

Representative David Clark proposes the following substitute bill:

MECHANICS' LIENS REVISIONS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Clark

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to mechanics' liens.

Highlighted Provisions:

This bill:

- ▶ provides priority between construction loans and mechanics' liens;
- ▶ modifies provisions related to the State Construction Registry;
- ▶ modifies the information by which the State Construction Registry is to be indexed;
- ▶ requires each notice or document submitted for inclusion in the State Construction Registry to contain specified information;
- ▶ modifies provisions related to building permits and notices of commencement;
- ▶ modifies requirements related to the filing of a preliminary notice;
- ▶ eliminates the requirement to file a notice of commencement on a private project;
- ▶ requires the original contractor and each subcontractor on a private project to file a preliminary notice;
- ▶ prohibits an original contractor or subcontractor who fails to file a preliminary notice on a private project from claiming a mechanics' lien;
- ▶ repeals obsolete language;
- ▶ modifies the requirements for a notice of completion;



- 26 ▶ modifies the requirements related to a standardized building permit form; and
- 27 ▶ makes technical changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides an effective date.

32 This bill coordinates with H.B. 203, Codification of State Construction and Fire Codes,
33 to technically merge substantive amendments.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **14-1-20**, as last amended by Laws of Utah 2010, Chapter 378

37 **14-2-5**, as last amended by Laws of Utah 2010, Chapter 378

38 **38-1-1**, Utah Code Annotated 1953

39 **38-1-5**, Utah Code Annotated 1953

40 **38-1-27**, as last amended by Laws of Utah 2009, Chapters 183 and 239

41 **38-1-30**, as last amended by Laws of Utah 2008, Chapter 382

42 **38-1-31**, as last amended by Laws of Utah 2009, Chapter 50

43 **38-1-32**, as last amended by Laws of Utah 2009, Chapter 50

44 **38-1-33**, as last amended by Laws of Utah 2010, Chapter 76

45 ~~H→ [38-9-2, as last amended by Laws of Utah 2008, Chapters 3 and 223] ←H~~

46 **58-56-20**, as last amended by Laws of Utah 2010, Chapter 310

47 **63G-6-506**, as renumbered and amended by Laws of Utah 2008, Chapter 382

48 ENACTS:

49 **38-1-30.5**, Utah Code Annotated 1953

50 **38-1-31.5**, Utah Code Annotated 1953

51 **38-1-32.5**, Utah Code Annotated 1953

52 REPEALS:

53 **38-1-37**, as last amended by Laws of Utah 2005, Chapter 64

54 **Utah Code Sections Affected by Coordination Clause:**

55 **15A-1-209**, Utah Code Annotated 1953

56

57 *Be it enacted by the Legislature of the state of Utah:*

58 Section 1. Section **14-1-20** is amended to read:

59 **14-1-20. Preliminary notice requirement.**

60 (1) Any person furnishing labor, service, equipment, or material for which a payment
61 bond claim may be made under this chapter shall provide preliminary notice to the designated
62 agent as prescribed by Section ~~[38-1-32]~~ 38-1-32.5, except that this section does not apply:

63 (a) to a person performing labor for wages; or

64 (b) if a notice of commencement is not filed as prescribed in Section ~~[38-1-31]~~

65 38-1-31.5 for the project or improvement for which labor, service, equipment, or material is
66 furnished.

67 (2) Any person who fails to provide the preliminary notice required by Subsection (1)
68 may not make a payment bond claim under this chapter.

69 (3) The preliminary notice required by Subsection (1) shall be provided prior to
70 commencement of any action on the payment bond.

71 Section 2. Section **14-2-5** is amended to read:

72 **14-2-5. Preliminary notice requirement.**

73 (1) Any person furnishing labor, service, equipment, or material for which a payment
74 bond claim may be made under this chapter shall provide preliminary notice to the designated
75 agent as prescribed by Section ~~H→ [f] 38-1-32 [f] [38-1-32.5] ←H~~ , except that this section does
76a not apply ~~H→ [:~~

76 ~~——(a) ←H~~ to a person performing labor for wages ~~H→ [;or]~~ .

77 ~~[(b) if a notice of commencement is not filed as prescribed in Section [38-1-31]~~

78 ~~38-1-31.5 for the project or improvement for which labor, service, equipment, or material is~~
79 ~~furnished:] ←H~~

80 (2) Any person who fails to provide the preliminary notice required by Subsection (1)
81 may not make a payment bond claim under this chapter.

82 (3) The preliminary notice required by Subsection (1) shall be provided prior to
83 commencement of any action on the payment bond.

84 Section 3. Section **38-1-1** is amended to read:

85 **38-1-1. Public buildings not subject to act.**

86 ~~[The provisions of this]~~ Except as provided in Sections 38-1-27, 38-1-30 through

87 38-1-37, and 38-1-40 relating to the State Construction Registry, this chapter [shall] does not

88 apply to any public building, structure, or improvement.

89 Section 4. Section **38-1-5** is amended to read:

90 **38-1-5. Priority -- Over other encumbrances.**

91 [~~The liens herein provided for shall relate~~]

92 (1) As used in this section:

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) "First preliminary notice filing" means the filing of the earliest timely filed

102 preliminary notice under Section 38-1-32 for a construction project, as defined in Section

103 38-1-27.

104 (c) "Project property" means the real property on which a building or structure is being
105 constructed or altered or on which an improvement is being made.

106 (2) A lien under this chapter relates back to, and [take] takes effect as of, the time of

107 the [commencement to do work or furnish materials on the ground for the structure or

108 improvement, and shall have] first preliminary notice filing.

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

110 over:

111 (i) any lien, mortgage, or other encumbrance [which may have attached subsequently to

112 the time when the building, improvement or structure was commenced, work begun, or first

113 material furnished on the ground; also over] that attaches after the first preliminary notice

114 filing; and

115 (ii) any lien, mortgage, or other encumbrance of which the lien holder had no notice

116 and which was unrecorded at the time [the building, structure or improvement was

117 commenced, work begun, or first material furnished on the ground] of the first preliminary

118 notice filing.

