

REFERENCE TITLE: mechanics' liens; notice

State of Arizona
Senate
Fifty-fourth Legislature
First Regular Session
2019

SB 1304

Introduced by
Senator Livingston

AN ACT

AMENDING SECTIONS 33-981, 33-992.01, 33-992.02, 33-993, 33-1056, 34-223
AND 34-611, ARIZONA REVISED STATUTES; RELATING TO MECHANICS' LIENS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 33-981, Arizona Revised Statutes, is amended to
3 read:

4 33-981. Lien for labor; professional services or materials
5 used in construction, alteration or repair of
6 structures; preliminary thirty-day notice;
7 exceptions

8 A. Except as provided in sections 33-1002 and 33-1003, every person
9 who labors or furnishes professional services, materials, machinery,
10 fixtures or tools in the construction, alteration or repair of any
11 building, or other structure or improvement, ~~shall have~~ HAS a lien on such
12 building, structure or improvement for the work or labor done or
13 professional services, materials, machinery, fixtures or tools furnished,
14 whether the work was done or the articles were furnished at the instance
15 of the owner of the building, structure or improvement, or ~~his~~ THE OWNER'S
16 agent.

17 B. Every contractor, subcontractor, architect, builder or other
18 person having charge or control of the construction, alteration or repair,
19 either wholly or in part, of any building, structure or improvement is the
20 agent of the owner for the purposes of this article, and the owner ~~shall~~
21 ~~be~~ IS liable for the reasonable value of labor or materials furnished to
22 ~~his~~ THE OWNER'S agent.

23 C. A person who is required to be licensed as a contractor but who
24 does not hold a valid CONTRACTOR license ~~as such contractor~~ issued
25 pursuant to title 32, chapter 10 ~~shall~~ DOES not have the lien rights
26 provided for in this section.

27 D. A person required to give A preliminary ~~twenty-day~~ THIRTY-DAY
28 notice pursuant to section 33-992.01 is entitled to enforce the lien
29 rights provided for in this section only if ~~he~~ THE PERSON has given such
30 notice and has made proof of service pursuant to section 33-992.02.

31 E. A person who furnishes professional services but who does not
32 hold a valid certificate of registration issued pursuant to title 32,
33 chapter 1 ~~shall~~ DOES not have the lien rights provided for in this
34 section.

35 F. A person who furnishes professional services is entitled to
36 enforce the lien rights provided for in this section only if such person
37 has an agreement with the owner of the property or with an architect, an
38 engineer or a contractor who has an agreement with the owner of the
39 property.

40 Sec. 2. Section 33-992.01, Arizona Revised Statutes, is amended to
41 read:

42 33-992.01. Preliminary thirty-day notice; definitions;
43 content; election; waiver; service; single
44 service; contract

45 A. For the purposes of this section:

1 1. "Construction lender" means any mortgagee or beneficiary under a
2 deed of trust lending funds all or a portion of which are used to defray
3 the cost of the construction, alteration, repair or improvement, or any
4 assignee or successor in interest of either.

5 2. "Original contractor" means any contractor who has a direct
6 contractual relationship with the owner.

7 3. "Owner" means the person, or the person's successor in interest,
8 ~~who~~ THAT causes a building, structure or improvement to be constructed,
9 altered or repaired, whether the interest or estate of the person is in
10 fee, as vendee under a contract to purchase, as lessee, or other interest
11 or estate less than fee. ~~Where~~ IF an interest or estate is held by two or
12 more persons as community property, joint tenants or tenants in common,
13 any one or more of the persons may be deemed the owner.

14 4. "Preliminary ~~twenty-day~~ THIRTY-DAY notice" means one or more
15 written notices from a claimant that are given ~~prior to~~ BEFORE the
16 recording of a mechanic's lien and ~~which~~ THAT are required to be given
17 pursuant to this section.

