

STATEMENT FROM STUART S. ZISHOLTZ

A couple of times a year I provide an update to the construction community on the time frames associated with filing a mechanic's lien and pursuing various claims. There are serious misunderstandings when it comes to the correct time frames. Shockingly, most contractors and subcontractors do not know the correct time frames associated with filing a mechanic's lien. Every contractor, subcontractor and supplier should know the correct time frames to properly protect their receivables. You would expect your doctor to know the fundamentals of medicine when administering any form of treatment. Similarly, it is expected that someone in the construction business should know the important criteria needed to protect their receivables.

I cannot emphasize enough the importance of filing a mechanic's lien. Many times it is the difference between getting paid and not getting paid. By filing your lien you are protecting your interests. By not filing your lien, you may be jeopardizing your right to collect anything. Do not, however, wait for the last day to file your lien. Once the general contractor has been paid by the owner, your lien is essentially worthless.

Furthermore, many payment bonds contain strict requirements that notices be served on various parties within a specific time frame. Once that time frame expires, your right to recover may be jeopardized.

Be aware of the various pitfalls that exist. The general contractor, owner or surety may drag you along until your time to file a lien or pursue the payment bond expired. I have, therefore, listed the various time frames associated with filing a mechanic's lien or making a payment bond claim.

Private Improvement:

One family (also two family suggested)	4 months from date of last item of labor or material
Commercial and more than one family	8 months from last item of labor and materials
Duration of Lien	1 year

Renewal:

One family dwelling	Court Order
More than one family and commercial, first year renewal	Notice of Renewal
After one year of more than one dwelling and commercial	Court Order

Public Improvements:

Lien	30 days after completion and acceptance of job
Duration	1 year
Renewal	Court Order

Payment Bond Notice:

Notice Directed to any two of Owner, Bonding Company or Contractor	Usually 90 Days
Time for Commencement of Action	Usually 1 year
Direct Contract with Principal	Usually no notice required
Time for Commencement of Action	Usually 1 sometimes 2 years

Never let your lien time run out!

For a free copy of a pamphlet pertaining to mechanic's liens and payment bond claims,
please contact me.

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