- 119 (b) ~~H~~→ [A] Notwithstanding the time a lien relates back to and takes effect as of under
 119a Subsection (2), a ←~~H~~ 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.
- 129 Section 5. Section **38-1-27** is amended to read:
- 130 **38-1-27. State Construction Registry.**
- 131 (1) As used in this section, Sections 38-1-30 through 38-1-37, and Section 38-1-40:
- 132 (a) "Alternate filing" means a legible and complete filing made in a manner established
 133 by the division under Subsection (2)(e) other than an electronic filing.
- 134 (b) "Cancel" means to indicate that a filing is no longer given effect.
- 135 (c) "Construction project[;]" or "project[;]" [~~or "improvement"~~] means all labor,
 136 service, equipment, and materials provided[;-(i)] under an original contract[;or].
 137 [~~(ii) by, or under contracts with, an owner-builder.~~]
- 138 (d) "Database" means the State Construction Registry created in this section.
- 139 (e) (i) "Designated agent" means the third party the [~~Division of Occupational and~~
 140 Professional Licensing] division contracts with to create and maintain the State Construction
 141 Registry.
- 142 (ii) The designated agent is not an agency, instrumentality, or a political subdivision of
 143 the state.
- 144 (f) "Division" means the Division of Occupational and Professional Licensing.
- 145 (g) "Entry number" means the reference number that the designated agent assigns to
 146 each notice or other document filed with the database that is unique for each notice or other
 147 document.
- 148 (h) "Government project" means a construction project undertaken by or for:
- 149 (i) the state, including a department, division, or other agency of the state; or

150 (ii) a county, city, town, school district, local district, special service district,
 151 community development and renewal agency, or other political subdivision of the state.

152 (i) "Government project-identifying information" means:

153 (i) the lot or parcel number of each lot included in project property that has a lot or
 154 parcel number; and

155 (ii) the unique project number assigned by the designated agent.

156 ~~[(g)]~~ (j) "Interested person" means a person who may be affected by a construction
 157 project.

158 (k) "Private project" means a construction project that is not a government project.

159 ~~[(h)]~~ (l) "Program" means the State Construction Registry Program created in this
 160 section.

161 (m) "Project property" means the real property on which a construction project occurs
 162 or will occur.

163 (2) Subject to receiving adequate funding through a legislative appropriation and
 164 contracting with an approved third party vendor who meets the requirements of Sections
 165 38-1-30 through 38-1-37, there is created the State Construction Registry Program that shall:

166 (a) (i) assist in protecting public health, safety, and welfare; and

167 (ii) promote a fair working environment;

168 (b) be overseen by the division with the assistance of the designated agent;

169 (c) provide a central repository for ~~[notices of commencement,]~~ ~~H→~~ [:

170 ~~—— (i) preliminary notices[,] and notices of completion filed in connection with all~~
 171 ~~[privately owned construction] private projects [as well as] in the state; and~~

172 ~~—— (ii) notices of commencement, preliminary notices, and notices of completion for all~~
 173 ~~[state and local] government [owned construction] projects [throughout Utah] in the state] all notices~~

173a ~~filed with the database under Section 38-1-30.5, 38-1-31.5, 38-1-32, 38-1-32.5, 38-1-33,~~

173b ~~or 38-1-40 ←H ;~~

174 (d) ~~[be]~~ make accessible ~~[for filing and review],~~ by way of the program Internet
 175 website ~~[of]:~~

176 (i) the filing and reviewing of ~~H→~~ [:

177 ~~—— [(i)] (A) notices of commencement on a government project;~~

178 ~~—— [(ii)] (B) preliminary notices;~~

179 ~~—— [(iii)] (C) [a notice] notices of intent to file notice of final completion;~~

180 ~~—— [(iv)] (D) [a notice] notices for remaining amounts due to complete the contract; and~~

181 ~~[(v)] (E) notices of completion~~ notices described in Subsection (2)(c) ~~←H~~ ; and
 182 (ii) the transmitting of building permit information under Subsection 38-1-31(2)(a) and
 183 the reviewing of that information;
 184 (e) accommodate:
 185 (i) electronic filing of the notices described in Subsection (2)(d)(i) and electronic
 186 transmitting of building permit information described in Subsection (2)(d)(ii); and
 187 (ii) alternate filing of the notices described in Subsection (2)(d) by U.S. mail, telefax,
 188 or any other alternate method as provided by rule made by the division in accordance with Title
 189 63G, Chapter 3, Utah Administrative Rulemaking Act;
 190 (f) (i) provide electronic notification for up to three email addresses for each interested
 191 person or company who requests notice from the construction notice registry; and
 192 (ii) provide alternate means of notification for a person who makes an alternate filing,
 193 including U.S. mail, telefax, or any other method as prescribed by rule made by the division in
 194 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and
 195 (g) provide hard-copy printing of electronic receipts for an individual filing evidencing
 196 the date and time of the individual filing and the content of the individual filing.
 197 (3) (a) The designated agent shall provide notice of all other filings for a project to any
 198 person who files a notice of commencement, preliminary notice, or notice of completion for
 199 that project, unless the person:
 200 (i) requests that the person not receive notice of other filings; or
 201 (ii) does not provide the designated agent with the person's contact information in a
 202 manner that adequately informs the designated agent.
 203 (b) An interested person may request notice of filings related to a project.
 204 (c) The database shall be indexed by:
 205 (i) the name of the property owner [name];
 206 (ii) the name of the original contractor [name];
 207 ~~[(iii) subdivision, development, or other project name, if any;]~~
 208 ~~[(iv) project address;]~~
 209 ~~[(v) lot or parcel number;]~~
 210 ~~[(vi) unique project number assigned by the designated agent; and]~~
 211 (iii) the address of the project property;

- 212 (iv) entry number;
- 213 (v) the name of the county in which the project property is located;
- 214 (vi) for private projects;
- 215 (A) the tax parcel identification number of each parcel included in the project property;

216 and

- 217 (B) the building permit number;
 - 218 (vii) for government projects, the government project-identifying information; and
 - 219 ~~[(vii)]~~ (viii) any other identifier that the division considers reasonably appropriate in
- 220 collaboration with the designated agent.

221 (4) (a) In accordance with the process required by Section 63J-1-504, the division shall
222 establish the fees for:

- 223 (i) ~~H→~~ **[a notice of commencement on a government project;**
- 224 ~~—~~ **(ii) a preliminary notice;**
- 225 ~~—~~ **(iii) a notice of intent to file notice of final completion;**
- 226 ~~—~~ **(iv) a notice for remaining amounts due to complete the contract;**
- 227 ~~—~~ **(v) a notice of completion] notices described in Subsection (2)(c) ←H ;**

228 ~~H→~~ **[(vi)]** ~~←H~~ a request for notice;

229 ~~H→~~ **[(vii)]** ~~←H~~ providing a required notice by an alternate ~~H→~~ **[method of delivery]**
229a **filing ←H ;**

230 ~~H→~~ **[(viii)]** ~~←H~~ a duplicate receipt of a filing; and

231 ~~H→~~ **[(ix)]** ~~←H~~ account setup for a person who wishes to be billed periodically for
231a filings with the
232 database.

