

10 Simple Mechanic's Lien Rules for Contractors and Subcontractors Doing Construction Business in the State of California

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1. A **Preliminary 20-Day Notice** (Private Work) must be served to all legal parties on a project (Customer, Owner, General Contractor, Lender) within 20 days after first furnishing construction related labor, services, equipment or materials. Each day after the 20th day, you lose 1/20 of your financial interest in the financial value of construction related labor, services, equipment or materials your company provided for the project. A Preliminary Notice may be given out at a later point in time, but your financial recovery for a Mechanic's Lien, if filed, can only be for the 20 day period prior to the Preliminary Notice being filed.
2. A **Notice and Claim of Lien** (Mechanic's Lien) can be recorded at any time upon completion of a project. It is recorded at the County Recorders Office in the county where a project you provided construction related labor, services, equipment or materials. If the Owner has recorded a Notice of Completion or a Notice of Cessation, you have 60 days to file a Notice and Claim of Lien (Mechanic's Lien) with the County Recorders Office (General Contractor) and 30 days for all other Subcontractors. If a Notice of Completion or a Notice Of Cessation has not been recorded by the Owner, you have 90 days after completion of the entire project to file a Notice and Claim of Lien (Mechanic's Lien) with the County Recorders Office.
3. A **Notice and Claim of Lien** (Mechanic's Lien) cannot be filed for projects that are City, County, State or Federal related.
4. A party who supplies **materials to another supplier** does not have Mechanic's Lien rights in California.
5. The completion of the **entire construction project** is considered the starting date for the Mechanic's Lien filing period.
6. An **unlicensed contractor** can not use the Mechanic's Lien process in California.
7. A **Complaint to Foreclose a Mechanic's Lien** (legal perfection of a Lien) must be filed within 90 days, but no more than one year after initially filing a Notice and Claim of Lien (Mechanic's Lien) at the County Recorders Office in the county where a project you provided construction related labor, services, equipment or materials.
8. The **Conditional Waiver and Release Upon Progress Payment** can be requested by the legal parties on a project who have been served a Preliminary 20-day Notice through a promise to make a partial payment for furnishing construction related labor, services, equipment or materials.
9. The **Unconditional Waiver and Release Upon Progress Payment** can be requested by the legal parties on a project who have been served a Preliminary 20-day Notice for a received partial payment for furnishing construction related labor, services, equipment or materials.
10. If Mechanic's Lien amount is paid in full, you have an obligation as the party filing a Notice and Claim of Lien (Mechanic's Lien) to issue a **Release of Lien** that can then be recorded at the County Recorder's Office in the county where the project is you provided construction related labor, services, equipment or materials.