice be recorded in the office of the county recorder of the county in which the site is located.

This bill would require the owner of a private work of improvement to notify, by registered or certified mail, the original contractor, and any claimant who has provided a preliminary 20-day notice prior to the recording of a mechanic's lien or stop notice, that a notice of completion or notice of cessation has been recorded within 10 days of recordation of that notice of completion or notice of cessation. The bill would provide that failure to give notice shall extend the period of time in which the contractor or claimant may file a mechanic's lien or stop notice to 90 days, as specified, and would provide that this extension would be the sole liability incurred for failure to give notice. The bill would define an owner for these purposes, but would exclude from that definition a person who occupies the real property as a personal residence, as specified, among others.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3259.5 is added to the Civil Code, to
2 read:

3 3259.5. (a) The owner of a private work of improvement
4 shall notify the original contractor, and any claimant other than the
5 original contractor who has provided a preliminary 20-day notice
6 in accordance with Section 3097, that a notice of completion or
7 notice of cessation has been recorded. The notice shall be sent
8 within 10 days after recordation of the notice of completion or
9 notice of cessation. Notification shall be sent by registered or
10 certified mail. Failure to give notice to a contractor or claimant
11 within 10 days of recording the notice of completion or notice of
12 cessation shall extend the period of time in which that contractor
13 or claimant may file a mechanic’s lien or stop notice to 90 days
14 beyond the date that a notice of completion or notice of cessation
15 has been recorded. The sole liability for failing to give notice shall
16 be the extension of the period of time in which that contractor or
17 claimant may file a mechanic’s lien or stop notice.

18 (b) For purposes of this section, “owner” means a person who
19 has an interest in real property, or the person’s successor in interest
20 on the date a notice of cessation from labor is filed for record, who
21 causes a building, improvement, or structure, to be constructed,
22 altered, or repaired on the property. If the property is owned by two
23 or more persons as joint tenants or tenants in common, any one or
24 more of the cotenants may be deemed to be the “owner” within
25 the meaning of this section. However, “owner” does not include
26 a person who occupies the real property as a personal residence and
27 the dwelling contains not more than four residential units, nor does
28 it include a person who has a security interest in the property or
29 obtains an interest pursuant to a transfer described in subdivision
30 (b), (c), or (d) of Section 1102.2.

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