233 (b) The fees allowed under Subsection (4)(a) may not exceed the amount reasonably
234 necessary to create and maintain the database.

235 (c) The fees established by the division may vary by method of filing if one form of
236 filing is more costly to process than another form of filing.

237 (d) The division may provide by contract that the designated agent may retain all fees
238 collected by the designated agent except that the designated agent shall remit to the division the
239 cost of the division's oversight under Subsection (2)(b).

240 (5) (a) The database is classified as a public record under Title 63G, Chapter 2,
241 Government Records Access and Management Act, unless otherwise classified by the division.

242 (b) A request for information submitted to the designated agent is not subject to Title

243 63G, Chapter 2, Government Records Access and Management Act.

244 (c) Information contained in a public record contained in the database shall be
245 requested from the designated agent.

246 (d) The designated agent may charge a commercially reasonable fee allowed by the
247 designated agent's contract with the division for providing information under Subsection (5)(c).

248 (e) Notwithstanding Title 63G, Chapter 2, Government Records Access and
249 Management Act, if information is available in a public record contained in the database, a
250 person may not request the information from the division.

251 (f) (i) A person may request information that is not a public record contained in the
252 database from the division in accordance with Title 63G, Chapter 2, Government Records
253 Access and Management Act.

254 (ii) The division shall inform the designated agent of how to direct inquiries made to
255 the designated agent for information that is not a public record contained in the database.

256 (6) The following are not an adjudicative proceeding under Title 63G, Chapter 4,
257 Administrative Procedures Act:

258 (a) the filing of a notice permitted by this chapter;

259 (b) the rejection of a filing permitted by this chapter; or

260 (c) other action by the designated agent in connection with a filing of any notice
261 permitted by this chapter.

262 (7) The division and the designated agent need not determine the timeliness of any
263 notice before filing the notice in the database.

264 (8) (a) A person who is delinquent on the payment of a fee established under
265 Subsection (4) may not file a notice with the database.

266 (b) A determination that a person is delinquent on the payment of a fee for filing
267 established under Subsection (4) shall be made in accordance with Title 63G, Chapter 4,
268 Administrative Procedures Act.

269 (c) Any order issued in a proceeding described in Subsection (8)(b) may prescribe the
270 method of that person's payment of fees for filing notices with the database after issuance of the
271 order.

272 (9) If a notice is filed by a third party on behalf of another, the notice is considered to
273 be filed by the person on whose behalf the notice is filed.

274 (10) A person filing a notice of commencement, preliminary notice, or notice of
275 completion is responsible for verifying the accuracy of information entered into the database,
276 whether the person files electronically or by alternate or third party filing.

277 (11) Each notice or other document submitted for inclusion in the database and for
278 which this chapter does not specify information required to be included in the notice or other
279 document shall contain:

280 (a) the name of the county in which the project property to which the notice or other
281 document applies is located;

282 (b) for a private project:

283 (i) the tax parcel identification number of each parcel included in the project property;

284 or

285 (ii) the number of the building permit for the construction project on the project
286 property; and

287 (c) for a government project, the government project-identifying information.

288 Section 6. Section **38-1-30** is amended to read:

289 **38-1-30. Third-party contract -- Designated agent.**

290 (1) The division shall contract in accordance with Title 63G, Chapter 6, Utah
291 Procurement Code, with a third party to establish and maintain the database for the purposes
292 established under this section, Section 38-1-27, and Sections 38-1-31 through 38-1-37.

293 (2) (a) The third party under contract under this section is the division's designated
294 agent, and shall develop and maintain a database from the information provided by:

295 (i) local government entities issuing building permits;

296 (ii) original contractors;

297 (iii) subcontractors; and

298 (iv) other interested persons.

299 (b) The database shall accommodate filings by third parties on behalf of clients.

300 (c) The division and the designated agent shall design, develop, and test the database
301 for full implementation on May 1, 2005.

302 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
303 division shall make rules and develop procedures for:

304 (a) the division to oversee and enforce this section, Section 38-1-27, and Sections

305 38-1-31 through 38-1-37;

306 (b) the designated agent to administer this section, Section 38-1-27, and Sections
307 38-1-31 through 38-1-37; and

308 (c) the form of submission of an alternate filing, which may include procedures for
309 rejecting an illegible or incomplete filing.

310 (4) (a) The designated agent shall archive computer data files at least semiannually for
311 auditing purposes.

312 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
313 division shall make rules to allow the designated agent to periodically archive projects from the
314 database.

315 (c) A project shall be archived no earlier than:

316 (i) one year after the day on which a notice of completion is filed for a project;

317 (ii) if no notice of completion is filed, two years after the last filing activity for a
318 project; or

319 (iii) one year after the day on which a filing is cancelled under Subsection
320 38-1-32~~(3)~~(5)(c) or 38-1-33(2)(c).

321 (d) The division may audit the designated agent's administration of the database as
322 often as the division considers necessary.

323 (5) The designated agent shall carry errors and omissions insurance in the amounts
324 established by rule made by the division in accordance with Title 63G, Chapter 3, Utah
325 Administrative Rulemaking Act.

326 (6) (a) The designated agent shall make reasonable efforts to assure the accurate entry
327 into the database of information provided in alternate filings.

328 (b) The designated agent shall meet or exceed standards established by the division for
329 the accuracy of data entry for alternate filings.

330 (7) The designated agent is not liable for the correctness of the information contained
331 in an alternate filing it enters into the database.

332 Section 7. Section **38-1-30.5** is enacted to read:

333 **38-1-30.5. Notice of construction loan.**

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

336 construction loan.

337 (2) A notice under Subsection (1) shall include:

338 (a) the lender's name, address, and telephone number;

339 (b) the name of the trustor on the trust deed securing the loan;

340 (c) the tax parcel identification number of each parcel included or to be included in the
341 construction project for which the loan was given;

342 (d) the address of the project property; and

343 (e) the name of the county in which the project property is located.