18 B. Except for a person performing actual labor for wages, every
19 person who furnishes labor, professional services, materials, machinery,
20 fixtures or tools for which a lien otherwise may be claimed under this
21 article shall, as a necessary prerequisite to the validity of any claim of
22 lien, serve the owner or reputed owner, the original contractor or reputed
23 contractor, the construction lender, if any, or reputed construction
24 lender, if any, and the person with whom the claimant has contracted for
25 the purchase of those items with a written preliminary ~~twenty-day~~
26 THIRTY-DAY notice as prescribed by this section.

27 C. The preliminary ~~twenty-day~~ THIRTY-DAY notice referred to in
28 subsection B of this section shall be given not later than ~~twenty~~ THIRTY
29 days after the claimant has first furnished labor, professional services,
30 materials, machinery, fixtures or tools to the jobsite and shall contain
31 the following information:

32 1. A general description of the labor, professional services,
33 materials, machinery, fixtures or tools furnished or to be furnished and
34 an estimate of the total price thereof.

35 2. The name and address of the person furnishing labor,
36 professional services, materials, machinery, fixtures or tools.

37 3. The name of the person who contracted for the purchase of labor,
38 professional services, materials, machinery, fixtures or tools.

39 4. A legal description, subdivision plat, street address, location
40 with respect to commonly known roads or other landmarks in the area or any
41 other description of the jobsite sufficient for identification.

42 5. The following statement in bold-faced type:

43 In accordance with Arizona Revised Statutes section
44 33-992.01, this is not a lien and this is not a reflection on
45 the integrity of any contractor or subcontractor.

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Notice to Property Owner

If bills are not paid in full for the labor, professional services, materials, machinery, fixtures or tools furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being improved may be placed against the property. You may wish to protect yourself against this consequence by either:

1. Requiring your contractor to furnish a conditional waiver and release pursuant to Arizona Revised Statutes section 33-1008, subsection D, paragraphs 1 and 3 signed by the person or firm giving you this notice before you make payment to your contractor.

2. Requiring your contractor to furnish an unconditional waiver and release pursuant to Arizona Revised Statutes section 33-1008, subsection D, paragraphs 2 and 4 signed by the person or firm giving you this notice after you make payment to your contractor.

3. Using any other method or device ~~which~~ THAT is appropriate under the circumstances.

D. The preliminary notice given by any claimant shall follow substantially the following form:

Arizona Preliminary ~~Twenty-Day~~ THIRTY-DAY Lien Notice

In accordance with Arizona Revised Statutes section 33-992.01, this is not a lien. This is not a reflection on the integrity of any contractor or subcontractor.

The name and address of the owner or reputed owner are: This preliminary lien notice has been completed by (name and address of claimant):

Date: _____

By: _____

Address: _____

The name and address of the original contractor are: You are hereby notified that the claimant has furnished or will furnish labor, professional services, materials, machinery, fixtures or tools of the following general description:

The name and address of any lender or reputed lender and assigns are:

In the construction, alteration or repair of the building, structure or improvement located at:

1 The name and address
2 of the person with
3 whom the claimant
4 has contracted are:

And situated ~~upon~~ **ON** that certain
lot(s) or parcel(s) of land in
_____ County, Arizona,
described as follows:

8 An estimate of the total price of
9 the labor, professional services,
10 materials, machinery, fixtures
11 or tools furnished or to be
12 furnished is: \$ _____

(The following statement shall be in bold-faced type.)

Notice to Property Owner

15 If bills are not paid in full for the labor,
16 professional services, materials, machinery, fixtures or tools
17 furnished, or to be furnished, a mechanic's lien leading to
18 the loss, through court foreclosure proceedings, of all or
19 part of your property being improved may be placed against the
20 property. You may wish to protect yourself against this
21 consequence by either:

22 1. Requiring your contractor to furnish a conditional
23 waiver and release pursuant to Arizona Revised Statutes
24 section 33-1008, subsection D, paragraphs 1 and 3 signed by
25 the person or firm giving you this notice before you make
26 payment to your contractor.

