Georgia Supreme Court Case Example Of How Small Typographical Errors Can Be Fatal To A Mechanics Lien Claim

Filing a mechanic's lien can be a fantastic collections tool for your company...unless you file the lien incorrectly. Regardless of where you're filing across the country, it's of paramount importance that your lien form meet the strict requirements of your particular jurisdiction. There are hundreds of seemingly small mistakes that can invalidate your lien, and if you want a few examples, check out the "Lien Errors" tag here on the Construction Lien Blog.

The Cobb Law Group of Georgia just posted on their blog about the Georgia Supreme Court case of Handy Andy of Eastman, Inc. v. Evans (court of appeals full text opinion; supreme court upheld). It's an example in Georgia of courts requiring lien forms to strictly comply with the statutory requirements. Also interesting about this opinion is that the Supreme Court interprets, for what appears to be the first time, the mechanic lien law changes that went into effect March 31, 2009. (Remember those? Read the blog post announcing those changes here).

According to OCGA § 44-14-367, liens filed after March 31, 2009, must contain the following statement "in at least 12 point bold font," or the lien will be invalidated:

This claim of lien expires and is void 395 days from the filing of the claim of lien if no notice of commencement of lien action is filed in that time period.

The Handy Andy lien did contain a statement in 12-point bold type, and the statement was really close to the statutory statement. However, because the statement wasn't an exact replica, it was held invalid by the trial court, the court of appeals, and now the Georgia Supreme Court. Compare the statutory statement above with the statement in the Handy Andy lien:

This claim of lien expires and is void 365 days from the filing of the claim of lien if no notice of commencement of lien is filed in that time period.

See the difference? The only differences is the Handy Andy statement uses a 365, instead of a 395 day period, and it leaves out the word "action" after "notice of commencement of lien."

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The courts rejected *Handy Andy's* arguments that the alterations were merely typographical errors, one of which even worked in the property owner's favor. The typographical errors were not harmless, the court held, for the following reason:

> Although Handy Andy may have altered the notice language inadvertently, we conclude that these alterations cannot be viewed as mere typographical errors. Rather the Handy Andy language provides misinformation regarding the applicable law. The Handy Andy language incorrectly informed the property owners that the lien expired within 365 days, but such liens do not expire by operation of law until 395 days, or 30 additional days, have passed. And it is timely notice of the commencement of a lien action, not notice of the lien itself, that prevents the expiration of the lien.

It is curious to wonder if the Supreme Court's decision would be different if the typographical errors were completely harmless. For example, what if *Handy Andy* simply referred to the "claim of lien" as the "lien," or what if it had simply left off the last word "period." In other words, did the Supreme Court just rule that the statutory statement must be an exact word-for-word duplicate with no room for inadvertent error, or did they rule that inadvertent error is okay so long as the error is a "mere typographical error" and not "misinformation."

Only time will tell...but in the case of Georgia lien claimants, there's no reason to test the waters. The statutory statement is clearly laid out by § 44-14-367. When filing a mechanics lien in Georgia, claimants must be careful to include the exact statement, in 12 point bold font.

Read this post on the Construction Lien Blog at:
http://constructionlienblog.com/?p=2734

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