

Site Contractors, Be Careful When Apportioning Your Mechanic's Liens



<u>Mechanic's liens</u> are near and dear to our hearts here at Construction Law Musings. <u>Mechanic's liens</u> are a great weapon in the toolbox of any construction contractor in Virginia. However, the <u>rules for</u> <u>perfection of these liens are strict</u> and failing to follow them to the letter will

cause the lien to be thrown out.

The Loudoun County, Virginia Circuit Court issued another reminder of this fact in a recent opinion. As a bit of background, <u>Va. Code 43-3(B)</u> contains provisions whereby a site contractor (or other contractor that provides work and material that benefits and entire subdivision) can file a single lien memorandum and apportion the burden of that lien on a per lot basis. In order to do so, that contractor must also file a disclosure statement at the local courthouse in order to be able to lien common areas and the lots that are subdivided and sold.

In <u>William A Hazel, Inc v Sycolin Center</u> the Court faced a question of agreement between a disclosure statement filed by a site contractor and the lien filed by that same subcontractor. The Court looked at a disclosure statement filed by the Plaintiff listed 3 lots for the subdivision and properly allocated the amounts due per the statute. However, when filing the lien, the site contractor only liened two of the lots and then divided the total by 2 (the number of lots liened, not the number in the subdivision). The Court examined past cases regarding mechanic's liens, apportionment and errors and then threw out the lien as having been improperly apportioned. For more details, be sure to read the case in its entirety, it contains a great analysis.

This case is yet another example of the need to be diligent in the filing of mechanic's liens in the Commonwealth of Virginia. These powerful tools will be strictly construed and the assistance of an <u>experienced Virginia construction attorney</u> can be invaluable in the proper perfection and enforcement of them.

Image via Wikipedia

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