27 2. Requiring your contractor to furnish an
28 unconditional waiver and release pursuant to Arizona Revised
29 Statutes section 33-1008, subsection D, paragraphs 2 and 4
30 signed by the person or firm giving you this notice after you
31 make payment to your contractor.

32 3. Using any other method or device that is appropriate
33 under the circumstances.

(The following language shall be in type at least as
large as the largest type otherwise on the document.)

36 Within ten days ~~of~~ **AFTER** the receipt of this preliminary
37 ~~twenty-day~~ **THIRTY-DAY** notice the owner or other interested
38 party is required to furnish all information necessary to
39 correct any inaccuracies in the notice pursuant to Arizona
40 Revised Statutes section 33-992.01, subsection I or lose as a
41 defense any inaccuracy of that information.

42 Within ten days ~~of~~ **AFTER** the receipt of this preliminary
43 ~~twenty-day~~ **THIRTY-DAY** notice if any payment bond has been
44 recorded in compliance with Arizona Revised Statutes section
45 33-1003, the owner must provide a copy of the payment bond

1 including the name and address of the surety company and
 2 bonding agent providing the payment bond to the person who has
 3 given the preliminary ~~twenty-day~~ THIRTY-DAY notice. In the
 4 event that the owner or other interested party fails to
 5 provide the bond information within that ~~ten-day~~ TEN-DAY
 6 period, the claimant shall retain lien rights to the extent
 7 precluded or prejudiced from asserting a claim against the
 8 bond as a result of not timely receiving the bond information.
 9 Dated: _____

10 _____
 11 _____
 12 (Company name)
 13 By: _____
 14 (Signature)
 15 _____
 16 (Title)

17 (Acknowledgement of receipt language from Arizona
 18 Revised Statutes section 33-992.02 shall be inserted here.)

19 E. If labor, professional services, materials, machinery, fixtures
 20 or tools are furnished to a jobsite by a person who elects not to give a
 21 preliminary ~~twenty-day~~ THIRTY-DAY notice as provided in subsection B of
 22 this section, that person is not precluded from giving a preliminary
 23 ~~twenty-day~~ THIRTY-DAY notice not later than ~~twenty~~ THIRTY days after
 24 furnishing other labor, professional services, materials, machinery,
 25 fixtures or tools to the same jobsite. The person, however, is entitled
 26 to claim a lien only for such labor, professional services, materials,
 27 machinery, fixtures or tools furnished within ~~twenty~~ THIRTY days ~~prior to~~
 28 ~~BEFORE~~ the service of the notice and at any time thereafter.

29 F. The notice or notices required by this section may be given by
 30 mailing the notice by first class mail sent with a certificate of mailing,
 31 registered or certified mail, postage prepaid in all cases, addressed to
 32 the person to whom notice is to be given at the person's residence or
 33 business address. Service is complete at the time of the deposit of
 34 notice in the mail.

35 G. A person required by this section to give notice to the owner,
 36 to an original contractor, to the construction lender, if any, and to the
 37 person with whom the claimant has contracted need give only one notice to
 38 the owner, to the original contractor, to the construction lender, if any,
 39 and to the person with whom the claimant has contracted with respect to
 40 all labor, professional services, materials, machinery, fixtures or tools
 41 furnished for the building, structure or improvement, ~~unless the actual~~
 42 ~~estimated total price for the labor, professional services, materials,~~
 43 ~~machinery, fixtures or tools furnished or to be furnished exceeds by~~
 44 ~~twenty per cent or more the total price in any prior original or~~
 45 ~~subsequent preliminary notice or unless the labor, professional services,~~

1 ~~materials, machinery, fixtures or tools are furnished under contracts with~~
2 ~~more than one subcontractor, in which case notice requirements shall be~~
3 ~~met for all additional labor, professional services, materials, machinery,~~
4 ~~fixtures or tools.~~

5 H. If a notice contains a general description required by
6 subsection C of this section of the labor, professional services,
7 materials, machinery, fixtures or tools furnished up to the date of
8 notice, it is not defective because after the date the person giving
9 notice furnishes labor, professional services, materials, machinery,
10 fixtures or tools that are not within the scope of the general
11 description, or exceed ~~by less than twenty percent~~ the estimated total
12 price thereof.