344 Section 8. Section **38-1-31** is amended to read:

345 **38-1-31. Building permit -- Transmission to database -- Posting at project site.**

346 ~~[(1)(a)(i)(A) For a construction project where a building permit is issued to an~~
347 ~~original contractor or owner-builder, no later than 15 days after the issuance of the building~~
348 ~~permit:]~~

349 ~~[(1) the local government entity issuing that]~~

350 (1) (a) A county, city, or town issuing a building permit for a private project shall, no
351 later than 15 days after issuing the permit, input the building permit application and transmit
352 the building permit information to the database electronically by way of the Internet or
353 computer modem or by any other means[~~or~~].

354 ~~[(1) the original contractor, owner, or owner-builder may file a notice of~~
355 ~~commencement with the database whether or not a building permit is issued or a notice of~~
356 ~~commencement is filed under Subsection (1)(a)(i)(A)(1).]~~

357 ~~[(1) The information submitted under Subsection (1)(a)(i)(A) forms the basis of a~~
358 ~~notice of commencement.]~~

359 ~~[(1)(i)]~~ (b) The person to whom a building permit, filed under Subsection (1)(a)~~[(1)(i)]~~, is
360 issued is responsible for the accuracy of the information in the building permit.

361 ~~[(1)(ii)]~~ (c) For the purposes of classifying a record under Title 63G, Chapter 2,
362 Government Records Access and Management Act, building permit information transmitted
363 from a ~~[local governmental entity]~~ county, city, or town to the database shall be classified in
364 the database by the division notwithstanding the ~~[local governmental entity's]~~ classification of
365 the building permit information by the county, city, or town.

366 ~~[(1)(b) No later than 15 days after commencement of physical construction work at the~~

367 ~~project site, the original contractor, owner, or owner-builder may file a notice of~~
368 ~~commencement with the database whether or not a building permit is issued or a notice of~~
369 ~~commencement is filed under Subsection (1)(a).]~~

370 ~~[(c) An original contractor, owner, or owner-builder may file a notice of~~
371 ~~commencement with the designated agent prior to the time frames established in Subsections~~
372 ~~(1)(a) and (b).]~~

373 ~~[(d) An owner of construction or an original contractor may file a notice of~~
374 ~~commencement with the designated agent within the time prescribed by Subsections (1)(a) and~~
375 ~~(b).]~~

376 ~~[(e) (i) If duplicate notices of commencement are filed, they shall be combined into one~~
377 ~~notice for each project and any notices filed relate back to the date of the earliest-filed notice of~~
378 ~~commencement for the project.]~~

379 ~~[(ii) A duplicate notice of commencement that is untimely filed relates back under~~
380 ~~Subsection (1)(e)(i) if the earlier filed notice of commencement is timely filed.]~~

381 ~~[(iii) Duplicate notices of commencement shall be automatically linked by the~~
382 ~~designated agent.]~~

383 ~~[(f) The designated agent shall assign each construction project a unique project~~
384 ~~number that:]~~

385 ~~[(i) identifies each construction project; and]~~

386 ~~[(ii) can be associated with all notices of commencement, preliminary notices, and~~
387 ~~notices of completion.]~~

388 ~~[(g) A notice of commencement is effective only as to any labor, service, equipment,~~
389 ~~and material furnished to the construction project that is furnished subsequent to the filing of~~
390 ~~the notice of commencement.]~~

391 ~~[(2) (a) A notice of commencement shall include the following:]~~

392 ~~[(i) the name and address of the owner of the project;]~~

393 ~~[(ii) the name and address of the:]~~

394 ~~[(A) original contractor; and]~~

395 ~~[(B) surety providing any payment bond for the project, or if none exists, a statement~~
396 ~~that a payment bond was not required for the work being performed; and]~~

397 ~~[(iii) (A) the project address if the project can be reasonably identified by an address;~~

398 or]

399 ~~[(B) the name and general description of the location of the project if the project cannot~~
400 ~~be reasonably identified by an address.]~~

401 ~~[(b) A notice of commencement may include:]~~

402 ~~[(i) a general description of the project; or]~~

403 ~~[(ii) the lot or parcel number, and any subdivision, development, or other project name,~~
404 ~~of the real property upon which the project is to be constructed if the project is subject to~~
405 ~~mechanics' liens.]~~

406 ~~[(c) A notice of commencement need not include all of the items listed in Subsection~~
407 ~~(2)(a) if:]~~

408 ~~[(i) a building permit is issued for the project; and]~~

409 ~~[(ii) all items listed in Subsection (2)(a) that are available on the building permit are~~
410 ~~included in the notice of commencement.]~~

411 ~~[(3) If a notice of commencement for a construction project is not filed within the time~~
412 ~~set forth in Subsections(1)(a) and (b), the following do not apply:]~~

413 ~~[(a) Section 38-1-32; and]~~

414 ~~[(b) Section 38-1-33.]~~

415 ~~[(4) (a) Unless a person indicates to the division or designated agent that the person~~
416 ~~does not wish to receive a notice under this section, electronic notice of the filing of a notice of~~
417 ~~commencement or alternate notice as prescribed in Subsection (1), shall be provided to:]~~

418 ~~[(i) all persons who have filed notices of commencement for the project; and]~~

419 ~~[(ii) all interested persons who have requested notices concerning the project.]~~

420 ~~[(b) (i) A person to whom notice is required under Subsection (4)(a) is responsible for:]~~

421 ~~[(A) providing an e-mail address, mailing address, or telefax number to which a notice~~
422 ~~required by Subsection (4)(a) is to be sent; and]~~

423 ~~[(B) the accuracy of any e-mail address, mailing address, or telefax number to which~~
424 ~~notice is to be sent.]~~

425 ~~[(ii) The designated agent fulfills the notice requirement of Subsection (4)(a) when it~~
426 ~~sends the notice to the e-mail address, mailing address, or telefax number provided to the~~
427 ~~designated agent whether or not the notice is actually received.]~~

428 ~~[(5) (a) The burden is upon any person seeking to enforce a notice of commencement~~

429 to verify the accuracy of information in the notice of commencement and prove that the notice
430 of commencement is filed timely and meets all of the requirements in this section.]

431 [~~(b) A substantial inaccuracy in a notice of commencement renders the notice of~~
432 ~~commencement unenforceable.]~~

433 [~~(c) A person filing a notice of commencement by alternate filing is responsible for~~
434 ~~verifying and changing any incorrect information in the notice of commencement before the~~
435 ~~expiration of the time period during which the notice is required to be filed.]~~

436 [(6)] (2) At the time a building permit is obtained, each original contractor shall
437 conspicuously post at the project site a copy of the building permit obtained for the project.

