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 THE GENERAL ASSEMBLY OF PENNSYLVANIA
 

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# HOUSE BILL

No. 473 Session of  
2013

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INTRODUCED BY KILLION, MUSTIO, EVANKOVICH, FABRIZIO, C. HARRIS,  
AUMENT, KORTZ, R. MILLER, MILNE, MURT, FARRY, GILLEN, TURZAI,  
WATSON AND QUINN, JANUARY 30, 2013

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SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, JUNE 29, 2014

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## 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~~  
 4 ~~definitions; and providing for State Construction Notices~~  
 5 ~~Directory and for notice of commencement and furnishing~~  
 6 ~~requirements.~~  
 7 AMENDING THE ACT OF AUGUST 24, 1963 (P.L.1175, NO.497), ENTITLED <--  
 8 "AN ACT TO CODIFY, AMEND, REVISE AND CONSOLIDATE THE LAWS  
 9 RELATING TO MECHANICS' LIENS," FURTHER PROVIDING FOR  
 10 DEFINITIONS; AND PROVIDING FOR STATE CONSTRUCTION NOTICES  
 11 DIRECTORY, FOR FAILURE TO FILE NOTICE OF FURNISHING, FOR  
 12 NOTICE OF COMMENCEMENT, AND NOTICE OF FURNISHING AND THIRD <--  
 13 PARTY NOTICE, FOR NOTICE OF COMPLETION FOR INFORMATIONAL <--  
 14 PURPOSES, FOR NOTICE AND FOR PROHIBITION.

15 The General Assembly of the Commonwealth of Pennsylvania  
 16 hereby enacts as follows:

17 ~~Section 1. Section 201 of the act of August 24, 1963 <--~~  
 18 ~~(P.L.1175, No.497), known as the Mechanics' Lien Law of 1963, is~~  
 19 ~~amended by adding paragraphs to read:~~

20 ~~Section 201. Definitions. The following words, terms and~~  
 21 ~~phrases when used in this act shall have the meaning ascribed to~~  
 22 ~~them in this section, except where the context clearly indicates~~

1 a different meaning:

2 \* \* \*

3 ~~(16) "Department" means the Department of Labor and~~  
4 ~~Industry.~~

5 ~~(17) "Directory" means the State Construction Notices~~  
6 ~~Directory in section 501.1.~~

7 Section 2. The act is amended by adding sections to read:

8 ~~Section 501.1. State Construction Notices Directory.~~

9 ~~(a) Establishment of Directory. The department shall~~  
10 ~~establish an Internet website to be known as the State~~  
11 ~~Construction Notices Directory.~~

12 ~~(b) Third party Administration. The department may contract~~  
13 ~~with a third party vendor to establish and administer the~~  
14 ~~Internet website.~~

15 ~~(c) Purpose of Directory. The directory shall serve~~  
16 ~~primarily as a standardized Statewide system for filing notices~~  
17 ~~as may be required by section 501.2.~~

18 ~~(d) Operational Date. The department shall have the~~  
19 ~~directory operational on July 1, 2015. The department may,~~  
20 ~~however, establish a later effective date, if it provides~~  
21 ~~sufficient reasons for the delay in the implementation of the~~  
22 ~~program in a notice to the chairman and minority chairman of the~~  
23 ~~Labor and Industry Committee of the Senate and the chairman and~~  
24 ~~minority chairman of the Labor and Industry Committee of the~~  
25 ~~House of Representatives.~~

26 ~~(e) Public Awareness. When appropriate, the department shall~~  
27 ~~publish notice in the Pennsylvania Bulletin advising the public~~  
28 ~~of plans for and the existence of the directory. The department~~  
29 ~~shall take reasonable measures to inform the general public of~~  
30 ~~the directory and its purpose.~~

1 ~~(f) Directory Fees. The department may assess filing fees to~~  
2 ~~owners filing Notices of Commencement under section 501.2(a) to~~  
3 ~~cover the costs of administration. No fees shall be assessed to~~  
4 ~~subcontractors filing Notices of Furnishing under section~~  
5 ~~501.2(b). If a contracted third party vendor is administering~~  
6 ~~the website, the assessed fees must be designated in the~~  
7 ~~contract. The department shall:~~

8 ~~(1) Consider the fee levels in awarding a contract.~~

9 ~~(2) Ensure the fee levels are as favorable as possible to~~  
10 ~~users.~~

11 ~~(g) Publishing of Notices. The directory shall:~~

12 ~~(1) Make public Notices of Commencement filed under section~~  
13 ~~501.2(a) in a job site specific format. A unique identifying~~  
14 ~~number or code shall be assigned to each Notice of Commencement~~  
15 ~~that is filed.~~

16 ~~(2) Provide copies of the filings of Notice of Furnishing~~  
17 ~~under section 501.2(b) to an owner who files a notice of~~  
18 ~~commencement under section 501.2(a).~~

19 ~~(3) Provide hard copy printing of electronic receipts for~~  
20 ~~each Notice of Commencement and Notice of Furnishing filed under~~  
21 ~~section 501.2 evidencing the date and time of the individual~~  
22 ~~filing and the content of the individual filing.~~

23 ~~(4) List all Notices of Furnishing filed with respect to a~~  
24 ~~particular Notice of Commencement, and list any Notice of~~  
25 ~~Completion filed to a particular Notice of Commencement.~~

26 ~~(5) Provide a verification process whereby those filing~~  
27 ~~required notices in the directory can confirm the proper~~  
28 ~~indexing and linkage of their filings.~~

29 ~~(h) Index. The directory must be primarily indexed by~~  
30 ~~county, and a Notice of Commencement filed with the directory~~

1 ~~shall be searchable, at minimum, by owner name, contractor name,~~  
2 ~~property address, the unique identifying number or code that is~~  
3 ~~assigned to it under paragraph (g) (1) and by any other~~  
4 ~~identifying features that the department believes are necessary.~~

5 ~~(i) Errors and Omission Insurance. The department shall~~  
6 ~~require a third party vendor to carry errors and omissions~~  
7 ~~insurance in amounts determined to be necessary.~~