13 I. Within ten days after receipt of a written request from any
14 person or the person's agent intending to file a preliminary ~~twenty day~~
15 THIRTY-DAY notice, which request shall identify the person, the person's
16 address, the jobsite and the general nature of the person's labor,
17 professional services, materials, machinery or tools to which the
18 preliminary ~~twenty day~~ THIRTY-DAY notice shall apply, or within ten days
19 ~~of~~ AFTER the receipt of a preliminary ~~twenty day~~ THIRTY-DAY notice, the
20 owner or other interested party shall furnish the person a written
21 statement containing the following information:

22 1. The legal description, subdivision plat, street address or
23 location with respect to commonly known roads or other landmarks in the
24 area, or any other description of the jobsite sufficient for
25 identification.

26 2. The name and address of the owner or reputed owner.

27 3. The name and address of the original contractor or reputed
28 contractor.

29 4. The name and address of the construction lender, if any, or
30 reputed construction lender.

31 5. If any payment bond has been recorded pursuant to section
32 33-1003, a copy of the bond and the name and address of the surety company
33 and bonding agent, if any, providing the payment bond.

34 J. Failure of the owner or other interested party to furnish the
35 information required by this section does not excuse any claimant from
36 timely giving a preliminary ~~twenty day~~ THIRTY-DAY notice, but it does stop
37 the owner from raising as a defense any inaccuracy of the information in a
38 preliminary ~~twenty day~~ THIRTY-DAY notice, provided the claimant's
39 preliminary ~~twenty day~~ THIRTY-DAY notice of lien otherwise complies with
40 the provisions of this chapter. If the information is received by the
41 claimant after the claimant has given a preliminary ~~twenty day~~ THIRTY-DAY
42 notice and the information contained in the preliminary ~~twenty day~~
43 THIRTY-DAY notice is inaccurate, the claimant shall, within thirty days of
44 the receipt of this information, give an amended preliminary ~~twenty day~~
45 THIRTY-DAY notice in the manner provided in this section. An amended

1 preliminary ~~twenty day~~ THIRTY-DAY notice ~~shall be~~ IS considered as having
 2 been given at the same time as the original preliminary ~~twenty day~~
 3 THIRTY-DAY notice, except that the amended preliminary ~~twenty day~~
 4 THIRTY-DAY notice ~~shall be~~ IS effective only as to work performed,
 5 materials supplied or professional services rendered ~~twenty~~ THIRTY days
 6 prior to the date of the amended preliminary ~~twenty day~~ THIRTY-DAY notice
 7 or the date the original preliminary ~~twenty day~~ THIRTY-DAY notice was
 8 given to the owner, whichever occurs first. If a payment bond has been
 9 recorded in compliance with section 33-1003 and the owner or other
 10 interested party fails to furnish a copy of the bond and the other
 11 information as required by this section, the claimant shall retain lien
 12 rights to the extent precluded or prejudiced from asserting a claim
 13 against the bond as a direct result of not timely receiving a copy of the
 14 bond and the other information from the owner or other interested party.

15 Sec. 3. Section 33-992.02, Arizona Revised Statutes, is amended to
 16 read:

17 33-992.02. Proof of mailing of preliminary thirty-day notice;
 18 receipt; affidavit

19 Proof that the preliminary ~~twenty day~~ THIRTY-DAY notice required by
 20 section 33-992.01 was given in accordance with section 33-992.01,
 21 subsection F shall be made as follows:

22 1. If given by mail, by an acknowledgment of receipt of the notice
 23 in a form substantially as follows:

24 " _____
 25 Signature of sender
 26 Acknowledgment of receipt of preliminary ~~twenty day~~
 27 THIRTY-DAY notice
 28 This acknowledges receipt on (insert date) of a
 29 copy of the preliminary ~~twenty day~~ THIRTY-DAY notice
 30 at (insert address) .
 31 Date: _____
 32 (Date this acknowledgment is executed)

