

1st Sub. H.B. 260
MECHANICS' LIENS REVISIONS

Representative **Ryan D. Wilcox** proposes the following amendments:

1. *Page 1, Line 12:*

12 ▶ ~~{provides priority between construction loans and mechanics' liens;}~~

2. *Page 4, Lines 93 through 101:*

93 ~~{(a) "Construction loan" means a loan:~~

94 ~~—— (i) that is secured by a mortgage or trust deed on project property;~~

95 ~~—— (ii) the proceeds of which are used to pay the costs of constructing or improving a~~

96 ~~building or structure on or making an improvement to the project property; and~~

97 ~~—— (iii) that is intended to be replaced, upon completion of the construction or~~

98 ~~improvement, with a mortgage or trust deed securing permanent financing, some or all of the~~

99 ~~proceeds of which are used to pay those entitled to claim a lien under this chapter on the~~

100 ~~project property.}~~

101 ~~{(b)}~~ (a) "First preliminary notice filing" means the filing of the earliest timely filed

3. *Page 4, Line 104:*

104 ~~{(c)}~~ (b) "Project property" means the real property on which a building or structure is being

4. *Page 4, Line 109:*

109 (3) ~~{(a) Except as provided in Subsection (3)(b), a}~~ A lien under this chapter has priority

5. *Page 5, Lines 119 through 128:*

119 ~~{(b) If → [A] Notwithstanding the time a lien relates back to and takes effect as of under~~

119a ~~Subsection (2), a ← If~~ recorded mortgage or trust deed on the project property to secure a

119b ~~construction~~

120 ~~loan has priority over:~~

121 ~~—— (i) each lien under this chapter of a claimant who files a preliminary notice under~~

122 ~~Section 38-1-32 before the mortgage or trust deed is recorded;~~

123 ~~—— (A) if the claimant is paid in full for labor, service, equipment, or material that the~~

124 ~~claimant furnishes to the construction project before the mortgage or trust deed is recorded; and~~

125 ~~—— (B) to the extent that the claimant's lien covers labor, service, equipment, or material~~

126 ~~that the claimant furnishes after the mortgage or trust deed is recorded; and~~

127 ~~—— (ii) each lien under this chapter of a claimant who first files a preliminary notice under~~
128 ~~Section 38-1-32 after the mortgage or trust deed is recorded.~~ }

6. Page 11, Lines 334 through 335:

334 (1) Promptly after recording a mortgage or trust deed securing a construction loan, {~~as~~
335 ~~defined in Section 38-1-5,~~ } the lender on the loan shall file with the database a notice of