8 ~~Section 501.2. Notice of Commencement, Notice of Furnishing~~  
9 ~~and Informational Notice of Completion Requirements.~~

10 ~~(a) Notice of Commencement.~~

11 ~~(1) Prior to allowing the commencement of labor or work or~~  
12 ~~the furnishing of materials for an improvement on real property~~  
13 ~~that may give rise to a mechanics' lien under this act, the~~  
14 ~~owner or agent of the owner may file a Notice of Commencement~~  
15 ~~with the State Construction Notices Directory; provided that a~~  
16 ~~contractor may file a Notice of Commencement for the owner if~~  
17 ~~such authority is specifically authorized in the contract~~  
18 ~~between the owner and contractor, and the owner assumes~~  
19 ~~responsibility for the contractor's actions as its agent for~~  
20 ~~filing the Notice of Commencement. The notice must include the~~  
21 ~~following:~~

22 ~~(i) Full name, address and e mail address of the contractor.~~

23 ~~(ii) Full name and location of the project being~~  
24 ~~constructed.~~

25 ~~(iii) Legal description of the property upon which the~~  
26 ~~improvements are being made.~~

27 ~~(iv) Full name, address and e mail address of the legal~~  
28 ~~record owner of the property.~~

29 ~~(v) Full name, address and e mail address of the person~~  
30 ~~other than the owner at whose direction the improvements are~~

1 ~~being made, if that person is not the true legal record owner of~~  
2 ~~the property.~~

3 ~~(vi) If applicable, the full name, address and e mail~~  
4 ~~address of a surety for the performance and payment bonds and~~  
5 ~~the bond numbers.~~

6 ~~(vii) The unique identifying number that is assigned to the~~  
7 ~~Notice of Commencement pursuant to section 501.1(g) (1).~~

8 ~~(2) The owner, or his agent, shall also conspicuously post a~~  
9 ~~copy of the Notice of Commencement at the project site before~~  
10 ~~physical work commences upon the property, and the owner shall~~  
11 ~~take reasonable measures to ensure that the copy of the Notice~~  
12 ~~of Commencement remains posted at the project site for the~~  
13 ~~duration of the project. The copy of the Notice of Commencement~~  
14 ~~posted under this paragraph shall include the unique identifying~~  
15 ~~number or code assigned to such notice under section 501.1(g)~~  
16 ~~(1). For the purposes of this paragraph, the term "reasonable~~  
17 ~~measures" means the reposting of notice by the owner within 48~~  
18 ~~hours after being notified in writing or e mail that the notice~~  
19 ~~is not posted.~~

20 ~~(3) The owner or his agent and contractor shall make~~  
21 ~~reasonable effort to ensure that the Notice of Commencement is~~  
22 ~~made part of contract documents provided to all contractors~~  
23 ~~awarded work on the project.~~

24 ~~(b) Notice of Furnishing. A subcontractor that performs work~~  
25 ~~or services or provides material in furtherance of an~~  
26 ~~improvement to property shall, if a Notice of Commencement has~~  
27 ~~been properly indexed, timely filed, and posted under subsection~~  
28 ~~(a), as a condition of retaining lien rights under section 301:~~

29 ~~(1) Substantially comply with the following to file a Notice~~  
30 ~~of Furnishing:~~

1 ~~(i) Subject to subparagraph (iv) (A), the subcontractor shall~~  
2 ~~file a Notice of Furnishing with the directory within twenty~~  
3 ~~(20) days after first performing work or services or first~~  
4 ~~providing materials in connection with the improvement of the~~  
5 ~~property.~~

6 ~~(ii) The notice must contain, at a minimum, the following:~~

7 ~~(A) A general description of the labor, skill, materials,~~  
8 ~~fixtures, machinery or tools furnished.~~

9 ~~(B) Full name and address of the person supplying items in~~  
10 ~~clause (A).~~

11 ~~(C) Full name and address of the person that contracted for~~  
12 ~~the items in clause (A).~~

13 ~~(D) A description sufficient to identify the property which~~  
14 ~~is being improved. The description shall be based on the~~  
15 ~~description of such property as described in the Notice of~~  
16 ~~Commencement.~~

17 ~~(iii) The notice must be substantially in the following~~  
18 ~~form:~~

19 ~~Notice of Furnishing~~

20 ~~(For use in connection with improvements to property other~~  
21 ~~than public improvements)~~

22 ~~To: \_\_\_\_\_~~

23 ~~(Name of owner)~~

24 ~~\_\_\_\_\_~~

25 ~~(Address of owner)~~

26 ~~(Notice of Commencement Number or Code)~~

27 ~~Please take notice that the undersigned is performing~~

28 ~~certain work or labor or furnishing certain materials~~

29 ~~to \_\_\_\_\_ (Name and address of other~~

30 ~~contracting party) in connection with the improvement to the~~

1 ~~real property located at \_\_\_\_\_ . The labor, work~~  
2 ~~or materials were performed or furnished first, or will be~~  
3 ~~furnished first on \_\_\_\_\_ (date).~~

4 \_\_\_\_\_  
5 ~~(Name and Address of Lien Claimant)~~

6 ~~By~~  
7 ~~(Name and capacity of party signing for lien claimant)~~

8 \_\_\_\_\_  
9 ~~(Address of Signing Party)~~

10 \_\_\_\_\_  
11 ~~(Date)~~

12 ~~(iv) Filing of a Notice of Furnishing under this subsection~~  
13 ~~preserves the lien rights of a subcontractor in compliance with~~  
14 ~~this act as follows:~~

15 ~~(A) For amounts owing for work and services performed and~~  
16 ~~materials furnished from the date the work or services were~~  
17 ~~first performed or materials were first furnished through the~~  
18 ~~date of filing of the notice of furnishing and thereafter.~~

19 ~~(B) A Notice of Furnishing filed outside the time frame~~  
20 ~~under subparagraph (i) preserves the right to file a lien which~~  
21 ~~is only enforceable for the services or materials furnished~~  
22 ~~within the period of twenty (20) days before the date on which~~  
23 ~~notice is filed and thereafter.~~