33 _____
 34 Signature of person acknowledging
 35 receipt, with title if acknowledgment
 36 is made on behalf of another person"

37 2. If a person to whom the notice is served pursuant to section
 38 33-992.01, subsection F fails to complete the acknowledgment or fails to
 39 complete and return the acknowledgment within thirty days ~~from~~ AFTER the
 40 date of mailing, proof of mailing may be made by affidavit of the person
 41 making the mailing, showing the time, place and manner of mailing and
 42 facts showing that such service was made in accordance with section
 43 33-992.01. The affidavit shall show the name and address of the person to
 44 whom a copy of the preliminary ~~twenty day~~ THIRTY-DAY notice was mailed,
 45 and, if appropriate, the title or capacity in which ~~he~~ THE PERSON was

1 given the notice. If mailing was made by first class mail sent with a
2 certificate of mailing, the certificate of mailing shall be attached to
3 the affidavit. If the mailing was by certified or registered mail, the
4 receipt of certification or registration shall be attached to the
5 affidavit.

6 Sec. 4. Section 33-993, Arizona Revised Statutes, is amended to
7 read:

8 33-993. Procedure to perfect lien; notice and claim of lien;
9 service; recording; definitions

10 A. In order to impress and secure the lien provided for in this
11 article, every person claiming the benefits of this article, within one
12 hundred twenty days after completion of a building, structure or
13 improvement, or any alteration or repair of such building, structure or
14 improvement, or if a notice of completion has been recorded, within sixty
15 days after recordation of such notice, shall make duplicate copies of a
16 notice and claim of lien and record one copy with the county recorder of
17 the county in which the property or some part of the property is located,
18 and within a reasonable time thereafter serve the remaining copy ~~upon~~ ON
19 the owner of the building, structure or improvement, if ~~he~~ THE OWNER can
20 be found within the county. The notice and claim of lien shall be made
21 under oath by the claimant or someone with knowledge of the facts and
22 shall contain:

23 1. The legal description of the lands and improvements to be
24 charged with a lien.

25 2. The name of the owner or reputed owner of the property
26 concerned, if known, and the name of the person by whom the lienor was
27 employed or to whom ~~he~~ THE LIENOR furnished materials.

28 3. A statement of the terms, time given and conditions of the
29 contract, if it is oral, or a copy of the contract, if it is written.

30 4. A statement of the lienor's demand, after deducting just credits
31 and offsets.

32 5. A statement of the date of completion of the building, structure
33 or improvement, or any alteration or repair of such building, structure or
34 improvement.

35 6. A statement of the date the preliminary ~~twenty-day~~ THIRTY-DAY
36 notice required by section 33-992.01 was given. A copy of such
37 preliminary ~~twenty-day~~ THIRTY-DAY notice and the proof of mailing required
38 by section 33-992.02 shall be attached.

39 B. For THE purposes of this section, if a work of improvement
40 consists of the construction for residential occupancy of more than one
41 separate building without regard to whether the buildings are constructed
42 pursuant to separate contracts or a single contract, each building is a
43 separate work and the time within which to perfect a lien by recording the
44 notice of lien pursuant to subsection A of this section commences to run
45 on the completion of each separate building. For THE purposes of this

1 subsection, "separate building" means one structure of a work of
2 improvement and any garages or other appurtenant buildings in a
3 multibuilding residential project or residential subdivision.

4 C. For the purposes ~~of subsection A~~ of this section, "completion"
5 means the ~~earliest~~ EARLIER of the following events:

6 1. Thirty days after final inspection and written final acceptance
7 by the governmental body ~~which~~ THAT issued the building permit for the
8 building, structure or improvement.

9 2. Cessation of labor for a period of sixty consecutive days,
10 except when such cessation of labor is due to a strike, shortage of
11 materials or act of God.

