

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

**HOUSE BILL 707
RATIFIED BILL**

AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING LIEN AGENTS FOR THE PURPOSE OF PROVIDING FOR THE CANCELLATION AND RENEWAL OF A NOTICE TO LIEN AGENT.

The General Assembly of North Carolina enacts:

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

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

...

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

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

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

...

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

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

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

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

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



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

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

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

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

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

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

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

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

In the General Assembly read three times and ratified this the 28th day of June, 2017.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2017