438 Section 9. Section **38-1-31.5** is enacted to read:

439 **38-1-31.5. Notice of commencement for a government project.**

440 (1) No later than 15 days after commencement of physical construction work at a
441 government project site, the original contractor, owner, or owner-builder shall file a notice of
442 commencement with the database.

443 (2) An original contractor, owner, or owner-builder on a government project may file a
444 notice of commencement with the designated agent before the commencement of physical
445 construction work on the project property.

446 (3) (a) If duplicate notices of commencement are filed, they shall be combined into one
447 notice for each government project, and any notices filed relate back to the date of the
448 earliest-filed notice of commencement for the project.

449 (b) A duplicate notice of commencement that is untimely filed relates back under
450 Subsection (3)(a) if the earlier filed notice of commencement is timely filed.

451 (c) Duplicate notices of commencement shall be automatically linked by the designated
452 agent.

453 (4) The designated agent shall assign each government project a unique project number
454 that:

455 (a) identifies the project; and

456 (b) can be associated with all notices of commencement, preliminary notices, and
457 notices of completion filed in connection with the project.

458 (5) A notice of commencement is effective only as to any labor, service, equipment,
459 and material that is furnished after the notice of commencement is filed.

460 (6) (a) A notice of commencement shall include:
461 (i) the name, address, and email address of the owner of the project;
462 (ii) the name, address, and email address of the original contractor;
463 (iii) the name, address, and email address of the surety providing any payment bond for
464 the project or, if none exists, a statement that a payment bond was not required for the work
465 being performed;
466 (iv) (A) the project address if the project can be reasonably identified by an address; or
467 (B) the name and general description of the location of the project, if the project cannot
468 be reasonably identified by an address; and
469 (v) the government project identifying information.
470 (b) A notice of commencement may include a general description of the project.
471 (7) If a notice of commencement for a government project is not filed within the time
472 set forth in Subsection (1), Sections 38-1-32 and 38-1-33 do not apply.
473 (8) (a) Notwithstanding any other provision of this chapter, a notice of commencement
474 need not be filed for a private project.
475 (b) A provision of this chapter does not apply to a private project if the provision
476 depends for its effectiveness upon the filing of a notice of commencement.
477 (9) (a) Unless a person indicates to the division or designated agent that the person
478 does not wish to receive a notice under this section, the designated agent shall provide
479 electronic notice of the filing of a notice of commencement or alternate filing to:
480 (i) all persons who have filed notices of commencement for the project; and
481 (ii) all interested persons who have requested notices concerning the project.
482 (b) A person to whom notice is required under Subsection (9)(a) is responsible for:
483 (i) providing an email address, mailing address, or telefax number to which a notice
484 required by Subsection (9)(a) is to be sent; and
485 (ii) the accuracy of any email address, mailing address, or telefax number to which
486 notice is to be sent.
487 (c) The designated agent fulfills the notice requirement of Subsection (9)(a) by sending
488 the notice to the email address, mailing address, or telefax number provided to the designated
489 agent, whether or not the notice is actually received.
490 (10) (a) The burden is upon any person seeking to enforce a notice of commencement

491 to verify the accuracy of information in the notice of commencement and prove that the notice
 492 of commencement is filed timely and meets all of the requirements of this section.

493 (b) A substantial inaccuracy in a notice of commencement renders the notice of
 494 commencement invalid.

495 (c) A person filing a notice of commencement by alternate filing is responsible for
 496 verifying and changing any incorrect information in the notice of commencement before the
 497 expiration of the time period during which the notice is required to be filed.

498 Section 10. Section **38-1-32** is amended to read:

499 **38-1-32. Preliminary notice for a private project.**

500 (1) (a) [~~(i) Except for a person who has a contract with an owner or an owner-builder~~
 501 ~~or a laborer compensated with wages, a subcontractor]~~ A person who, under Section 38-1-3, is
 502 entitled to a lien under this chapter with respect to a private project shall file a preliminary
 503 notice with the database [by the] no later [of: (A)] than 20 days after [commencement of its
 504 own work or the commencement of] the person commences furnishing labor, service,
 505 equipment, [and] or material to [a construction] the project[; or].

506 [~~(B) 20 days after the filing of a notice of commencement if the subcontractor's work~~
 507 ~~commences before the filing of the first notice of commencement.]~~

508 [~~(i)~~] (b) [A] Subject to Subsection (1)(c), a preliminary notice [filed within the period
 509 described in Subsection (1)(a)(i)] is effective as to all labor, service, equipment, and material
 510 [furnished] that the person filing the notice furnishes to the [construction] private project,
 511 including labor, service, equipment, and material [provided] that the person furnishes to more
 512 than one contractor or subcontractor on that same project.

513 [~~(iii) (A) If more than one notice of commencement is filed for a project, a person may~~
 514 ~~attach a preliminary notice to any notice of commencement filed for the project by a party~~
 515 ~~authorized in Section 38-1-31.]~~

516 [~~(B) A preliminary notice attached to an untimely notice of commencement is valid if~~
 517 ~~there is also a valid and timely notice of commencement for the project filed by a party~~
 518 ~~authorized in Section 38-1-31.]~~

519 [~~(b)~~] (c) [~~If a person files a~~] A preliminary notice filed after the period [prescribed by]
 520 provided in Subsection (1)(a)[, the preliminary notice]:

521 (i) becomes effective five days after the day [on which] the preliminary notice is

522 filed[-]; and

523 (ii) is not effective for labor, service, equipment, or material that the person who files
 524 the preliminary notice furnishes to the construction project before five days after the
 525 preliminary notice is filed.

526 [~~(c) Except as provided in Subsection (1)(c), failure to file a preliminary notice within~~
 527 ~~the period required by Subsection (1)(a) precludes a person from maintaining any claim for~~
 528 ~~compensation earned for performance of labor or service or supply of materials or equipment~~
 529 ~~furnished to the construction project before the expiration of five days after the late filing of a~~
 530 ~~preliminary notice, except as against the person with whom the person contracted.]~~

531 ~~Ĥ→ [(d) A preliminary notice filed for labor, service, equipment, or material furnished to~~
 532 ~~real property for a private project under an original contract is not valid for labor, service,~~
 533 ~~equipment, or material furnished to the same real property for another private project under a~~
 534 ~~separate original contract.]~~

535 [F] (d) [f] [~~(e)~~ ←Ĥ (i) (A) [H-a] A person who [is required to file a preliminary notice
 535a under this
 536 chapter] fails to file [the] a preliminary notice[-, that person] as required in this section may not
 537 hold a valid lien under this chapter.

