

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 710

Session of
2011

INTRODUCED BY GODSHALL, BOYD, V. BROWN, CLYMER, FABRIZIO,
HARPER, KORTZ, MARSICO, MILLARD, MILLER, MILNE, O'NEILL,
SAYLOR, TRUITT, VULAKOVICH, PERRY, QUINN, MICOZZI, HESS,
SWANGER, DENLINGER, FARRY AND KULA, FEBRUARY 16, 2011

AS REPORTED FROM COMMITTEE ON LABOR AND INDUSTRY, HOUSE OF
REPRESENTATIVES, AS AMENDED, OCTOBER 1, 2012

AN ACT

1 Amending the act of August 24, 1963 (P.L.1175, No.497), entitled
2 "An act to codify, amend, revise and consolidate the laws
3 relating to mechanics' liens," further providing for right to
4 lien and amount AND FOR DISCHARGE OF LIEN ON PAYMENT INTO
5 COURT OR ENTRY OF SECURITY. ←

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 301 of the act of August 24, 1963
9 (P.L.1175, No.497), known as the Mechanics' Lien Law of 1963, is
10 amended to read:

11 ~~Section 301. Right to Lien; Amount. [Every]~~ ←

12 ~~(a) General Rule. Except as provided under subsection (b),~~
13 ~~every improvement and the estate or title of the owner in the~~
14 ~~property shall be subject to a lien, to be perfected as herein~~
15 ~~provided, for the payment of all debts due by the owner to the~~
16 ~~contractor or by the contractor to any of his subcontractors for~~
17 ~~labor or materials furnished in the erection or construction, or~~
18 ~~the alteration or repair of the improvement, provided that the~~

~~amount of the claim, other than amounts determined by
apportionment under section 306(b) of this act, shall exceed
five hundred dollars (\$500).~~

~~(b) Subcontractor on Residential Property. Notwithstanding
any other provision of this act, if the contractor has been paid
in full a subcontractor may not file a claim against residential
property unless the owner provides a written waiver to the
subcontractor to file a claim.~~

SECTION 301. RIGHT TO LIEN; AMOUNT; SUBCONTRACTOR.-- [EVERY] 

(A) GENERAL RULE. EXCEPT AS PROVIDED UNDER SUBSECTION (B),
EVERY IMPROVEMENT AND THE ESTATE OR TITLE OF THE OWNER IN THE
PROPERTY SHALL BE SUBJECT TO A LIEN, TO BE PERFECTED AS HEREIN
PROVIDED, FOR THE PAYMENT OF ALL DEBTS DUE BY THE OWNER TO THE
CONTRACTOR OR BY THE CONTRACTOR TO ANY OF HIS SUBCONTRACTORS FOR
LABOR OR MATERIALS FURNISHED IN THE ERECTION OR CONSTRUCTION, OR
THE ALTERATION OR REPAIR OF THE IMPROVEMENT, PROVIDED THAT THE
AMOUNT OF THE CLAIM, OTHER THAN AMOUNTS DETERMINED BY
APPORTIONMENT UNDER SECTION 306(B) OF THIS ACT, SHALL EXCEED
FIVE HUNDRED DOLLARS (\$500).

(B) SUBCONTRACTOR. A SUBCONTRACTOR DOES NOT HAVE THE RIGHT
TO A LIEN WITH RESPECT TO AN IMPROVEMENT TO A RESIDENTIAL
PROPERTY IF:

(1) THE OWNER OR TENANT PAID THE FULL CONTRACT PRICE TO THE
CONTRACTOR;

(2) THE PROPERTY IS OR IS INTENDED TO BE USED AS THE
RESIDENCE OF THE OWNER OR TENANT; AND

(3) THE RESIDENTIAL PROPERTY IS A BUILDING THAT CONSISTS OF
ONE OR TWO DWELLING UNITS USED, INTENDED OR DESIGNED TO BE
BUILT, USED, RENTED OR LEASED FOR LIVING PURPOSES.

SECTION 2. SECTION 510 HEADING OF THE ACT IS AMENDED AND THE

1 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:


2 SECTION 510. DISCHARGE OF LIEN [ON PAYMENT INTO COURT OR
3 ENTRY OF SECURITY] .--

4 * * *

5 (F) RESIDENTIAL PROPERTY. A CLAIM FILED UNDER THIS ACT WITH
6 RESPECT TO AN IMPROVEMENT TO A RESIDENTIAL PROPERTY SUBJECT TO
7 SECTION 301(B) SHALL, UPON PETITION OR MOTION TO THE COURT BY
8 THE OWNER OR A PARTY IN INTEREST, BE DISCHARGED AS A LIEN
9 AGAINST THE PROPERTY WHEN:

10 (1) THE OWNER OR TENANT HAS PAID THE FULL CONTRACT PRICE TO
11 THE CONTRACTOR; OR

12 (2) THE LIEN SHALL BE REDUCED TO THE AMOUNT OF THE UNPAID
13 CONTRACT PRICE OWED BY THE OWNER OR TENANT TO THE CONTRACTOR.

14 Section ~~2~~ 3. The amendment of ~~section~~ SECTIONS 301 AND 510 
15 of the act shall apply to contracts entered into on or after the
16 effective date of this section.

17 Section ~~3~~ 4. This act shall take effect in ~~60~~ 30 days. 