

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1498

H. P. 1270

House of Representatives, April 11, 1977

On motion of Mr. Spencer of Standish, referred to Committee on Judiciary.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Howe of So. Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Amend the Mechanic's Lien Statutes so as to Abolish the
Potential of Double Payment by Homeowners.**

Be it enacted by the People of the State of Maine, as follows:

to **MRSA § 3251-A** is enacted to read:

§ 3251-A. Liens on single-family dwellings

If the property affected by the labor, materials or services furnished or performed is a single-family dwelling, or the land on which a single-family dwelling is situated and the owner or purchaser contracting for the labor, materials or services is a natural person and no other legal entity, no lien shall exist or be claimed on that property pursuant to this chapter, except those liens claimed by persons with whom the owner or purchaser of the dwelling has directly contracted for the performance or furnishing of the labor, materials or services on which the lien is based.

STATEMENT OF FACT

During the past legislative session, the mechanic's lien statutes were amended so as to protect homeowners from 3rd party contract liens. This reform has not succeeded. There are still problems. The home purchaser is still not guaranteed that he will know at the time of closing whether or not all subcontractors and suppliers have been paid by the contractor. In fact, the home purchaser generally does not have knowledge of these creditors. If

the contractor does not pay the subcontractors and suppliers, then these persons can place liens on the home purchaser's property within 90 days of the closing. This bill would provide that homeowners and purchasers are not responsible for 3rd party contracts. It should be noted that there is serious consideration by private financial institutions to require contractors to be bonded unless the mechanic's lien statutes are amended. This action would force many small homebuilders and contractors out of business.