Top 5 Things You Should Know about Florida's Construction Lien Law

December 5th, 2011 | bLAWg

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Florida's Construction Lien Law is found at Chapter 713, Florida Statutes. It has long been criticized by judges, attorneys and construction professionals as complicated, unclear, and often times, down right confusing. In an effort to provide some clarity, here are the Top 5 things you should know about Florida's Construction Lien Law:

- 1. A "Notice to Owner" lets the owner of a construction project know who is working on its project. The Notice to Owner must be served no later than 45 days after the lienor first provides labor and/or materials to the project. Failure to serve a Notice to Owner is a complete defense to lien foreclosure action. Certain professional lienors and lienors who have a direct contact with the owner are not required to serve a "Notice to Owner."
- 2. A "Claim of Lien" may be recorded at any time during the course of the work, but no later than 90 days after the lienor's final furnishing of its labor, services and/or materials to the project. The lienor has one year from the date the "Claim of Lien" is recorded within which to institute an action to foreclose its lien, or the lien action is forever barred.
- 3. If the lienor performing the labor, services, or materials does not have the appropriate state, county or local licenses, the work can be deemed illegal and the result is a complete loss of the party's lien rights.
- 4. The "Notice of Commencement" is where a lienor can find the names and addresses of all parties to serve its notices and liens under Florida's Construction Lien law. The Notice of Commencement must be recorded in the public records of the county where the project is located. If there is an error in the "Notice of Commencement," it cannot be used against the lienor as a defense for failing to properly serve its notices and liens.
- 5. Section 713.29, Florida Statutes, allows a lienor to recover its attorney's fees in collecting its money if the lienor is determined to be the prevailing party in the action to enforce its lien.

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