**STATEMENT FROM STUART S. ZISHOLTZ**

Once again, a recent decision by the Appellate Division, Second Department, found that the lack of a home improvement license prevents a contractor from recovering under a home improvement contract.

In the recent case, a subcontractor entered into a contract with a licensed general contractor to perform work for the improvement of a residential property located in the Town of East Hampton. According to the subcontractor, the general contractor failed to pay. As a result, the subcontractor filed a Mechanic’s Lien and commenced an action to foreclose. The Owner of the property moved to dismiss the complaint on the grounds that the subcontractor did not maintain a home improvement license.

The Appellate Division, Second Department, found that the subcontractor was required to maintain its own home improvement license in order to commence an action to foreclose a mechanic’s lien. Since the subcontractor was not licensed in the Town of East Hampton at the time the work was performed, the subcontractor could not pursue a claim or file a Mechanic’s Lien. The subcontractor’s contention that the work was for the construction of a new home for which a home improvement contractor license was not necessary was not accepted as a defense. Accordingly, the foreclosure action was dismissed and the lien was removed.

It is imperative that all contractors who perform home improvement work maintain their own home improvement license. Moreover, many of the local towns have their own requirements regarding home improvement licenses. While most of these licenses are revenue-raising obligations, without the required license, you cannot file a mechanic’s lien or pursue a claim.

Never let your lien time run out!

For a free copy of a pamphlet pertaining to Mechanic’s Liens and payment bond claims, kindly contact me or the Association.