12 D. If ~~no~~ A building permit is NOT issued or if the governmental
13 body that issued the building permit for the building, structure or
14 improvement does not issue final inspections and written final
15 acceptances, then "completion" for the purposes of subsection A of this
16 section means the last date on which any labor, materials, fixtures or
17 tools were furnished to the property.

18 E. For the purposes of this section, "notice of completion" means a
19 written notice ~~which~~ THAT the owner or its agent may elect to record at
20 any time after completion of construction ~~as defined in subsection C of~~
21 ~~this section~~ for the purpose of shortening the lien period, as provided in
22 subsection A of this section. A notice of completion shall be signed and
23 verified by the owner or its agent and shall contain the following
24 information:

- 25 1. The name and address of the owner.
- 26 2. The nature of the interest or estate of the owner.
- 27 3. The legal description of the jobsite and the street address.
- 28 The validity of the notice is not affected by the fact that the street
- 29 address recited is erroneous or that such street address is omitted.
- 30 4. The name of the original contractor, if any.
- 31 5. The names and addresses of any predecessors in interest if the
- 32 property was transferred after the beginning of the work or improvement.
- 33 6. The nature of the improvements to the real property.

34 F. The notice of completion shall follow substantially the
35 following form:

36 Notice of Completion

37 Notice is hereby given that:

- 38 1. The undersigned is owner of the interest or estate
- 39 stated below in the property hereinafter described, or the
- 40 undersigned is the owner's agent.
- 41 2. The full name of the undersigned is _____.
- 42 3. The full address of the undersigned is _____
- 43 _____.
- 44 4. The nature of the interest or estate of the owner
- 45 is: in fee. _____ (If other than

1 fee, strike "In Fee" and insert, for example, "Purchaser Under
2 Contract of Purchase" or "Lessee".)

3 5. The full names and full addresses of all persons, if
4 any, who hold interest or estate with the undersigned such as
5 joint tenants or tenants in common are:

6 Name	7 Address
8 _____	_____
9 _____	_____

10 6. The full names and full addresses of the
11 predecessors in interest of the undersigned, if the property
12 was transferred after the beginning of the work or
13 improvement:

14 Name	15 Address
16 _____	_____
17 _____	_____

18 7. The nature of the improvements to the real property
19 _____.

20 8. The work of improvement on the property hereinafter
21 described was completed in accordance with the definition of
22 completion in Arizona Revised Statutes section 33-993,
23 subsection C. (Fill in the appropriate completion date as
24 defined in Arizona Revised Statutes section 33-993, subsection
25 C.)

26 (a) - Date _____
27 (thirty days after written final acceptance
28 by governmental body)

29 (b) - Date _____
30 (sixty days after cessation of labor)

31 9. The name of the original contractor, if any, for
32 such work or improvement is _____.
33 (if no contractor, insert "none")

34 10. The street address of the property is _____
35 _____
36 (include both address and city with zip code)

37 11. The legal description of property described above
38 _____
39 (attach exhibit if necessary)

40 Verification

41 I, the undersigned, certify that I am the owner, the owner's
42 agent for the property or another interested party in the
43 property, described in the above notice, or I certify that I
44 am the original contractor of the improvements to the real
45 property described in the above notice. I have read the

1 foregoing notice and know and understand the contents thereof,
2 and the facts stated therein are true and correct. I declare
3 under penalty of perjury that the foregoing is true and
4 correct.

5 Executed on _____ at _____, Arizona.
6 (date) (place where signed)

7
8 _____
9 (print name)

10 _____
11 (personal signature)

12 _____
13 (title)

(Acknowledgement)

14 Each notice of completion shall contain the following language in type at
15 least as large as the largest type that otherwise appears on the document:

16 In order to shorten the lien period pursuant to Arizona
17 Revised Statutes section 33-993, subsection A, a copy of the
18 notice of completion and a written statement of the date of
19 recording and the county recorder's record location
20 information shall be served by certified or registered mail,
21 postage prepaid, to the owner, the original contractor and all
22 persons from whom the person recording this notice has
23 previously received a preliminary ~~twenty-day~~ THIRTY-DAY notice
24 as prescribed by Arizona Revised Statutes section 33-993,
25 subsection I.

