

REFERENCE TITLE: mechanics' and materialmen's liens; interest

State of Arizona  
Senate  
Fifty-fourth Legislature  
Second Regular Session  
2020

## **SB 1330**

Introduced by  
Senator Livingston

AN ACT

AMENDING SECTIONS 33-981, 33-983 AND 33-993, ARIZONA REVISED STATUTES;  
RELATING TO MECHANICS' AND MATERIALMEN'S 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 twenty-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 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 **AND INTEREST ON THAT AMOUNT AS OTHERWISE PROVIDED BY LAW**, whether the work  
15 was done or the articles were furnished at the instance of the owner of  
16 the building, structure or improvement, or ~~his~~ **THE OWNER'S** 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 liable for the reasonable value of labor or materials furnished to ~~his~~  
22 **THE OWNER'S** agent **AND INTEREST ON THAT AMOUNT AS OTHERWISE PROVIDED BY**  
23 **LAW**.

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

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

32 E. A person who furnishes professional services but who does not  
33 hold a valid certificate of registration issued pursuant to title 32,  
34 chapter 1 shall not have the lien rights provided for in this 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 33-983, Arizona Revised Statutes, is amended to  
41 read:

42 33-983. Lien for improvements to city lots or other land

43 A. A person who furnishes professional services or material or  
44 labors ~~upon~~ **ON** a lot in an incorporated city or town, or any parcel of  
45 land not exceeding one hundred sixty acres in the aggregate, or fills in

1 or otherwise improves the lot or such parcel of land, or a street, alley  
2 or proposed street or alley, within, in front of or adjoining the lot or  
3 parcel of land at the instance of the owner of the lot or parcel of land,  
4 shall have a lien on the lot or parcel of contiguous land not exceeding  
5 one hundred sixty acres in the aggregate, and the buildings, structures  
6 and improvements on the lot for professional services or material  
7 furnished and labor performed **AND INTEREST ON THAT AMOUNT AS OTHERWISE**  
8 **PROVIDED BY LAW.**

9 B. Every contractor, subcontractor, architect, builder, subdivider  
10 or other person having charge or control of the improvement or work on any  
11 such lot or parcel of land, either wholly or in part, is the agent of the  
12 owner for the purposes of this section, and the owner shall be liable for  
13 the reasonable value of professional services, labor or material furnished  
14 at the instance of such agent, ~~upon~~ **ON** a lot or parcel of land as  
15 prescribed in this section, or any street, alley or proposed street or  
16 alley, within, in front of or adjoining such lot or parcel of land.

17 Sec. 3. Section 33-993, Arizona Revised Statutes, is amended to  
18 read:

19 **33-993. Procedure to perfect lien; notice and claim of lien;**  
20 **service; recording; definitions**

21 A. In order to impress and secure the lien provided for in this  
22 article, every person claiming the benefits of this article, within one  
23 hundred twenty days after completion of a building, structure or  
24 improvement, or any alteration or repair of such building, structure or  
25 improvement, or if a notice of completion has been recorded, within sixty  
26 days after recordation of such notice, shall make duplicate copies of a  
27 notice and claim of lien and record one copy with the county recorder of  
28 the county in which the property or some part of the property is located,  
29 and within a reasonable time thereafter serve the remaining copy ~~to~~ **ON**  
30 the owner of the building, structure or improvement, if ~~he~~ **THE OWNER** can  
31 be found within the county. The notice and claim of lien shall be made  
32 under oath by the claimant or someone with knowledge of the facts and  
33 shall contain:

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

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

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

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

43 **5. A STATEMENT OF THE RATE OF INTEREST THAT IS APPLICABLE TO THE**  
44 **LIENOR'S DEMAND AND THE LEGAL BASIS FOR THAT RATE OF INTEREST.**





1 Executed on \_\_\_\_\_ at \_\_\_\_\_, Arizona.  
 2 (date) (place where signed)  
 3 \_\_\_\_\_  
 4 (print name)  
 5 \_\_\_\_\_  
 6 (personal signature)  
 7 \_\_\_\_\_  
 8 (title)  
 9 (Acknowledgement)

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

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

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

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

30 ~~H~~ F. A notice of completion shall be recorded in the office of  
 31 the county recorder of the county in which the property or some part of  
 32 the property is located. The county recorder of the county in which the  
 33 notice of completion is recorded shall index the notice of completion  
 34 under the index classification in which mechanics' and materialmen's liens  
 35 are recorded.

36 ~~I~~ G. If a notice of completion has been recorded, the person  
 37 recording the notice, within fifteen days of recording, shall mail by  
 38 certified or registered mail postage prepaid a copy of the notice of  
 39 completion and a written statement of the date of recording and the county  
 40 recorder's record location information to the original contractor and all  
 41 persons from whom the owner has previously received a preliminary ~~twenty~~  
 42 ~~day~~ TWENTY-DAY notice. In the event the owner or its agent fails to mail  
 43 a copy of the notice of completion and a written statement of the date of  
 44 recording and the county recorder's record location information within  
 45 fifteen days of recording to any person from whom the owner has received a

1 preliminary ~~twenty day~~ TWENTY-DAY notice, such person shall have one  
2 hundred twenty days ~~from~~ AFTER completion ~~as defined in section 33-993~~ to  
3 impress and secure the lien provided for in this article.

4 ~~C.~~ H. For the purposes of ~~subsection A of~~ this section: ~~—~~

5 1. "Completion" means the ~~earliest~~ EARLIER of the following events:

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

9 ~~2.~~ (b) 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 ~~E. 2. For the purposes of this section,~~ "Notice of completion"  
13 means a written notice ~~which~~ THAT the owner or its agent may elect to  
14 record at any time after completion of construction ~~as defined in~~  
15 ~~subsection C of this section~~ for the purpose of shortening the lien  
16 period, as provided in subsection A of this section. A notice of  
17 completion shall be signed and verified by the owner or its agent and  
18 shall contain the following information:

19 ~~1.~~ (a) The name and address of the owner.

20 ~~2.~~ (b) The nature of the interest or estate of the owner.

21 ~~3.~~ (c) The legal description of the jobsite and the street  
22 address. The validity of the notice is not affected by the fact that the  
23 street address recited is erroneous or that such street address is  
24 omitted.

25 ~~4.~~ (d) The name of the original contractor, if any.

26 ~~5.~~ (e) The names and addresses of any predecessors in interest if  
27 the property was transferred after the beginning of the work or  
28 improvement.

29 ~~6.~~ (f) The nature of the improvements to the real property.