24 ~~(v) If a subcontractor does not substantially comply with~~  
25 ~~this subsection, the subcontractor forfeits the right to file a~~  
26 ~~lien claim.~~

27 ~~(vi) A subcontractor that files a Notice of Furnishing under~~  
28 ~~this subsection shall not be required to serve the owner a~~  
29 ~~formal notice of their intent to file a lien as required under~~  
30 ~~section 501(b.1) to preserve lien rights.~~

~~(c) Notice of Completion for Informational Purposes.~~

~~(1) Any time after actual completion of work on a real property, an owner, or his agent, may file a Notice of Completion in the directory to be indexed under original Notice of Commencement. The notice shall be transmitted via the directory to all subcontractors who have filed Notices of Furnishing. For the purposes of this paragraph, the term "actual completion of work" shall mean the following:~~

~~(i) The issuance of an occupancy permit to the owner, or his agent, and the acceptance by the owner, or his agent, of the work accompanied by cessation of all work on the project; or~~

~~(ii) The cessation of all work on the project for thirty (30) consecutive days provided that work is not resumed under the same contract.~~

~~(2) Subcontractors who have not received full payment for their work on the project may file a Notice of Non Payment with the owner, or his agent, in the directory for informational purposes. The failure to file a Notice of Completion by a subcontractor shall not be construed to affect or limit their lien rights under this act.~~

~~(d) Construction. Subsection (b) shall not be interpreted to affect the ability of a subcontractor or contractor to waive his lien rights under sections 401 and 402 of this act.~~

~~(e) Public Policy.~~

~~(1) It is against public policy and unlawful for an owner or owner's agent, a contractor or subcontractor, to request or require that a subcontractor not file a Notice of Furnishing as required to maintain lien rights, in order that the subcontractor may enter into or maintain a contract for work or furnishing of materials on an improvement.~~

1 ~~(2) A subcontractor has the right to file a lien for the~~  
2 ~~work and services performed and the materials furnished under~~  
3 ~~this act, irrespective of compliance with section 501.2(b), if~~  
4 ~~the subcontractor proves that the failure to comply with section~~  
5 ~~501.2(b) was directly the result of an owner or owner's agent, a~~  
6 ~~contractor or subcontractor, violating paragraph (1).~~

7 ~~(3) A subcontractor may bring a civil cause of action if the~~  
8 ~~subcontractor proves that failure to comply with section~~  
9 ~~501.2(b) was directly the result of an owner or owner's agent,~~  
10 ~~or a contractor or subcontractor, violating paragraph (1) in~~  
11 ~~order to recover damages for any loss or injury sustained as a~~  
12 ~~result of the violation from the person or persons committing~~  
13 ~~the violation. A court of competent jurisdiction may award to~~  
14 ~~the subcontractor actual damages arising from the violation,~~  
15 ~~reasonable attorneys fees and court costs.~~

16 ~~(f) Applicability. This section shall not apply to work or~~  
17 ~~labor on a residential property.~~

18 ~~Section 3. The notice provisions of section 501.2 of the act~~  
19 ~~shall take effect July 1, 2015, or on the date designated by the~~  
20 ~~Department of Labor and Industry as the operational date of the~~  
21 ~~State Construction Notices Directory under section 501.1(d). The~~  
22 ~~notice provisions of section 501.2 shall only apply to projects~~  
23 ~~commenced on or after the operational date of the directory.~~

24 ~~Section 4. This act shall take effect in 30 days.~~

25 ~~SECTION 1. SECTION 201(3) OF THE ACT OF AUGUST 24, 1963~~ <--  
26 ~~(P.L.1175, NO.497), KNOWN AS THE MECHANICS' LIEN LAW OF 1963,~~  
27 ~~AMENDED JUNE 29, 2006 (P.L.210, NO.52), IS AMENDED AND THE~~  
28 ~~SECTION IS AMENDED BY ADDING PARAGRAPHS TO READ:~~

29 ~~SECTION 1. SECTION 201 OF THE ACT OF AUGUST 24, 1963~~ <--  
30 ~~(P.L.1175, NO.497), KNOWN AS THE MECHANICS' LIEN LAW OF 1963, IS~~

1 AMENDED BY ADDING PARAGRAPHS TO READ:

2 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND  
3 PHRASES WHEN USED IN THIS ACT SHALL HAVE THE MEANING ASCRIBED TO  
4 THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES  
5 A DIFFERENT MEANING:

6 \* \* \*

7 ~~(3) "OWNER" MEANS [AN OWNER IN FEE, A TENANT FOR LIFE OR <--~~  
8 ~~YEARS OR ONE HAVING ANY OTHER ESTATE IN OR TITLE TO PROPERTY]~~  
9 ~~THE OWNER OF RECORD OF REAL PROPERTY THAT IS A SEARCHABLE~~  
10 ~~PROJECT. THE TERM SHALL INCLUDE THE OWNER'S AGENT.~~

11 \* \* \*

12 (15) "DEPARTMENT" MEANS THE DEPARTMENT OF GENERAL SERVICES.

13 (16) "DIRECTORY" MEANS THE STATE CONSTRUCTION NOTICES  
14 DIRECTORY IN SECTION 501.1.

15 (17) "SEARCHABLE PROJECT" MEANS A COMMERCIAL CONSTRUCTION <--  
16 PROJECT CONSISTING OF THE ERECTION AND CONSTRUCTION, OR <--  
17 ALTERATION OR REPAIR, OF AN IMPROVEMENT COSTING A MINIMUM OF ONE  
18 MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000).

19 (18) "THIRD PARTY" MEANS A PERSON WHO PROVIDES GOODS OR <--  
20 SERVICES TO A SUBCONTRACTOR.