26 Notice: Receipt of a notice of completion may alter the time
27 you have to impress and secure a lien in accordance with
28 Arizona Revised Statutes section 33-993, subsection A.

29 G. If there is more than one owner, any notice of completion signed
30 by ~~less~~ FEWER than all such owners shall recite the name and address of
31 all such owners. If the notice of completion is signed by a successor in
32 interest, ~~it~~ THE NOTICE OF COMPLETION shall recite the names and addresses
33 of ~~his~~ THE SUCCESSOR'S transferor or transferors.

34 H. A notice of completion shall be recorded in the office of the
35 county recorder of the county in which the property or some part of the
36 property is located. The county recorder of the county in which the
37 notice of completion is recorded shall index the notice of completion
38 under the index classification in which mechanics' and materialmen's liens
39 are recorded.

40 I. If a notice of completion has been recorded, the person
41 recording the notice, within fifteen days of recording, shall mail by
42 certified or registered mail postage prepaid a copy of the notice of
43 completion and a written statement of the date of recording and the county
44 recorder's record location information to the original contractor and all
45 persons from whom the owner has previously received a preliminary ~~twenty~~

1 ~~day~~ THIRTY-DAY notice. In the event the owner or its agent fails to mail
2 a copy of the notice of completion and a written statement of the date of
3 recording and the county recorder's record location information within
4 fifteen days of recording to any person from whom the owner has received a
5 preliminary ~~twenty day~~ THIRTY-DAY notice, such person shall have one
6 hundred twenty days ~~from~~ AFTER completion ~~as defined in section 33-993~~ to
7 impress and secure the lien provided for in this article.

8 Sec. 5. Section 33-1056, Arizona Revised Statutes, is amended to
9 read:

10 33-1056. Effective notice

11 A. The stop notice shall be delivered to the owner personally or
12 left at the owner's residence with a person of suitable age and discretion
13 or the owner's place of business. If the notice is served on a
14 construction lender who holds construction monies and who maintains branch
15 offices, it is not effective against the construction lender unless it is
16 given to or served on the manager or other responsible officer or person
17 at the office or branch that administers or holds the construction monies.
18 Any stop notice may be served by certified mail with the same effect as by
19 personal service.

20 B. Service of a stop notice or bonded stop notice is effective only
21 if the claimant complies with ~~at~~ BOTH of the following:

22 1. Gives any preliminary ~~twenty day~~ THIRTY-DAY notice in accordance
23 with sections 33-992.01 and 33-992.02 only as required by those sections.

24 2. Serves the stop notice or bonded stop notice before the
25 expiration of the time within which to record a claim of lien under
26 section 33-993.

27 Sec. 6. Section 34-223, Arizona Revised Statutes, is amended to
28 read:

29 34-223. Payment bond provisions

30 A. Every claimant who has furnished labor or material in the
31 prosecution of the work provided for in a contract for which a payment
32 bond is furnished under section 34-222, and who has not been paid in full
33 for the labor or material for the work before the expiration of a period
34 of ninety days after the day on which the last of the labor was done or
35 performed by the claimant or material was furnished or supplied by the
36 claimant for which the claim is made, ~~shall have~~ HAS the right to sue on
37 the payment bond for the amount, or the balance of the amount, unpaid at
38 the time of institution of the suit and to prosecute the action to final
39 judgment for the sum or sums justly due the claimant, and have execution
40 thereon, provided however that any claimant who has a direct contractual
41 relationship with a subcontractor of the contractor furnishing the payment
42 bond but not a contractual relationship express or implied with the
43 contractor has a right of action on the payment bond on giving the
44 contractor the following notices:

1 1. A written preliminary ~~twenty-day~~ THIRTY-DAY notice, as provided
2 for in section 33-992.01, subsection C, paragraphs 1, 2, 3 and 4 and
3 subsections E, F and H.

