

AN ACT

Codification
District of
Columbia
Official Code

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend An Act To establish a code of law for the District of Columbia to require that a notice of intention to hold a mechanic's lien filed by a contractor or subcontractor shall include a copy of the contract signed by the parties, and a valid contractors' license, or a certificate of good standing, to provide for a 180 day statute of limitation to file an action to enforce a mechanic's lien, to provide that if the notice of intent to hold a mechanic's lien is not recorded within 90 days of completion of work, or if an action to enforce the mechanic's lien is not filed within 180 days from the date of recording, the mechanic's lien shall be deemed paid and satisfied without any action on part of the owner or any other person having an interest in the real property.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Mechanic's Lien Amendment Act of 2001".

Sec. 2. An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat.1384; D.C. Official Code § 40-301.01 *et seq.*), is amended as follows:

(a) Section 1238 (D.C. Code Official § 40-301.02) is amended to read as follows:

Amend
§ 40-301.02

"(a) Any such contractor wishing to avail himself or herself of the provisions aforesaid, whether his or her claim be due or not, shall file in the Office of the Recorder of Deeds of the District of Columbia during construction or within 90 days after the completion of such building, improvement, repairs, or addition, or the placing therein or in connection therein of any engine, machinery, or other thing so as to become a fixture, a notice of his intention to hold a lien on the property hereby declared liable to such lien for the amount due or to be become due to him or her.

"(b)(1) The notice of intention to hold a lien on the property shall include the following:

"(A) A copy of the work agreement signed by all parties;

"(B) A valid residential home improvement contractor's license issued by the District of Columbia Department of Consumer and Regulatory Affairs;

"(C) A certificate of good standing issued by the District of Columbia

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Department of Consumer and Regulatory affairs within the past 2 years, if applicable; and

"(D) A certificate or statement of good standing from the District of Columbia Office of Tax and Revenue, including the contractor's federal and local tax identification numbers.

"(2) A notice of intention to hold a lien shall include the:

"(A) Name and address of the contractor;

"(B) Name and address of the property owner;

"(C) Nature or kind of work done or the kind and amount of material furnished;

(D) Name of the party against whose interest a lien is claimed and the amount claimed, less any credit; and

"(E) Legal description of the property to be charged."

(b) Section 1239 (D.C. Official Code § 40-303.01) is amended to read as follows:

Amend
§ 40-303.01

"Any person directly employed by the original contractor, whether as subcontractor, materialman, or laborer, to furnish work or material for the completion of the work contracted for, shall be entitled to a similar lien to that of the original contractor, upon filing a notice which complies with the requirements set forth in section 1238, subject, however, to the conditions set forth in sections 1240 to 1258."

(c) Section 1251 (D.C. Official Code §40-303.13) is amended to read as follows:

Amend
§ 40-303.13

"(a) Any person, entitled to a lien, as aforesaid, may commence an action to enforce a mechanic's lien at anytime within 180 days after the filing of a notice of intention to hold a lien or from the date of completion of the building, improvement, or repairs. Upon failure to commence an action, the lien shall cease to exist; provided, that the claim shall not be due at the expiration of the period, the action shall be commenced within 3 months after the claim shall have become due.

"(b) If an action to enforce a mechanic's lien is not filed within 180 days from the date of recording a notice of intention to hold a mechanic's lien, the mechanic's lien shall be deemed to have been paid and satisfied without any action on the part of the owner or any other person having an interest in the real property."

(d) A new section 1254a is added to read as follows:

"Sec. 1254a. Effect of failure to file notice.

New
§ 40-303.16a

"Unless the claimant, his agent, or attorney has filed in the Office of the Recorder of Deeds a notice of his intention to hold a lien on the property within 90 days after the completion of such building, improvement, repairs, or addition, or the placing therein or in connection therein of any engine, machinery, or other thing so as to become a fixture, the mechanic's lien shall be deemed to have been paid and satisfied without any action on part of the owner."

(e) A new section 1258a is added to read as follows:

"Sec. 1258a. Authority to promulgate regulations.

New
§ 40-303.20a

"The Mayor shall promulgate rules to implement sections 1237 through 1258 in

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accordance with Title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*)."

Sec. 3. The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. This act shall take effect following approval by the Mayor (or in the event of a veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia