Oregon Mechanics Lien Rights & Information Notice to Owner Requirements

There are two types of preliminary notice for private construction projects in Oregon. This fact sheet explains securing lien rights by filing an Information Notice to Owner. Following is an information notice to owner template.

Feel like the information notice to owner doesn't apply to you? Check out our <u>Notice of Right to Lien fact sheet</u>. Maybe you need the other Oregon preliminary notice.

1. Who has lien rights?

Any licensed person or business who provides work, materials, or equipment to improve a property. This includes:

- Direct Contractors
- · Equipment Lessors
- Subcontractors
- · Design Professionals
- Material Suppliers
- Laborers

2. Information Notice to Owner is Required

- ... to protect your right to file a lien.
- Must be sent by any party directly hired by the owner when the contract is (or becomes) greater than \$2000.
- Other parties must send a <u>Notice of Right to</u> <u>Lien</u>

3. Notice is due at the same time the contract is signed.

However if the contract is for less than \$2000 originally, and then exceeds the \$2000 threshold, the notice must be delivered within 5 days of learning of the amount change.

Late notice is fatal to a lien claim.

4. Give Notice To...

Notice must only be provided to the property owner

However, if the property is sold within 75 days of completion of construction, notice should also be sent to the purchaser.

5. Delivering Your Notice

Send your notice by **personal delivery**, by first class mail with a certificate of mailing, or by registered mail, returned receipt requested.

Generally the preliminary notice is considered delivered when sent, if sent by certified or registered mail, return receipt requested. It is considered delivered when actually received if personally delivered.



Don't want to worry about all this stuff?

Use *zlien*'s lien management software to send unlimited notices. Our goal is to help you protect the money you're owed, for every project that you work on. That means you shouldn't have to worry about rules and requirements, let *zlien* determine them for you. Track and send documents with just a few clicks.

Try it free.



Information Notice To Owner About Construction Liens

(ORS 87.093)

This is not a lien. Your contractor is required by law to provide this notice to inform you about construction lien laws. This notice explains the construction lien law, and gives steps you can take to protect your property from a valid lien. As an owner, you should read this information notice carefully. This information notice is required to be given if you contract for residential construction or remodeling, if you are buying a new home, or at any time the contract price exceeds \$1,000.

- Under Oregon law, your contractor and others who provide labor, materials, equipment, or services to your project may be able to claim payment from your property if they have not been paid. That claim is called a Construction Lien.
- If your contractor does not pay subcontractors, employees, rental equipment dealers, materials suppliers, or does not make other legally required payments, those who are owed money may place a lien against your property for payment. It is in your best interest to verify that all bills related to your contract are paid, even if you have paid your contractor in full.
- If you occupy or will occupy your home, persons who supply materials, labor, equipment, or services ordered by your contractor are permitted by law to file a lien against your property only if they have sent you a timely Notice of Right to Lien (which is different from this Information Notice), before or during construction. If you enter into a contract to buy a newly-built, partially-built, or newly-remodeled home, a lien may be claimed even though you have not received a Notice of Right to a Lien. If you do not occupy the building, a Notice of Right to Lien is not required prior to filing a lien.

This notice is not intended to be a complete analysis of the law. You should consult an attorney for more information.

Common Questions and Answers About Construction Liens

Can someone record a construction lien even if I pay my contractor? Yes. Anyone who has not been paid for labor, material, equipment, or services on your project and has provided you with a valid Notice of Right to Lien has the right to record a construction lien.

What is a Notice of Right to Lien? A Notice of a Right to Lien is sent to you by persons who have provided labor, materials, or equipment to your construction project. It protects their construction lien rights against your property.

What should I do when I receive a Notice of Right to Lien? Don't ignore it. Find out what arrangements your contractor has made to pay the sender of the Notice of Right to Lien.

When do construction liens need to be recorded? In Oregon, construction liens generally need to be recorded within 75 days from the date the project was substantially completed, or 75 days from the date that the lien claimant stopped providing labor, material, equipment, or services, whichever happened first. To enforce a lien, the lien holder must file a lawsuit in a proper court within 120 days of the date the lien was filed.

