

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

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1. A **Prime/General Contractor** may file a **Notice of Contract** prior to the start of a project. This must be filed with the **County Clerk** in the county where the project is located within 30 days of a **Building Permit** being issued, and must be available onsite with the **Building Permit** for all Subcontractors. All Subcontractors must then file a **Notice of Subcontract** if they provide labor or materials for a project.
2. There is no defined time period for a Subcontractor to file a **Notice of Subcontract**. It should be served to all legal parties on a project (Customer, Owner, General Contractor and Lender) before or after furnishing construction related labor, professional services, materials, machinery, fixtures or tools to a jobsite. It must be delivered in person or by certified mail to the owner of the property along with any other legal parties related to the improvement of the property (Customer, Owner, General Contractor and Lender).
3. You have 120 days to file a **Claim of Lien** (Mechanic's Lien) with the **Office of the Clerk of the Superior Court** in the county where the project occurred after the last day labor was provided at a jobsite or materials were delivered. The **Claim of Lien** can be amended if you are still within the 120 day period from the last the last day labor was provided at a jobsite or materials were delivered.
4. An **Claim Of Lien** (Mechanic's Lien) cannot be filed for projects that are **City, County, State or Federal** related. **Payment and Performance Bonds** must be furnished by the **Prime/General Contactor**. The amount a **Subcontractor** may recover must be over **\$15,000** and the total amount of **Subcontractor** contracts for the project must exceed **\$100,000**.
5. A **Notice of Claim of Lien By First, Second or Third Tier Subcontractor/Supplier** (legal perfection of a Lien) must be filed within 180 days of last furnishing labor materials at a jobsite.
6. An **Claim Of Lien** (Mechanic's Lien) is automatically discharged if it is not perfected within 180 days of last furnishing labor materials at a jobsite.
7. **Legal** expenses are lienable on a **Claim of Lien**. Interest is not lienable.
8. **General/Prime contractors** cannot enforce a **No-Lien contract** on a subcontractor prior to the entering of a contract.
9. You must discharge a **Claim of Lien** (Mechanic's Lien) with the **Office of the Clerk of the Superior Court** in the county where the project occurred after receiving payment for the amount listed on the **Claim of Lien**.
10. It is a **Class 1 Misdemeanor** if you file a **Claim of Lien** and knowingly do not possess the legal position of the project afforded **Prime/General Contractors**. Additionally, it is a **Class 1 Misdemeanor** if your **Claim of Lien** is meant for harassment or interference with the legal parties on a project.