Florida's Construction Lien Law

Protect Yourself and Your Investment

According to Florida law, those who work on your property or provide materials, and are not paid-in-full, have a right to enforce their claim for payment against your property. This claim is known as a construction lien.

If your contractor fails to pay subcontractors or material suppliers, the people who are owed money may look to your property for payment, **even if you have paid your contractor in full**.

This means that if a lien is filed against your property, your property could be sold against your will to pay for labor, materials, or other services which your contractor may have failed to pay.

This document provides information regarding Florida Statute 713, Part 1, as it pertains to home construction and remodeling, and provides tips on how you can avoid construction liens on your property.

Protecting Yourself

If you hire a contractor and the improvements cost more than $2,500, you should know the following:

- You may be liable if you pay your contractor and he then fails to pay his suppliers or contractors. There is a way to protect yourself. A Release of Lien is a written statement that removes your property from the threat of lien. Before you make any payment, be sure you receive this waiver from suppliers and subcontractors covering the materials used and work performed on your property.
- Request from the contractor, via certified or registered mail, a list of all subcontractors and suppliers who have a contract with the contractor to provide services or materials to your property.
- If your contract calls for partial payments before the work is completed, get a Partial Release of Lien covering all workers and materials used to that point.
- Before you make the last payment to your contractor, obtain an affidavit from your contractor that specifies all unpaid parties who performed labor, services or provided services or materials to your property. Make sure that your contractor provides you with final releases from these parties before you make the final payment.
- Always file a Notice of Commencement before beginning a home construction or remodeling project. The local authority that issues building permits is required to provide this form. You must record the form with the Clerk of the Circuit Court in the county where the property being improved is located. Also post a certified copy at the job site. (In lieu of a certified copy, you may post an affidavit stating that a Notice of Commencement has been recorded. Attach a copy of the Notice of Commencement to the affidavit.)
- In addition, the building department is prohibited from performing the first inspection if the Notice of Commencement is not also filed with the building department. You can also supply a notarized statement that the Notice has been filed, with a copy attached.

The Notice of Commencement notes the intent to begin improvements, the location of the property, description of the work and the amount of bond (if any). It also identifies the property owner, contractor, surety, lender and other pertinent information. Failure to record a Notice of Commencement or incorrect information on the Notice could contribute to your having to pay twice for the same work or materials.

Notice To Owner
Prior to filing a lien, a lienor who does **not** have a direct contract with the owner, must serve the owner with a Notice to Owner. The Notice to Owner must state the lienor's name and address, and a description of the real property and the nature of the services or materials being furnished. The Notice to Owner must be served before commencing, or within 45 days of commencing, to furnish the services or materials (but before owner's final payment to the contractor). A lien cannot be enforced unless the lienor has served the Notice to Owner as described above.

Whose Responsibility is it To Get These Releases?
You can stipulate in the agreement with your contractor that he must provide all releases of lien. If it is not a part of the contract, however, or you act as your own contractor, YOU must get the releases.

If you borrow money to pay for the improvements and the lender pays the contractor(s) directly without obtaining releases, the lending institution may be responsible to you for any loss.

What Can Happen If I Don't Get Releases Of Lien?
You will not be able to sell your property unless all outstanding liens are paid. Sometimes a landowner can even be forced to sell his property to satisfy a lien.

Who Can Claim A Lien On My Property?
Contractors, laborers, materials suppliers, subcontractors and professionals such as architects, landscape architects, interior designers, engineers or land surveyors all have the right to file a claim of lien for work or materials. **Always require a release of lien from anyone who does work on your home.**

Contesting A Lien
A lien is valid for one year, unless a lienor files a lawsuit to enforce the lien prior to the expiration of the year. An owner has a right to file a Notice of Contest of Lien during the one-year period. Upon the filing of a Notice of Contest of Lien, a lienor must file a lawsuit to enforce the lien within 60 days. Failure of the lienor to timely file a lawsuit renders the lien invalid.

THE CONSTRUCTION LIEN LAW IS COMPLEX AND CANNOT BE COVERED COMPLETELY IN THIS DOCUMENT. WE RECOMMEND THAT WHENEVER A SPECIFIC PROBLEM ARISES, YOU CONSULT AN ATTORNEY.

To register a complaint (or learn if complaints have been filed against a prospective contractor), contact the Florida Department of Business and Professional Regulation's Customer Contact Center at: 850.487.1395 or CallCenter@dbpr.state.fl.us

Or write to: Florida Department of Business and Professional Regulation
1940 North Monroe Street
Tallahassee, Florida 32399-1027

Or visit online at: www.MyFloridaLicense.com

License verification is available 24 hours a day and 7 days a week by calling our Customer Contact Center at 850.487.1395 or going online to www.MyFloridaLicense.com› *Search for a Licensee.*

You may also contact your local building department or the Better Business Bureau.

Mechanics Lien Affidavit

I _____, the owner of the real property upon which improvements are to be constructed have received a copy of the Mechanics Lien Law Warning, Chapter 713, part 1, Florida Statutes.

Improvements to be constructed on lot_____, block_____, subdivision _____.
If not in platted subdivision attach legal description.

_____
Owner's signature

_____
Address

_____
City, State, Zip

The foregoing was acknowledged before me

this_____day of_____, 20_____,

by _____who is personally known to me or has

produced _____ as identification and who DID or DID

NOT take an oath.

_____
Notary Public