

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 707
Committee Substitute Favorable 4/26/17
Senate Judiciary Committee Substitute Adopted 5/31/17

Short Title: Lien Agent/Notice of Cancellation.

(Public)

Sponsors:

Referred to:

April 11, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING LIEN
3 AGENTS FOR THE PURPOSE OF PROVIDING FOR THE CANCELLATION AND
4 RENEWAL OF A NOTICE TO LIEN AGENT.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 44A-11.1 reads as rewritten:

7 "§ 44A-11.1. Lien agent; designation and duties.

8 ...

9 (f) Any attorney who, in connection with a transaction involving improved real
10 property subject to this section for which the attorney is serving as the closing attorney,
11 contacts the lien agent in writing and requests copies of the notices to lien agent, renewals of
12 notices to lien agent, and cancellations of notices to lien agent received by the lien agent
13 relating to the real property not more than five business days prior to the date of recordation of
14 a deed or deed of trust on the real property, shall be deemed to have fulfilled the attorney's
15 professional obligation as closing attorney to check such notices to lien agent, renewals of
16 notices to lien agent, and cancellations of notices to lien agent and shall have no further duty to
17 request that the lien agent provide information pertaining to notices or cancellations received
18 subsequently by the lien agent."

19 SECTION 2. G.S. 44A-11.2 reads as rewritten:

20 "§ 44A-11.2. Identification of lien agent; notice to lien agent; effect of notice.

21 ...

22 (q) For any improvement to real property subject to G.S. 44A-11.1, a potential lien
23 claimant may cancel a Notice to Lien Agent by utilizing the Internet Web site approved for
24 such use by the designated lien agent. For any improvement to real property subject to
25 G.S. 44A-11.1 comprising one- or two-family dwellings, a potential lien claimant shall cancel a
26 Notice to Lien Agent by utilizing the Internet Web site approved for such use by the designated
27 lien agent within a reasonable time after the potential lien claimant has confirmed its receipt of
28 final payment for the improvement to which the Notice to Lien Agent relates.

29 (r) A Notice to Lien Agent not otherwise cancelled or renewed pursuant to this section
30 expires and is discharged five years from its date of delivery to the lien agent.

31 (s) A Notice to Lien Agent may be renewed prior to its cancellation or automatic
32 expiration for one five-year period by utilizing the Internet Web site approved for such use by
33 the designated lien agent. Such renewal shall extend the date of expiration by five years.



1 (t) If a Notice to Lien Agent is timely renewed prior to cancellation or expiration
2 pursuant to this section, the renewal shall maintain and relate back to the original delivery date
3 of the Notice to Lien Agent.

4 (u) Any protections provided to a potential lien claimant under this section as the result
5 of its delivery of a Notice to Lien Agent shall terminate upon the cancellation or automatic
6 expiration of that Notice to Lien Agent pursuant to this section and shall not thereafter be
7 revived or renewed by subsequent delivery of a Notice to Lien Agent by that potential lien
8 claimant.

9 (v) Cancellation or expiration of a Notice to Lien Agent pursuant to this section has no
10 affect upon the validity of a previously filed claim of lien or upon the priority of lien rights."

11 **SECTION 3.** G.S. 58-26-45 reads as rewritten:

12 **"§ 58-26-45. Registration as a lien agent.**

13 ...

14 (b) Upon receipt of the notice of designation by the owner pursuant to G.S. 44A-11.1, a
15 lien agent shall have the duty to do all of the following:

16 ...

17 (9) Receive cancellations of notices to lien agent and renewals of notices to lien
18 agent pursuant to G.S. 44A-11.2.

19 ...

20 (d) For services rendered pursuant to each designation as a lien agent for improvements
21 to real property comprising one- or two-family dwellings, a lien agent shall collect a fee of
22 ~~twenty-five~~ thirty dollars ~~(\$25.00)~~ (\$30.00) from the owner. For services rendered pursuant to
23 each designation as a lien agent for all other improvements to real property, the lien agent shall
24 collect a fee of ~~fifty~~ fifty-eight dollars ~~(\$50.00)~~ (\$58.00) from the owner.

25 (e) The Department shall publish on its Web site a current list of lien agents registered
26 pursuant to this section."

27 **SECTION 4.** This act becomes effective October 1, 2018.