21 ~~(19) "CONSTRUCTION NOTICE" MEANS THE FOLLOWING NOTICES~~  
22 ~~RELATED TO A SEARCHABLE PROJECT. THE TERM INCLUDES A GOVERNMENT <--~~  
23 ~~BUILDING UNDER SECTION 501.3:~~

24 (I) A NOTICE OF COMMENCEMENT;

25 (II) A NOTICE OF FURNISHING; OR <--

26 ~~(III) A THIRD PARTY NOTICE.~~

27 (III) A NOTICE OF COMPLETION; OR <--

28 (IV) A NOTICE OF NONPAYMENT.

29 (19) "SEARCHABLE PROJECT OWNER." THE OWNER OF RECORD OF  
30 REAL PROPERTY THAT IS A SEARCHABLE PROJECT. THE TERM SHALL

1 INCLUDE THE OWNER'S AGENT.

2 SECTION 2. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

3 SECTION 501.1. STATE CONSTRUCTION NOTICES DIRECTORY.--

4 (A) DIRECTORY. THE DEPARTMENT SHALL PROVIDE FOR AN INTERNET  
5 WEBSITE TO BE KNOWN AS THE STATE CONSTRUCTION NOTICES DIRECTORY  
6 TO SERVE AS A STANDARDIZED STATEWIDE SYSTEM FOR FILING  
7 CONSTRUCTION NOTICES.

8 (B) OPERATIONAL DATE. THE DIRECTORY SHALL BE OPERATIONAL BY  
9 DECEMBER 31, 2016. THE DEPARTMENT MAY ESTABLISH A LATER  
10 EFFECTIVE DATE IF IT PROVIDES SUFFICIENT REASONS FOR THE DELAY  
11 IN THE IMPLEMENTATION OF THE DIRECTORY IN A NOTICE TO THE  
12 CHAIRMAN AND MINORITY CHAIRMAN OF THE LABOR AND INDUSTRY  
13 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN  
14 OF THE LABOR AND INDUSTRY COMMITTEE OF THE HOUSE OF  
15 REPRESENTATIVES.

16 (C) NOTIFICATION. NO LATER THAN 120 DAYS AFTER THE  
17 IMPLEMENTATION OF THE DIRECTORY, THE DEPARTMENT SHALL PUBLISH  
18 NOTICE IN THE PENNSYLVANIA BULLETIN ADVISING THE PUBLIC OF  
19 IMPLEMENTATION OF THE DIRECTORY AND INSTRUCTIONS ON ITS USE. THE  
20 DEPARTMENT SHALL PLACE THE NOTICE AND INSTRUCTIONS ON ITS  
21 INTERNET WEBSITE AND TAKE OTHER REASONABLE MEASURES TO INFORM  
22 THE GENERAL PUBLIC AND THE CONSTRUCTION INDUSTRY OF THE  
23 DIRECTORY AND ITS PURPOSE.

24 (D) FEES. THE FOLLOWING SHALL APPLY:

25 (1) THE DEPARTMENT SHALL ESTABLISH FEES FOR THE FOLLOWING: <--

26 ~~(I) REQUIRED NOTICES FILED BY OWNER.~~

27 ~~(II) THE PROVISION OF NOTIFICATION TO A THIRD PARTY. NOTICES <--~~

28 FILED BY THE SEARCHABLE PROJECT OWNER.

29 (2) FEES UNDER PARAGRAPH (1) MAY NOT IN THE AGGREGATE EXCEED  
30 THE AMOUNT REASONABLY NECESSARY TO IMPLEMENT, OPERATE AND

1 MAINTAIN THE REGISTRY DIRECTORY. <--

2 (E) PUBLISHING OF NOTICES. THE DIRECTORY SHALL:

3 (1) MAKE NOTICES OF COMMENCEMENT FILED UNDER SECTION

4 501.3(A) AVAILABLE FOR A SEARCHABLE PROJECT IN A JOB SITE

5 SPECIFIC FORMAT. A UNIQUE IDENTIFYING NUMBER SHALL BE ASSIGNED

6 TO EACH NOTICE OF COMMENCEMENT THAT IS FILED. A NOTICE UNDER

7 THIS PARAGRAPH SHALL BE SEARCHABLE BY SEARCHABLE PROJECT OWNER <--

8 NAME, CONTRACTOR NAME, PROPERTY ADDRESS AND UNIQUE IDENTIFYING

9 NUMBER.

10 (2) PROVIDE COPIES OF THE FILINGS OF NOTICE OF FURNISHING

11 UNDER SECTION 501.3(B) TO ~~AN OWNER OR THIRD PARTY~~ A SEARCHABLE <--

12 PROJECT OWNER WHO FILES A NOTICE OF COMMENCEMENT UNDER SECTION

13 501.3(A).

