

**Introduced by Senator Alpert**

February 24, 1997

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An act to amend Section 66499.7 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 562, as introduced, Alpert. Subdivision Map Act: housing: security.

Existing law and local ordinances authorize or require, under specified circumstances, the furnishing of security with respect to the performance of various acts or agreements subject to the Subdivision Map Act. Existing law specifies the types of security that may be used at the option of, and subject to the approval of, the local agency, as well as the standards for the complete or partial release of security for public improvements. Under existing law, a bond securing materials or labor is required to be released in full if no liens have been recorded and notice thereof given to the legislative body by the expiration of the period during which a mechanic's lien is required to be recorded pursuant to specified provisions of existing law.

This bill would provide that a bond securing materials or labor is required to be released in full if no liens have been filed and recorded and notice thereof given to the legislative body by the expiration of the period during which a mechanic's lien is required to be recorded.

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 66499.7 of the Government  
2 Code is amended to read:

3 66499.7. The security furnished by the subdivider  
4 shall be released in whole or in part in the following  
5 manner:

6 (a) Security given for faithful performance of any act  
7 or agreement shall be released upon the performance of  
8 the act or final completion and acceptance of the  
9 required work, or the legislative body may provide for the  
10 partial release of the security upon the partial  
11 performance of the act or the acceptance of the work as  
12 it progresses, under rules established by the legislative  
13 body.

14 (b) Security securing the payment to the contractor,  
15 his or her subcontractors and to persons furnishing labor,  
16 materials or equipment shall, after passage of the time  
17 within which claims of lien are required to be recorded  
18 pursuant to Article 3 (commencing with Section 3114) of  
19 Chapter 2 of Title 15 of Part 4 of Division 3 of the Civil  
20 Code and after acceptance of the work, be reduced to an  
21 amount equal to the total claimed by all claimants for  
22 whom claims of lien have been recorded and notice  
23 thereof given in writing to the legislative body, and if no  
24 such claims have been *filed and* recorded, the security  
25 shall be released in full.

26 The release shall not apply to any required guarantee  
27 and warranty period required by Section 66499.9 for the  
28 guarantee or warranty nor to the amount of the security  
29 deemed necessary by the local agency for such guarantee  
30 and warranty period nor to costs and reasonable expenses  
31 and fees, including reasonable attorneys' fees.

32 The legislative body may authorize any of its public  
33 officers or employees to authorize release or reduction of  
34 the security in accordance with the conditions  
35 hereinabove set forth and in accordance with such rules  
36 as it may prescribe.

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