

AMENDED IN ASSEMBLY MAY 2, 2001  
AMENDED IN ASSEMBLY MARCH 27, 2001  
CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 568**

**Introduced by Assembly Member Dutra**

February 21, 2001

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~~An act to add Article 10.5 (commencing with Section 7170) to Chapter 9 of Division 3 of the Business and Professions Code, and to add Chapter 1.5 (commencing with Section 3107) to Title 15 of Part 4 of Division 3 of the Civil Code, relating to home improvement contracts. An act relating to mechanics' liens.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 568, as amended, Dutra. ~~Mechanics' liens: home improvement contracts.~~

The California Constitution gives workmen the right to a mechanics' lien for the value of labor and materials provided for the improvement of real property.

Existing law sets forth the ~~procedure~~ *procedures* for the enforcement of this right, as specified. ~~Existing law also establishes the Contractors' State Licensing Board providing for the regulation of those who contract for the improvement of real property, as specified~~ *Under these procedures, existing law requires that a person record a preliminary 20-day notice, as specified, prior to the recording of a mechanics' lien, prior to filing a stop notice, and prior to asserting a claim against a payment bond, as specified.*

~~This bill would limit the right of subcontractors to enforce a mechanics' lien for certain works of improvement on a single family, owner-occupied dwelling to those subcontractors who give the homeowner a joint check notice, in a form specified by the Contractors' State Licensing Board, as specified. The bill would entitle the homeowner to require payments for home improvements to be made by means of a joint check to be endorsed by both the prime contractor and subcontractor, and would make related changes. These provisions would apply only to works of improvement under contracts executed on or after January 1, 2002.~~

~~Existing law requires specified attachments to accompany a home improvement contract or an estimate for home improvement work.~~

~~The bill would set forth detailed requirements for the content of home improvement contracts totaling more than \$500, as specified, including the attachments required under existing law, and would make violations of these requirements a misdemeanor punishable by a fine of not less than \$100 nor more than \$5,000, or imprisonment in a county jail not exceeding one year, or both that fine and imprisonment. In certain circumstances, the fine would not be less than \$500 nor more than \$25,000, and would be required to be in addition to full restitution. The bill would impose a state-mandated local program by creating a new crime.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~*This bill would declare the intention of the Legislature to revise and reorganize the laws relating to mechanics' liens and stop notices for the purpose of modernization and simplification and addressing problems, such as the potential for double payment by homeowners.*~~

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

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

1 ~~SECTION 1.—Article 10.5 (commencing with Section 7170)~~  
2 ~~is~~



1     *SECTION 1. It is the intent of the Legislature to revise and*  
2     *reorganize the mechanics' lien and stop notice provisions in Title*  
3     *15 (commencing with Section 3082) of Part 4 of Division 3 of the*  
4     *Civil Code, and related provisions, with the purpose of*  
5     *modernizing and simplifying the statutes and addressing*  
6     *problems, such as the potential for double payment by*  
7     *homeowners.*

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**All matter omitted in this version of the  
bill appears in the bill as amended in the  
Assembly, March 27, 2001 (JR 11)**

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