14 (3) PROVIDE CERTIFIED HARD COPY PRINTING OF ELECTRONIC

15 RECEIPTS UPON REQUEST FOR A FILING UNDER SECTION 501.3 OF A

16 NOTICE OF COMMENCEMENT~~7~~ OR NOTICE OF FURNISHING ~~OR THIRD PARTY~~ <--

17 ~~NOTICE~~. THE CERTIFIED HARD COPY SHALL INCLUDE THE DATE, TIME AND

18 CONTENT OF THE INDIVIDUAL FILING.

19 (4) LIST ALL NOTICES OF FURNISHING AND NOTICES OF COMPLETION

20 FILED WITH RESPECT TO A PARTICULAR NOTICE OF COMMENCEMENT.

21 (5) PROVIDE A VERIFICATION PROCESS TO ALLOW PERSONS FILING

22 REQUIRED NOTICES OR REQUESTS FOR NOTICES IN THE DIRECTORY TO

23 CONFIRM THE PROPER INDEXING AND LINKAGE OF THEIR FILINGS.

24 (F) INDEX. THE DIRECTORY MUST BE PRIMARILY INDEXED BY

25 COUNTY.

26 SECTION 501.2. FAILURE TO FILE NOTICE OF FURNISHING.--A

27 CONTRACT FOR A SEARCHABLE PROJECT UNDER SECTIONS ~~501.1 AND 501.3~~ <--

28 SHALL INCLUDE WRITTEN NOTICE THAT FAILURE TO FILE A NOTICE OF

29 FURNISHING UNDER SECTION ~~501.3~~ 501.3(B) WILL RESULT IN THE LOSS <--

30 OF LIEN RIGHTS. THE NOTICE SHALL BE AS FOLLOWS:

1 "A SUBCONTRACTOR THAT FAILS TO FILE A NOTICE OF FURNISHING ON  
2 THE DEPARTMENT OF GENERAL SERVICES PUBLICLY ACCESSIBLE  
3 INTERNET WEBSITE AS REQUIRED BY THE ACT OF AUGUST 24, 1963  
4 (P.L.1175, NO.497), KNOWN AS THE MECHANICS' LIEN LAW OF 1963,  
5 MAY FORFEIT THE RIGHT TO FILE A MECHANICS LIEN. IT IS  
6 UNLAWFUL FOR ~~AN OWNER,~~ A SEARCHABLE PROJECT OWNER, SEARCHABLE <--  
7 PROJECT OWNER'S AGENT, CONTRACTOR OR SUBCONTRACTOR TO  
8 REQUEST, SUGGEST, ENCOURAGE OR REQUIRE THAT A SUBCONTRACTOR  
9 NOT FILE THE REQUIRED NOTICE AS REQUIRED BY THE MECHANICS'  
10 LIEN LAW OF 1963."  
11 SECTION 501.3. NOTICE OF COMMENCEMENT~~7~~ AND NOTICE OF <--  
12 FURNISHING ~~AND THIRD PARTY NOTICE.~~-- <--  
13 (A) NOTICE OF COMMENCEMENT.  
14 (1) PRIOR TO THE COMMENCEMENT OF LABOR, WORK OR THE  
15 FURNISHING OF MATERIALS FOR A SEARCHABLE PROJECT THAT MAY GIVE  
16 RISE TO A MECHANICS' LIEN UNDER THIS ACT, THE SEARCHABLE PROJECT <--  
17 OWNER OR AGENT OF THE SEARCHABLE PROJECT OWNER ~~SHALL~~ MAY FILE A <--  
18 NOTICE OF COMMENCEMENT WITH THE DIRECTORY.  
19 (2) A CONTRACTOR MAY ACT AS AGENT FOR THE SEARCHABLE PROJECT <--  
20 OWNER AND FILE A NOTICE OF COMMENCEMENT FOR THE SEARCHABLE <--  
21 PROJECT OWNER OF A SEARCHABLE PROJECT IF SPECIFICALLY AUTHORIZED  
22 BY CONTRACT AND THE SEARCHABLE PROJECT OWNER ASSUMES <--  
23 RESPONSIBILITY FOR THE CONTRACTOR'S ACTIONS.  
24 (3) THE NOTICE MUST INCLUDE THE FOLLOWING:  
25 (I) FULL NAME, ADDRESS AND E-MAIL ADDRESS OF THE CONTRACTOR.  
26 (II) FULL NAME AND LOCATION OF THE SEARCHABLE PROJECT.  
27 (III) THE COUNTY IN WHICH THE SEARCHABLE PROJECT IS LOCATED.  
28 (IV) THE LEGAL DESCRIPTION OF THE PROPERTY UPON WHICH THE  
29 ~~SEARCHABLE PROJECTS~~ IMPROVEMENTS ARE BEING MADE, INCLUDING TAX <--  
30 IDENTIFICATION NUMBER OF EACH PARCEL INCLUDED IN THE SEARCHABLE

1 PROJECT.

2 (V) FULL NAME, ADDRESS AND E-MAIL ADDRESS OF THE SEARCHABLE <--  
3 PROJECT OWNER OF RECORD OF THE PROPERTY AND THE SEARCHABLE  
4 PROJECT BEING CONSTRUCTED.

5 (VI) IF APPLICABLE, THE FULL NAME, ADDRESS AND E-MAIL  
6 ADDRESS OF A SURETY FOR THE PERFORMANCE AND PAYMENT BONDS AND  
7 THE BOND NUMBERS.

8 (VII) THE UNIQUE IDENTIFYING NUMBER THAT IS ASSIGNED TO THE  
9 NOTICE OF COMMENCEMENT PURSUANT TO SECTION 501.1(E) (1).

10 ~~(VIII) FOR A GOVERNMENT PROJECT, THE GOVERNMENT~~ <--  
11 ~~IDENTIFICATION NUMBER.~~

12 (4) THE SEARCHABLE PROJECT OWNER SHALL ALSO CONSPICUOUSLY <--  
13 POST A COPY OF THE NOTICE OF COMMENCEMENT AT THE SITE OF A  
14 SEARCHABLE PROJECT BEFORE PHYSICAL WORK COMMENCES ON THE PROJECT  
15 TO INCLUDE THE UNIQUE IDENTIFYING NUMBER ASSIGNED UNDER SECTION  
16 501.1(E) (1). THE SEARCHABLE PROJECT OWNER SHALL TAKE REASONABLE <--  
17 MEASURES TO ENSURE THAT THE NOTICE OF COMMENCEMENT REMAINS  
18 POSTED AT THE SEARCHABLE PROJECT SITE UNTIL COMPLETION OF THE <--  
19 PROJECT. FOR THE PURPOSES OF THIS PARAGRAPH, THE TERM  
20 "REASONABLE MEASURES" MEANS THE REPOSTING OF NOTICE BY THE  
21 SEARCHABLE PROJECT OWNER WITHIN 48 HOURS AFTER BECOMING AWARE OF <--  
22 OR BEING NOTIFIED VERBALLY, IN WRITING OR BY E-MAIL THAT THE  
23 NOTICE IS NOT POSTED.

24 (5) THE SEARCHABLE PROJECT OWNER AND THE CONTRACTOR SHALL <--  
25 MAKE REASONABLE EFFORTS TO ENSURE THAT THE NOTICE OF  
26 COMMENCEMENT IS MADE PART OF CONTRACT DOCUMENTS PROVIDED TO ALL  
27 ~~CONTRACTORS AND SUBCONTRACTORS AWARDED WORK ON THE SEARCHABLE <--~~  
28 PROJECT.

