

AMENDED IN SENATE APRIL 8, 2002

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
(Principal coauthor: Assembly Member Vargas)

February 21, 2001

An act to add Section 3113 to the Civil Code, relating to mechanics' liens.

LEGISLATIVE COUNSEL'S DIGEST

AB 568, as amended, Dutra. Mechanics' liens.

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 procedures for the enforcement of this right, 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 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 provide that if a home improvement contract, as defined, is executed in an amount not exceeding \$25,000, the home owner may set off the amount of~~

good-faith payments to the original contractor against the aggregate amount of enforceable mechanic’s liens and stop notice claims, in an amount not exceeding \$25,000.

The bill would also provide that a home owner’s receipt of a preliminary 20-day notice does not affect the good-faith nature of payment by the owner.

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.—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.~~

8 SECTION 1. Section 3113 is added to the Civil Code, to read:

9 3113. (a) *Notwithstanding any other provision of this title, if*
10 *a home improvement contract is executed in an amount not*
11 *exceeding twenty-five thousand dollars (\$25,000), the owner may*
12 *set off the amount of good-faith payments to the original*
13 *contractor against the aggregate amount of enforceable*
14 *mechanic’s liens and stop notice claims, in an amount not*
15 *exceeding twenty-five thousand dollars (\$25,000).*

16 (b) *An owner’s receipt of a preliminary 20-day notice does not*
17 *affect the good-faith nature of a payment by the owner.*

18 (c) *As used in this section, “home improvement contract” has*
19 *the meaning provided by Section 7151.2 of the Business and*
20 *Professions Code.*

