

NC LIEN AGENT LAW

Effective Date: April 1, 2013

NC General Assembly Session Law 2012-158:

In order for an inspections office to issue any permit, the Property Owner or contractor acting on their behalf must **identify a lien agent** and provide the inspections office with the information listed below.

Exceptions:

- 1) Project cost is less than \$30,000
- 2) Project is an improvement to an existing single-family residential dwelling used by the owner as a residence
- 3) Project is a publically funded project

Information to provide:

- 1) Name of Lien Agent
- 2) Lien Agent Contact Information including
 - a. Mailing address
 - b. Physical address
 - c. Telephone number
 - d. Fax number
 - e. Email address

How to Identify Lien Agent:

- 1) Visit www.liensnc.com and follow instructions.
- 2) Rowan County will provide a computer station in our inspections office for this search.
- 3) Fees for lien agent
 - a. \$25 for residential project
 - b. \$50 for commercial project
 - c. Paid directly to the Lien Agent

Purpose: to resolve the hidden lien issues associated with construction projects.

Manufactured Homes: The cost of construction performed by the manufactured homes company inside of their plant does not apply toward the \$30,000 project cost. Work done on-site (set up, etc.) does apply. Therefore, a manufactured home project is exempt from this lien agent law if all contracted work is less than \$30,000.

Example: Joe Smith hires GC Contractors to build a home. GC Contractor hires Shady Painting. Shady Painting purchases materials & supplies from The Paint Store. Shady performs all painting required on the job and is paid in full by GC. However, Shady has not been paying his suppliers and goes out of business / files bankruptcy. The Paint Store then files a lien against the home that either Joe Smith or GC Contractors will have to pay – even though they've already paid Shady's bill which included the price of materials and supplies.

NC General Statute 160A-417:

"No permit shall be issued pursuant to subdivision (1) of subsection (a) of this section where the cost of the work is thirty thousand dollars (\$30,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the applicant uses as a residence, unless the name, physical and mailing address, telephone number, facsimile number, and electronic mail address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in the permit or in an attachment thereto. The building permit may contain the lien agent's electronic mail address. The lien agent information for each permit issued pursuant to this subsection shall be maintained by the inspection department in the same manner and in the same location in which it maintains its record of building permits issued."