29 (B) NOTICE OF FURNISHING. A SUBCONTRACTOR THAT PERFORMS WORK  
30 OR SERVICES OR PROVIDES MATERIAL IN FURTHERANCE OF A SEARCHABLE

1 PROJECT SHALL COMPLY WITH THE FOLLOWING, IF A NOTICE OF  
2 COMMENCEMENT HAS BEEN FILED AND POSTED IN ACCORDANCE WITH <--  
3 SUBSECTION (A):

4 (1) FILE A NOTICE OF FURNISHING WITH THE DIRECTORY WITHIN  
5 FORTY-FIVE (45) DAYS AFTER FIRST PERFORMING WORK OR SERVICES AT  
6 THE JOB SITE OR FIRST PROVIDING MATERIALS TO THE JOB SITE IN  
7 CONNECTION WITH THE SEARCHABLE PROJECT.

8 (2) THE NOTICE UNDER PARAGRAPH (1) MUST CONTAIN THE  
9 FOLLOWING:

10 (I) A GENERAL DESCRIPTION OF THE LABOR, ~~SKILL,~~ OR MATERIALS, <--  
11 FIXTURES, MACHINERY OR TOOLS FURNISHED.

12 (II) FULL NAME AND ADDRESS OF THE PERSON SUPPLYING THE  
13 SERVICES OR ITEMS UNDER SUBPARAGRAPH (I).

14 (III) FULL NAME AND ADDRESS OF THE PERSON THAT CONTRACTED  
15 FOR THE SERVICES OR ITEMS UNDER SUBPARAGRAPH (I).

16 (IV) A DESCRIPTION SUFFICIENT TO IDENTIFY THE SEARCHABLE  
17 PROJECT, BASED ON THE DESCRIPTION IN THE NOTICE OF COMMENCEMENT.

18 (3) THE NOTICE UNDER PARAGRAPH (1) MUST BE SUBSTANTIALLY IN  
19 THE FOLLOWING FORM:

20 NOTICE OF FURNISHING

21 TO: \_\_\_\_\_

22 (NAME OF SEARCHABLE PROJECT OWNER) <--

23 \_\_\_\_\_

24 (ADDRESS OF SEARCHABLE PROJECT OWNER) <--

25 (NOTICE OF COMMENCEMENT NUMBER)

26 PLEASE TAKE NOTICE THAT THE UNDERSIGNED IS PERFORMING

27 CERTAIN WORK OR LABOR OR FURNISHING CERTAIN MATERIALS

28 TO \_\_\_\_\_ (NAME AND ADDRESS OF OTHER

29 CONTRACTING PARTY) IN CONNECTION WITH THE IMPROVEMENT TO THE

30 REAL PROPERTY LOCATED AT \_\_\_\_\_ . THE LABOR,

1 WORK OR MATERIALS WERE PERFORMED OR FURNISHED FIRST, OR WILL  
2 BE FURNISHED FIRST ON \_\_\_\_\_ (DATE) .

3 \_\_\_\_\_  
4 (NAME AND ADDRESS OF LIEN CLAIMANT)

5 BY  
6 (NAME AND CAPACITY OF PARTY SIGNING FOR LIEN CLAIMANT)

7 \_\_\_\_\_  
8 (ADDRESS OF SIGNING PARTY)

9 \_\_\_\_\_  
10 (DATE)

11 (C) ~~THIRD PARTY NOTICE. A THIRD PARTY MAY FILE A NOTICE OF~~ <--  
12 ~~INTEREST RELATING TO A SEARCHABLE PROJECT TO INDICATE THAT THE~~  
13 ~~THIRD PARTY HAS PROVIDED GOODS OR SERVICES FOR WHICH PAYMENT IS~~  
14 ~~DUE.~~

15 ~~(D)~~ CONSTRUCTION. A SUBCONTRACTOR THAT FAILS TO  
16 SUBSTANTIALLY COMPLY WITH THIS SECTION FORFEITS THE RIGHT TO  
17 FILE A LIEN CLAIM.

18 SECTION 501.4. NOTICE OF COMPLETION FOR INFORMATIONAL <--  
19 PURPOSES ONLY.--

20 (A) GENERAL RULE. WITHIN FORTY-FIVE (45) DAYS OF THE ACTUAL  
21 COMPLETION OF WORK ON A SEARCHABLE PROJECT, ~~AN~~ A SEARCHABLE <--  
22 PROJECT OWNER ~~SHALL~~ MAY FILE A NOTICE OF COMPLETION IN THE <--  
23 DIRECTORY TO BE INDEXED WITH THE ORIGINAL NOTICE OF  
24 COMMENCEMENT. THE NOTICE SHALL BE TRANSMITTED VIA THE DIRECTORY  
25 TO ALL SUBCONTRACTORS WHO HAVE FILED NOTICES OF FURNISHING ~~AND~~ <--  
26 ~~TO THE THIRD PARTIES WHO HAVE REGISTERED FOR THE PROJECT. FOR~~  
27 THE PURPOSES OF THIS PARAGRAPH, THE TERM "ACTUAL COMPLETION OF  
28 WORK" SHALL MEAN THE FOLLOWING:

29 (1) THE ISSUANCE OF AN OCCUPANCY PERMIT TO THE SEARCHABLE <--  
30 PROJECT OWNER, OR HIS AGENT, AND THE ACCEPTANCE BY THE

1 SEARCHABLE PROJECT OWNER, OR HIS AGENT, OF THE WORK ACCOMPANIED <--  
2 BY CESSATION OF ALL WORK ON THE SEARCHABLE PROJECT; OR

3 (2) THE CESSATION OF ALL WORK ON THE SEARCHABLE PROJECT FOR <--  
4 THIRTY (30) CONSECUTIVE DAYS PROVIDED THAT WORK IS NOT RESUMED  
5 UNDER THE SAME CONTRACT.