538 (B) A person who files a preliminary notice after the period provided in Subsection
 539 (1)(a) may not hold a valid lien under this chapter for labor, service, equipment, or material the
 540 person furnishes to the construction project before five days after the preliminary notice is
 541 filed.

542 [~~(B)~~] (ii) A county recorder need not verify that a valid preliminary notice is filed when
 543 a person files a notice to hold and claim a lien under Section 38-1-7.

544 [~~(ii) The content of a]~~

545 ~~Ĥ→ [(f)] (e) ←Ĥ~~ A preliminary notice that is timely filed with the database with respect
 545a to a private
 546 project is considered to have been filed at the time of the first preliminary notice filing, as
 547 defined in Section 38-1-5.

548 ~~Ĥ→ [(g)] (f) ←Ĥ~~ If a preliminary notice filed with the database includes the tax parcel
 548a identification
 549 number of a parcel not previously associated in the database with a private project, the
 550 designated agent shall promptly notify the person who filed the preliminary notice that:

551 (i) the preliminary notice includes a tax parcel identification number of a parcel not
 552 previously associated in the database with a private project; and

553 (ii) the likely explanation is that:

554 (A) the preliminary notice is the first filing for the project; or

555 (B) the tax parcel identification number is incorrectly stated in the preliminary notice.

556 ~~H→~~ ~~(th)~~ (g) ~~←H~~ A preliminary notice for a private project shall include:

557 ~~[(A) the building permit number for the project, or the number assigned to the project~~
558 ~~by the designated agent;]~~

559 ~~[(B)~~ (i) the name, address, [and] telephone number, and email address of the person
560 furnishing the labor, service, equipment, or material for which the preliminary notice is filed;

561 ~~[(C)~~ (ii) the name and address of the person who contracted with the claimant for the
562 furnishing of the labor, service, equipment, or material;

563 ~~[(D)~~ (iii) the name of the record or reputed owner of the project property;

564 ~~[(E)~~ (iv) the name of the original contractor under which the claimant is [performing]
565 furnishing or will [perform its work, and] furnish labor, service, equipment, or material;

566 ~~[(F)~~ (v) the address of the project property or a description of the location of the
567 project[-];

568 ~~[(iii) Upon request by person identified in Subsection (1)(a)(i), an original contractor~~
569 ~~shall provide the person with the building permit number for the project, or the number~~
570 ~~assigned to the project by the designated agent.]~~

571 ~~[(e) If a person provides labor, service, equipment, or material before the filing of a~~
572 ~~notice of commencement and the notice of commencement is filed more than 15 days after the~~
573 ~~day on which the person providing labor, service, equipment, or material begins work on the~~
574 ~~project, the person providing labor, service, equipment, or material need not file a preliminary~~
575 ~~notice to maintain the person's right to hold a lien under this chapter or any other right,~~
576 ~~including a right referenced under Subsection (1)(c).]~~

577 (vi) the name of the county in which the project property is located; and

578 (vii) (A) the tax parcel identification number of each parcel included in the project
579 property;

580 (B) the entry number of a previously filed notice of construction loan under Section
581 38-1-30.5 on the same project;

582 (C) the entry number of a previously filed preliminary notice on the same project that
583 includes the tax parcel identification number of each parcel included in the project property; or

584 (D) the entry number of the building permit issued for the project.

585 (2) (a) [(†)] Unless a person indicates to the division or designated agent that the person
586 does not wish to receive a notice under this section, electronic notification of the filing of a
587 preliminary notice or alternate [~~notice as prescribed in Subsection (1);~~] filing shall be provided
588 to:

589 [(A)] (i) the person filing the preliminary notice; and

590 [(B) ~~each person that filed a notice of commencement for the project; and~~]

591 [(C) ~~all interested persons who have requested notices~~]

592 (ii) each person who has requested a notice concerning the project.

593 [(†)] (b) A person to whom notice is required to be provided under Subsection

594 (2)(a)[(†)] is responsible for:

595 [(A)] (i) providing an email address, mailing address, or telefax number to which a
596 notice required by Subsection (2)(a) is to be sent; and

597 [(B)] (ii) the accuracy of any email address, mailing address, or telefax number to
598 which notice is to be sent.

599 [(iii)] (c) The designated agent fulfills the notice requirement of Subsection (2)(a)[(†)]
600 ~~when it sends~~ by sending the notice to the email address, mailing address, or telefax number
601 provided to the designated agent, whether or not the notice is actually received.

602 [(b)] (3) The burden is upon the person filing the preliminary notice to prove that the
603 person has substantially complied with the requirements of this section.

604 [(e)] (4) (a) Subject to Subsection [(2)(d)] (4)(b), a person required by this section to
605 give preliminary notice is only required to give one notice for each project.

606 [(d)] (b) If the labor, service, equipment, or material is furnished pursuant to contracts
607 under more than one original contract, the notice requirements [~~must~~] shall be met with respect
608 to the labor, service, equipment, or material furnished under each original contract.

609 [(3)] (5) (a) [~~If a~~] A construction project owner, original contractor, subcontractor, or
610 other interested person who believes that a preliminary notice has been filed erroneously [~~, that~~
611 ~~owner, original contractor, subcontractor, or other interested person can~~] may request from the
612 person who filed the preliminary notice evidence establishing the validity of the preliminary
613 notice.

614 (b) Within 10 days after the request described in Subsection [(3)] (5)(a), the person or

615 entity that filed the preliminary notice shall provide the requesting person or entity proof that
616 the preliminary notice is valid.

617 (c) If the person or entity that filed the preliminary notice does not provide proof of the
618 validity of the preliminary notice, that person or entity shall immediately cancel the preliminary
619 notice from the database in any manner prescribed by the division pursuant to rule.

620 ~~[(4)]~~ (6) A person filing a preliminary notice by alternate filing is responsible for
621 verifying and changing any incorrect information in the preliminary notice before the
622 expiration of the time period during which the notice is required to be filed.

623 ~~[(5) Until June 1, 2008, nothing in this section affects a person's rights under Title 38,
624 Chapter 11, Residence Lien Restriction and Lien Recovery Fund Act.]~~

625 (7) A person who files a preliminary notice that contains inaccurate or incomplete
626 information may not be held liable for damages suffered by any other person who relies on the
627 inaccurate or incomplete information in filing a preliminary notice.