Note to Contractor: This notice must be delivered personally, or mailed by registered mail, certified mail, or by first-class mail with a certificate of mailing. Ask the signing parties to provide you with an original or copy to retain in your files. You should retain proof of delivery of this notice for at least two years.

Steps That Consumers Can Take to Protect Themselves

- Contact the Construction Contractors Board (CCB) and confirm that your contractor is licensed. The law requires all construction contractors to be licensed with the CCB. Check a contractor's license online at the CCB consumer website: www.hirealicensedcontractor.com, or call 503-378-4621.
- Review the Consumer Protection Notice (ORS 701.330(1)), which your contractor must provide
 to you at the time of contract on a residential structure.
- Consider using the services of an escrow agent to protect your interests. Consult your attorney to find out whether your escrow agent will protect you against liens when making payments.
- Contact a title company about obtaining a title policy that will protect you from construction lien claims.
- Find out what precautions, if any, will be taken by your contractor, lending institution, and architect to protect your project from construction liens.
- Ask the contractor to get lien waivers or lien releases from every subcontractor, materials
 provider, equipment provider, and anyone else the contractor is responsible for paying. Do this
 before you give your contractor a progress payment.
- Have a written contract with your contractor. A written contract is required for projects greater than \$2,000. An original contractor that fails to provide a written contract as required by law, may not place a construction lien against the owner's property.
- If you receive a Notice of Right to Lien, ask for a statement of the reasonable value of the materials, labor, equipment, or services provided to your project from everyone who sends you a Notice of Right to Lien. If the information is not provided in a timely manner, the sender of the Notice of Right to Lien may still be able to file a construction lien, but will not be entitled to attorney fees.
- When you pay your contractor, write checks made jointly payable to the contractor, subcontractors, materials, equipment, or services providers. The checks name both the contractor and the subcontractor, materials or equipment provider. The checks can only be cashed if both the contractor and the subcontractor, materials or equipment provider endorses it. This ensures that the subcontractor and other providers will be paid by your contractor, and can eliminate the risk of a lien on your property.
- Should you have a dispute with your contractor, you may be able to file a complaint with the CCB and be reimbursed in whole or in part from the contractor's bond. For more details about help available through the agency, write to the CCB at PO Box 14140, Salem, OR 97309-5052 or call 503-378-4621.
- **Consult an attorney.** If you do not have an attorney, consider contacting the Oregon State Bar Referral Service at 503-684-3763 or 1-800-452-7636.

Signing this Information Notice verifies only that you have received it. Your signature does not give your contractor or those who provide material, labor, equipment, or services, any additional rights to place a lien on your property.

Signature	 Date	Signature	 Date
Print Name (as it appears on contract)		Print Name (as it appears on contract)	
CONTRACTOR: CCB#:		PROPERTY OWNER:	
Job Site Address:			



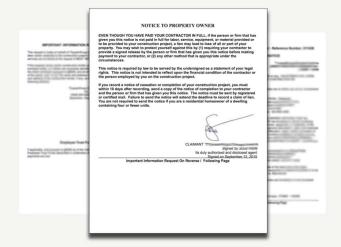
Preliminary Notices Made Easy

Generate and Mail Unlimited Notices Quickly and Accurately

Send & Mail Unlimited Notices

zlien makes managing and sending preliminary notices fast, easy, and accurate. There's no limit to how many notices you can send for one low fee.

- **✓ GENERATE PRELIMINARY NOTICES**
- **✓** MAIL NOTICES VIA CERTIFIED MAIL
- **✓** TRACK NOTICE DELIVERY
- **✓** EMPOWER COLLABORATION ON NOTICES





Prioritize what's important with the *zlien* Queue[™].

The zlien Queue™ gives you a priortized list of actions, so you can know where to focus your attention. Ditch the spreadsheets and calendar items.



Always Know It's Done Right

Track every notice with delivery confirmations, leverage the Lien Genome™ built by construction attorneys, and always have the information yoiu need about a project with JobSight™.



Weekly Summary

Don't spin your wheels every day. Get a summary delivered to your inbox each week so you can view important activity and take action.

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