6 (B) NONPAYMENT. SUBCONTRACTORS OR THIRD PARTIES WHO HAVE NOT <--  
7 RECEIVED FULL PAYMENT FOR THEIR WORK, OR FOR GOODS OR SERVICES,  
8 ON A SEARCHABLE PROJECT MAY FILE A NOTICE OF NONPAYMENT WITH THE  
9 SEARCHABLE PROJECT OWNER OR THE SEARCHABLE PROJECT OWNER'S AGENT <--  
10 OR THE SUBCONTRACTOR IN THE DIRECTORY FOR INFORMATIONAL PURPOSES  
11 ONLY. THE FAILURE TO FILE A NOTICE OF ~~COMPLETION~~ NONPAYMENT BY A <--  
12 SUBCONTRACTOR SHALL NOT BE CONSTRUED TO AFFECT OR LIMIT THEIR  
13 ~~LIEN~~ RIGHTS UNDER THIS ACT. ~~NOTICE~~ FILING OF A NOTICE OF <--  
14 NONPAYMENT SHALL NOT RELIEVE A SUBCONTRACTOR FROM COMPLYING WITH  
15 OTHER WRITTEN NOTICE REQUIREMENTS UNDER THIS ACT.

16 (C) COURT. THE COURT SHALL NOT USE THE FILING OF A NOTICE OF <--  
17 COMPLETION TO DETERMINE THE ACTUAL COMPLETION DATES RELATING TO  
18 A NOTICE OF COMPLETION SHALL NOT BE CONSIDERED BY A COURT IN <--  
19 DETERMINING COMPLIANCE WITH TIMING REQUIREMENTS UNDER THIS ACT  
20 OR IN DETERMINING THE COMPLETION DATE FOR A TIMING PURPOSE,  
21 INCLUDING LIMITATION PERIODS OR WARRANTY OBLIGATIONS.

22 (D) EFFECT.--THE FILING OF A NOTICE OF COMPLETION IS PURELY <--  
23 PRECATORY AND IS NOT DISPOSITIVE OF ANY RELATIONSHIP AMONG THE  
24 PARTIES.

25 SECTION 501.5. NOTICE.--

26 (A) NOTIFICATION. THE ~~REGISTRY~~ DIRECTORY SHALL PROVIDE <--  
27 NOTIFICATION OF A FILING OF A ~~REQUIRED~~ NOTICE UNDER SECTIONS <--  
28 501.3 AND 501.4 TO A PERSON WHO REQUESTS NOTIFICATION OF THE  
29 FILING OF A ~~REQUIRED~~ NOTICE FOR A SEARCHABLE PROJECT. <--

30 (B) REQUESTS. A PERSON WHO REQUESTS THE ~~REGISTRY~~ DIRECTORY <--

1 TO PROVIDE THE PERSON WITH OFFICIAL COPIES OF NOTIFICATION OF  
2 THE FILING OF A ~~REQUIRED~~ NOTICE FOR A SEARCHABLE PROJECT SHALL: <--  
3 (1) PROVIDE AN E-MAIL ADDRESS, MAILING ADDRESS OR TELEFAX  
4 NUMBER TO WHICH NOTIFICATION MAY BE SENT; AND  
5 (2) BE RESPONSIBLE FOR THE ACCURACY OF THE E-MAIL ADDRESS,  
6 MAILING ADDRESS OR TELEFAX NUMBER.  
7 (C) REQUIREMENTS. A PERSON SHALL BE CONSIDERED TO HAVE  
8 REQUESTED NOTIFICATION UNDER THIS SECTION IF THE PERSON FILES,  
9 WITH RESPECT TO THE SAME SEARCHABLE PROJECT THAT RELATES TO THE  
10 REQUIRED NOTICE, ANY OF THE FOLLOWING:  
11 (1) ~~A NOTICE OF PRECONSTRUCTION SERVICE.~~ <--  
12 ~~(2) A NOTICE OF COMMENCEMENT.~~  
13 ~~(3) NOTICE OF THE PROVISION OF GOODS OR SERVICES FOR WHICH~~ <--  
14 ~~PAYMENT HAS NOT BEEN MADE.~~  
15 (2) A NOTICE OF FURNISHING. <--  
16 ~~(4) A NOTICE OF CONSTRUCTION LOAN.~~ <--  
17 (3) A NOTICE OF COMPLETION. <--  
18 (D) NOTIFICATION REQUIREMENTS. NOTIFICATION REQUIREMENTS  
19 SHALL BE FULFILLED BY THE ~~REGISTRY~~ DIRECTORY BY SENDING THE <--  
20 OFFICIAL NOTIFICATION TO THE E-MAIL ADDRESS, MAILING ADDRESS OR  
21 TELEFAX NUMBER THAT THE PERSON PROVIDES.  
22 (E) OFFICIAL NOTIFICATION. A PERSON FILING A NOTICE OF  
23 COMMENCEMENT, ~~PRELIMINARY NOTICE,~~ NOTICE OF FURNISHING, NOTICE <--  
24 OF COMPLETION OR RELATED NOTICE MUST VERIFY THE ACCURACY OF  
25 INFORMATION ENTERED INTO THE ~~REGISTRY~~ DIRECTORY, REGARDLESS OF <--  
26 WHETHER THE PERSON FILES ELECTRONICALLY, BY ALTERNATE MEANS OR  
27 THROUGH A THIRD PARTY.  
28 (F) INFORMATION. EACH NOTICE OR OTHER DOCUMENT SUBMITTED TO  
29 THE ~~REGISTRY~~ DIRECTORY MUST CONTAIN: <--  
30 (1) THE NAME OF THE COUNTY IN WHICH THE SEARCHABLE PROJECT

1 PROPERTY TO WHICH THE NOTICE OR OTHER DOCUMENT APPLIES IS  
2 LOCATED.

3 ~~(2) FOR A PRIVATE PROJECT:~~ <--  
4 ~~(I) THE (2) THE TAX IDENTIFICATION NUMBER OF EACH PARCEL~~ <--  
5 INCLUDED IN THE PROJECT PROPERTY; OR <--  
6 ~~(II) THE NUMBER OF THE BUILDING PERMIT FOR THE CONSTRUCTION~~  
7 (3) THE NUMBER OF THE BUILDING PERMIT FOR THE SEARCHABLE <--  
8 PROJECT ON THE PROJECT PROPERTY.