4 2. A written ninety-day notice given within ninety days after the
5 date on which the claimant performed the last of the labor or furnished or
6 supplied the last of the material for which the claim is made, stating
7 with substantial accuracy the amount claimed and the name of the party to
8 whom the material was furnished or supplied or for whom the labor was done
9 or performed. The ninety-day notice shall be given by any means that
10 provides written, third-party verification of delivery to the contractor
11 at any place the contractor maintains an office or conducts business, or
12 at the contractor's residence.

13 B. Every suit instituted under this section shall be brought in the
14 name of the claimant but ~~no such~~ A suit ~~shall~~ MAY NOT be commenced after
15 the expiration of one year after the date on which the last of the labor
16 was performed or materials were supplied by the person bringing this suit.

17 C. On written application, the contracting body and the agent in
18 charge of its office shall furnish to any person that states the person
19 has supplied labor or materials for the work, and payment for the labor or
20 materials for the work has not been made, or is being sued on the bond, or
21 is the surety on the bond, a certified copy of the bond and the contract
22 for which the bond was given. The copy is prima facie evidence of the
23 contents, execution and delivery of the original. Applicants shall pay
24 for the certified copies and the reasonable fees that the contracting body
25 or the agent in charge of its office fixes to cover the actual cost of
26 preparation of the certified copies.

27 Sec. 7. Section 34-611, Arizona Revised Statutes, is amended to
28 read:

29 34-611. Payment bonds for construction-manager-at-risk,
30 design-build and job-order-contracting construction
31 services

32 A. Every claimant who has furnished labor or material in the
33 prosecution of the construction provided for in a contract for
34 construction-manager-at-risk construction services, design-build
35 construction services and job-order-contracting construction services in
36 respect of which a payment bond is furnished under section 34-610, and
37 who has not been paid in full before the expiration of ninety days after
38 the day on which the last of the labor was done or performed by the
39 claimant or material was furnished or supplied by the claimant for which
40 the claim is made, ~~shall have~~ HAS the right to sue on the payment bond for
41 the amount, or the balance, unpaid at the time of institution of the suit
42 and to prosecute the action to final judgment for the sums justly due the
43 claimant, and have execution thereon, provided, however, that any
44 claimant having a direct contractual relationship with a subcontractor of
45 the contractor furnishing the payment bond but ~~no~~ NOT A contractual

1 relationship express or implied with the contractor shall have a right of
2 action on the payment bond on giving the contractor only a written
3 preliminary ~~twenty-day~~ THIRTY-DAY notice, as provided for in section
4 33-992.01, subsection C, paragraphs 1, 2, 3 and 4 and subsections E and H,
5 and on giving written notice to the contractor within ninety days ~~from~~
6 AFTER the date on which the claimant performed the last of the labor or
7 furnished or supplied the last of the material for which the claim is
8 made, stating with substantial accuracy the amount claimed and the name of
9 the party to whom the material was furnished or supplied or for whom the
10 labor was done or performed. The notice shall be served by registered or
11 certified mail, postage prepaid, in an envelope addressed to the
12 contractor at any place the contractor maintains an office or conducts
13 business, or at the contractor's residence.

14 B. Every suit instituted under this section shall be brought in the
15 name of the claimant, but ~~no~~ A suit may NOT be commenced after the
16 expiration of one year ~~from~~ AFTER the date on which the last of the labor
17 was performed or materials were supplied by the person bringing this suit.

18 C. The contracting body and the agent in charge of its office shall
19 furnish to anyone making written application therefor and who states that
20 it has supplied labor or materials for work, and payment therefor has not
21 been made, or that it is being sued on any bond, or that it is the surety
22 on the bond, a certified copy of the bond and the contract for which it
23 was given, which copy is prima facie evidence of the contents, execution
24 and delivery of the original. Applicants shall pay ~~for these certified~~
25 ~~copies~~ such reasonable fees as the contracting body or the agent in charge
26 of its office fixes to cover the actual cost of preparation of the
27 CERTIFIED copies.