628 Section 11. Section **38-1-32.5** is enacted to read:

629 **38-1-32.5. Preliminary notice on government project.**

630 (1) Except for a person who has a contract with an owner or an owner-builder or a
631 laborer compensated with wages, a subcontractor on a government project shall file a
632 preliminary notice with the database by the later of:

633 (a) 20 days after the subcontractor commences the subcontractor's own work or
634 commences furnishing labor, service, equipment, or material to the construction project; and

635 (b) 20 days after the filing of a notice of commencement, if the subcontractor's work
636 commences before the filing of the first notice of commencement.

637 (2) A preliminary notice filed within the period described in Subsection (1) is effective
638 as to all labor, service, equipment, and material that the subcontractor furnishes to the
639 construction project, including labor, service, equipment, and material provided that the
640 subcontractor furnishes to more than one contractor or subcontractor.

641 (3) (a) If more than one notice of commencement is filed for a project, a person may
642 attach a preliminary notice to any notice of commencement filed for the project.

643 (b) A preliminary notice attached to an untimely notice of commencement is valid if
644 there is also a valid and timely notice of commencement for the project.

645 (4) If a person files a preliminary notice after the period prescribed by Subsection (1),

646 the preliminary notice becomes effective five days after the day on which the preliminary
647 notice is filed.

648 (5) Except as provided in Subsection (8), failure to file a preliminary notice within the
649 period required by Subsection (1) precludes a person from maintaining any claim for
650 compensation earned for labor, service, materials, or equipment furnished to the construction
651 project before the expiration of five days after the late filing of a preliminary notice, except as
652 against the person with whom the person contracted.

653 (6) A preliminary notice on a government project shall include:

654 (a) the government project identifying information;

655 (b) the name, address, and telephone number of the person furnishing the labor,
656 service, equipment, or material;

657 (c) the name and address of the person who contracted with the claimant for the
658 furnishing of the labor, service, equipment, or material;

659 (d) the name of the record or reputed owner of the project;

660 (e) the name of the original contractor under which the claimant is performing or will
661 perform its work; and

662 (f) the address of the project or a description of the location of the project.

663 (7) Upon request, an original contractor shall provide a subcontractor with the number
664 assigned to the project by the designated agent.

665 (8) A person who provides labor, service, equipment, or material before the filing of a
666 notice of commencement need not file a preliminary notice to maintain any right the person
667 would otherwise have, if the notice of commencement is filed more than 15 days after the day
668 on which the person begins work on the project.

669 (9) Subsections 38-1-32(2), (3), (4), (5), and (6) apply to a preliminary notice on a
670 government project under this section to the same extent that those subsections apply to a
671 preliminary notice on a private project under Section 38-1-32.

672 Section 12. Section **38-1-33** is amended to read:

673 **38-1-33. Notice of completion.**

674 (1) (a) Upon final completion of a construction project, and in accordance with Section
675 38-1-40, the following with a construction project registered with the database may file a notice
676 of completion with the database:

677 (i) an owner of the construction project;

678 (ii) an original contractor of the construction project;

679 (iii) a lender that has provided financing for the construction project;

680 (iv) a surety that has provided bonding for the construction project; or

681 (v) a title company issuing a title insurance policy on the construction project.

682 (b) Notwithstanding Section 38-1-2, if a subcontractor performs substantial work after

683 the applicable dates established by Subsection (1)(a), that subcontractor's subcontract is

684 considered an original contract for the sole purpose of determining:

685 (i) the subcontractor's time frame to file a notice to hold and claim a lien under

686 Subsection 38-1-7(1); and

687 (ii) the original contractor's time frame to file a notice to hold and claim a lien under

688 Subsection 38-1-7(1) for that subcontractor's work.

689 (c) A notice of completion shall include:

690 ~~[(i) the building permit number for the project, or the number assigned to the project by~~

691 ~~the designated agent;]~~

692 ~~[(ii)]~~ (i) the name, address, ~~[and] telephone number, and email address~~ of the person

693 filing the notice of completion;

694 ~~[(iii) the name of the original contractor for the project;]~~

695 ~~[(iv) the address of the project or a description of the location of the project;]~~

696 (ii) the name of the county in which the project property is located;

697 (iii) for a private project:

698 (A) the tax parcel identification number of each parcel included in the project property;

699 (B) the entry number of a preliminary notice on the same project that includes the tax

700 parcel identification number of each parcel included in the project property; or

701 (C) the entry number of the building permit issued for the project;

702 (iv) for a government project, the government project-identifying information;

703 (v) the date on which final completion is alleged to have occurred; and

704 (vi) the method used to determine final completion.

705 (d) For purposes of this section, final completion of the original contract does not occur

706 if work remains to be completed for which the owner is holding payment to ensure completion

707 of the work.

708 (e) (i) Unless a person indicates to the division or designated agent that the person does
709 not wish to receive a notice under this section, electronic notification of the filing of a notice of
710 completion or alternate ~~[notice as prescribed in Subsection (1)(a);]~~ filing shall be provided to:

711 (A) each person that filed a notice of commencement for the project;

712 (B) each person that filed preliminary notice for the project; and

713 (C) all interested persons who have requested notices concerning the project.

714 (ii) A person to whom notice is required under this Subsection (1)(e) is responsible for:

715 (A) providing an email address, mailing address, or telefax number to which a notice
716 required by this Subsection (1)(e) is to be sent; and

717 (B) the accuracy of any email address, mailing address, or telefax number to which
718 notice is to be sent.

719 (iii) The designated agent fulfills the notice requirement of Subsection (1)(e)(i) when it
720 sends the notice to the email address, mailing address, or telefax number provided to the
721 designated agent, whether or not the notice is actually received.

722 (iv) Upon the filing of a notice of completion, the time periods for filing a preliminary
723 ~~[notices]~~ notice stated in Section ~~[38-1-27]~~ 38-1-32 or 38-1-32.5 are modified such that all
724 preliminary notices shall be filed subsequent to the notice of completion and within 10 days
725 from the day on which the notice of completion is filed.

726 (f) A subcontract that is considered an original contract for purposes of this section
727 does not create a requirement for an additional preliminary notice if a preliminary notice has
728 already been given for the labor, service, equipment, and material furnished to the
729 subcontractor who performs substantial work.

730 (2) (a) If a construction project owner, original contractor, subcontractor, or other
731 interested person believes that a notice of completion has been filed erroneously, that owner,
732 original contractor, subcontractor, or other interested person can request from the person who
733 filed the notice of completion evidence establishing the validity of the notice of completion.

734 (b) Within 10 days after the request described in Subsection (2)(a), the person who
735 filed the notice of completion shall provide the requesting person proof that the notice of
736 completion is valid.