9 ~~(3) FOR A GOVERNMENT PROJECT, THE GOVERNMENT PROJECT~~ <--  
10 IDENTIFICATION INFORMATION.

11 SECTION 501.6. PROHIBITION.--

12 (A) UNLAWFUL ACTS. IT SHALL BE UNLAWFUL FOR AN A SEARCHABLE <--  
13 PROJECT OWNER OR THE SEARCHABLE PROJECT OWNER'S AGENT, A <--  
14 CONTRACTOR OR SUBCONTRACTOR TO SUGGEST, REQUEST, ENCOURAGE OR  
15 REQUIRE THAT A SUBCONTRACTOR NOT FILE A NOTICE OF FURNISHING AS  
16 A CONDITION OF ENTERING INTO, CONTINUING, RECEIVING OR  
17 MAINTAINING A CONTRACT FOR WORK OR FURNISHING OF MATERIALS ON A  
18 SEARCHABLE PROJECT. A PERSON THAT VIOLATES THIS SUBSECTION  
19 COMMITTS A MISDEMEANOR OF THE SECOND DEGREE.

20 (B) LIEN BY SUBCONTRACTOR. A SUBCONTRACTOR HAS THE RIGHT TO <--  
21 FILE A LIEN FOR THE WORK AND SERVICES PERFORMED AND THE  
22 MATERIALS FURNISHED UNDER THIS ACT, IRRESPECTIVE OF COMPLIANCE  
23 WITH SECTION 501.3(B), IF THE SUBCONTRACTOR PROVES THAT THE  
24 FAILURE TO COMPLY WITH SECTION 501.3(B) WAS DIRECTLY THE RESULT  
25 OF A SEARCHABLE PROJECT OWNER, THE SEARCHABLE PROJECT OWNER'S  
26 AGENT OR THE CONTRACTOR VIOLATING SUBSECTION (A).

27 ~~(B) (C) CAUSE OF ACTION. A SUBCONTRACTOR SHALL HAVE A CIVIL~~ <--  
28 CAUSE OF ACTION IF THE SUBCONTRACTOR PROVES THAT FAILURE TO  
29 COMPLY WITH SECTION 501.3(B) WAS THE RESULT OF AN A SEARCHABLE <--  
30 PROJECT OWNER OR SEARCHABLE PROJECT OWNER'S AGENT, OR A <--

1 CONTRACTOR OR SUBCONTRACTOR, VIOLATING PARAGRAPH ~~(1)~~ SUBSECTION <--  
2 (A) IN ORDER TO RECOVER DAMAGES FOR ANY LOSS OR INJURY SUSTAINED  
3 AS A RESULT OF THE VIOLATION FROM A PERSON WHO COMMITS A  
4 VIOLATION. THE CIVIL CAUSE OF ACTION SHALL ONLY BE APPLIED TO <--  
5 THE ENTITY THAT VIOLATES SUBSECTION (A). A COURT OF COMPETENT  
6 JURISDICTION MAY AWARD TO THE SUBCONTRACTOR ACTUAL DAMAGES  
7 ARISING FROM THE VIOLATION, REASONABLE ATTORNEYS FEES AND COURT  
8 COSTS.

9 ~~(C)~~ (D) ABUSE. A PERSON ABUSES THE ~~REGISTRY~~ DIRECTORY IF THE <--  
10 PERSON FILES A NOTICE IN THE ~~REGISTRY~~ DIRECTORY: <--

11 (1) WITHOUT A GOOD FAITH REASON TO DO SO.

12 (2) WITH THE INTENT TO EXACT MORE PAYMENT THAN IS DUE FROM  
13 THE SEARCHABLE PROJECT OWNER OR OTHER PARTY. <--

14 (3) TO OBTAIN AN UNJUSTIFIED ADVANTAGE OR BENEFIT.

15 ~~(D)~~ (E) DAMAGES. A PERSON WHO ABUSES THE ~~REGISTRY~~ DIRECTORY <--  
16 UNDER SUBSECTION ~~(C)~~ (D) SHALL BE LIABLE FOR THE AMOUNT OF <--  
17 ACTUAL DAMAGES OR \$2,000, WHICHEVER IS GREATER.

18 SECTION 3. THE NOTICE PROVISIONS OF SECTIONS 501.2, 501.3,  
19 501.4 AND 501.5 OF THE ACT SHALL APPLY TO PROJECTS COMMENCED ON  
20 OR AFTER THE OPERATIONAL DATE OF THE DIRECTORY.

21 SECTION 4. THE DEPARTMENT OF GENERAL SERVICES MAY DESIGNATE  
22 THE OPERATIONAL DATE OF THE STATE CONSTRUCTION NOTICES DIRECTORY  
23 UNDER SECTION 501.1(B). IF THE DEPARTMENT OF GENERAL SERVICES  
24 DESIGNATES AN OPERATIONAL DATE OTHER THAN DECEMBER 31, 2016, IT  
25 SHALL TRANSMIT THE DESIGNATION TO THE LEGISLATIVE REFERENCE  
26 BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN.

27 SECTION 5. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

28 (1) SECTION 4 OF THIS ACT AND THIS SECTION SHALL TAKE  
29 EFFECT IMMEDIATELY.

30 (2) THE NOTICE PROVISIONS OF SECTIONS 501.2, 501.3,

1 501.4 AND 501.5 OF THE ACT SHALL TAKE EFFECT DECEMBER 31,  
2 2016, OR ON THE DATE OF PUBLICATION OF THE OPERATIONAL DATE  
3 IN THE PENNSYLVANIA BULLETIN UNDER SECTION 4 OF THIS ACT.

4 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 30  
5 DAYS.