737 (c) If the person that filed the notice of completion does not provide proof of the
738 validity of the notice of completion, that person shall immediately cancel the notice of

739 completion from the database in any manner prescribed by the division pursuant to rule.

740 (3) A person filing a notice of completion by alternate filing is responsible for verifying
741 and changing any incorrect information in the notice of completion before the expiration of the
742 time period during which the notice is required to be filed.

743 ~~Ĥ→ [Section 13. Section 38-9-2 is amended to read:~~

744 ~~—— 38-9-2. Scope:~~

745 ~~—— (1) (a) The provisions of Sections 38-9-1, 38-9-3, 38-9-4, and 38-9-6 apply to any~~
746 ~~recording or filing or any rejected recording or filing of a lien pursuant to this chapter on or~~
747 ~~after May 5, 1997.~~

748 ~~—— (b) The provisions of Sections 38-9-1 and 38-9-7 apply to all liens of record regardless~~
749 ~~of the date the lien was recorded or filed.~~

750 ~~—— (c) Notwithstanding Subsections (1)(a) and (b), the provisions of this chapter~~
751 ~~applicable to the filing of a notice of interest do not apply to a notice of interest filed before~~
752 ~~May 5, 2008.~~

753 ~~—— (2) The provisions of this chapter shall not prevent a person from filing a lis pendens in~~
754 ~~accordance with Section 78B-6-1303 or seeking any other relief permitted by law.~~

755 ~~—— [(3) This chapter does not apply to a person entitled to a lien under Section 38-1-3 who~~
756 ~~files a lien pursuant to Title 38, Chapter 1, Mechanics' Liens.]] ←Ĥ~~

757 Section 14. Section ~~58-56-20~~ is amended to read:

758 **58-56-20. Standardized building permit content.**

759 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
760 division shall adopt a standardized building permit form by rule.

761 (2) (a) The standardized building permit form created under Subsection (1) shall
762 include fields for indicating the following information:

763 (i) the name and address of the owner of [~~or contractor for the~~] each parcel of property
764 on which the project will occur;

765 (ii) the name and address of the contractor for the project;

766 [~~(ii)~~] (iii) (A) the address of the project; or

767 (B) a general description of the project; [and]

768 (iv) the county in which the property on which the project will occur is located;

769 (v) the tax parcel identification number of each parcel of the property; and

770 [(iii)] (vi) whether the permit applicant is an original contractor or owner-builder.

771 (b) The standardized building permit form created under Subsection (1) may include
772 any other information the division considers useful.

773 (3) (a) A compliance agency shall issue a permit for construction only on a
774 standardized building permit form approved by the division.

775 (b) A permit for construction issued by a compliance agency under Subsection (3)(a)
776 shall print the standardized building permit number assigned under Section 58-56-19 in the
777 upper right-hand corner of the building permit form in at least 12-point type.

778 (c) (i) Except as provided in Subsection (3)(c)(ii), a compliance agency may not issue a
779 permit for construction if the information required by Subsection (2)(a) is not completed on the
780 building permit form.

781 (ii) If a compliance agency does not issue a separate permit for different aspects of the
782 same project, the compliance agency may issue a permit for construction without the
783 information required by Subsection (2)(a)[(iii)](vi).

784 (d) A compliance agency may require additional information for the issuance of a
785 permit for construction.

786 (4) A local regulator issuing a single-family residential building permit application
787 shall include in the application or attach to the building permit the following notice
788 prominently placed in at least 14 point font: "Decisions relative to this application are subject
789 to review by the chief executive officer of the municipal or county entity issuing the
790 single-family residential building permit and appeal under the International Residential Code as
791 adopted by the Legislature."

792 Section 15. Section **63G-6-506** is amended to read:

793 **63G-6-506. Preliminary notice requirement.**

794 (1) Any person furnishing labor, service, equipment, or material for which a payment
795 bond claim may be made under this chapter shall provide preliminary notice to the designated
796 agent as prescribed by Section [~~38-1-32~~] 38-1-32.5, except that this section does not apply:

797 (a) to a person performing labor for wages; or

798 (b) if a notice of commencement is not filed as prescribed in Section [~~38-1-31~~]
799 38-1-31.5 for the project or improvement for which labor, service, equipment, or material is
800 furnished.

801 (2) Any person who fails to provide the preliminary notice required by Subsection (1)
802 may not make a payment bond claim under this chapter.

803 (3) The preliminary notice required by Subsection (1) must be provided [~~prior to~~]
804 before commencement of any action on the payment bond.

805 Section 16. **Repealer.**

806 This bill repeals:

807 Section **38-1-37, Application of Section 38-1-27 and Sections 38-1-30 through**
808 **38-1-36.**

809 Section 17. **Effective date.**

810 This bill takes effect on August 1, 2011.

811 Section 18. **Coordinating H.B. 260 with H.B. 203 -- Technically merging**
812 **substantive amendments.**

813 If this H.B. 260, Mechanics' Liens Revisions, and H.B. 203, Codification of State
814 Construction and Fire Codes, both pass, it is the intent of the Legislature that:

815 (1) the coordination clause in this H.B. 260 supersede the coordination clause
816 contained in H.B. 203; and

817 (2) the Office of Legislative Research and General Counsel, in preparing the Utah
818 Code database for publication:

819 (a) modify Subsection 15A-1-209(3)(b), as enacted in H.B. 203, to read:

820 "(b) The standardized building permit form created under this Subsection (3) shall
821 include fields for indicating the following information:

822 (i) the name and address of the owner of each parcel of property on which the project
823 will occur;

824 (ii) the name and address of the contractor for the project;

825 (iii) (A) the address of the project; or

826 (B) a general description of the project;

827 (iv) the county in which the property on which the project will occur is located;

828 (v) the tax parcel identification number of each parcel of the property; and

829 (vi) whether the permit applicant is an original contractor or owner-builder."; and

830 (b) change the citation in Subsection 15A-1-209(3)(f)(ii), as enacted in H.B. 203, from

831 "Subsection (3)(b)(iii)" to "Subsection (3)(b)(vi)."

FISCAL NOTE

H.B. 260 1st Sub. (Buff)

SHORT TITLE: Mechanics' Liens Revisions

SPONSOR: Clark, D.

2011 GENERAL SESSION, STATE OF UTAH

STATE GOVERNMENT (UCA 36-12-13(2)(b))

Enactment of this bill likely will not materially impact the state budget.

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Enactment of this bill likely will not result in direct, measurable expenditures by Utah residents or businesses.