1	State of Arkansas	A Bill	
2	87th General Assembly	A DIII	HOUGE DILL 1504
3	Regular Session, 2009		HOUSE BILL 1594
4		***	
5	By: Representatives Maloch,	Harrelson	
6	By: Senator Luker		
7			
8 9		For An Act To Be Entitled	
10	ለክ ለርጥ ባ	TO AMEND ARKANSAS CODE § 18-44-10	ገ1 ፑጥ ሮፑለ
11		ING THE PERFECTION, FILING, AND	or er bed.
12		MENT OF MECHANIC'S AND MATERIALME	FN'S
13		AND FOR OTHER PURPOSES.	
14	Ellio, 1	IND TOK OTHER TOKEODED.	
15		Subtitle	
16	TO AN	MEND ARKANSAS CODE § 18-44-101 ET	Γ
17	SEQ.	CONCERNING THE PERFECTION, FILIN	NG,
18	AND E	ENFORCEMENT OF MECHANIC'S AND	
19	MATER	RIALMEN'S LIENS.	
20			
21			
22	BE IT ENACTED BY THE G	ENERAL ASSEMBLY OF THE STATE OF	ARKANSAS:
23			
24	SECTION 1. Arka	nsas Code §§ 18-44-104 — 18-44-1	.06 are amended to read
25	as follows:		
26	18-44-104. Liens	for drain pipe or tile.	
27	(a) <del>(l)</del> Every <del>ma</del>	<del>nufacturer or</del> contractor <u>, subcon</u>	tractor, or material
28	supplier who shall fur	nish to any landowner any soil o	or drain pipe or tile
29	for drainage of his or	her land, or who shall put in s	soil or drain <u>pipe or</u>
30	•	ll have a lien for each tract of	
31	less of the real estat	e upon which the <u>soil or drain p</u>	oipe or tile is placed
32	for the payment of the	lien.	
33	<del>(2) The 1</del>	ien shall extend for a period of	two (2) years.
34		for the <u>soil or drain pipe or</u> t	
35		provements thereon in preference	-
36	liens, encumbrance, or	mortgage executed upon the land	l after the purchase of

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1	the soil or drain pipe or tile.
2	(2) The lien shall be <del>enforced in the same manner as a</del>
3	mechanic's or contractor's liens:
4	(A) Subject to the notice requirements of §§ 18-44-114 and
5	<u>18-44-115;</u>
6	(B) Filed under § 18-44-117; and
7	(C) Enforced under this subchapter.
8	
9	18-44-105. Engineer's or surveyor's liens Lien of architect, engineer,
10	surveyor, appraiser, landscaper, abstractor, or title insurance agent.
11	(a) Every engineer or surveyor architect, engineer, surveyor,
12	appraiser, landscaper, abstractor, or title insurance agent who shall do or
13	perform any engineering or surveying work architectural, engineering,
14	surveying, appraisal, landscaping, or abstracting services upon any land, or
15	who shall issue a title insurance policy or provide landscaping supplies upon
16	any land, building, erection, or improvement upon land, under or by virtue of
17	any <del>contract or</del> <u>written</u> agreement <u>for the performance of the work</u> with the
18	owner thereof, or his or her agent, shall have a lien upon the land,
19	building, erection, or improvement upon land to the extent of the agreed
20	contract price or a reasonable price for those services.
21	(b)(1) However, the lien does not attach to the land, building,
22	erection, or improvement upon land unless and until the lien is duly filed of
23	record with the circuit clerk and recorder in the county in which the land,
24	building, erection, or improvement is located.
25	(2) This recorded lien will be enforced in the same manner as a
26	mechanic's or contractor's lien The lien shall be:
27	(A) Subject to the notice requirements of §§ 18-44-114 and
28	<u>18-44-115;</u>
29	(B) Filed under § 18-44-117; and
30	(C) Enforced under this subchapter.
31	
32	18-44-106. Persons to be concluded by "owner or proprietor thereof"
33	"Owner" defined.
34	Every As used in this subchapter, the "owner" of property shall include
35	the owner of the legal title to property and any person, including all cestui
36	que trust, for whose immediate use, enjoyment, or benefit a building,

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     erection, or other improvement is made, shall be concluded by the words
 2
     "owner or proprietor thereof", under this subchapter.
 3
 4
           SECTION 2. Arkansas Code § 18-44-108 is amended to read as follows:
 5
           18-44-108. Refusal to list parties doing work or furnishing materials.
 6
           (a) The owner or proprietor, material supplier, subcontractor, or
7
     anyone interested as mortgagee or trustee in the real estate upon which
8
     improvements are made under this subchapter may apply at any time to the
9
     contractor or subcontractor for the following:
                 (1) A list of all parties doing work or furnishing material for
10
11
     a building and the amount due to each of the parties; and
12
                 (2) Certification that the owner or agent has received the
13
     preliminary notice specified under \frac{18-44-115}{1} \ 18-44-115(a), if applicable.
           (b) Any contractor or subcontractor who, upon request, refuses or
14
15
     fails within five (5) business days to give a correct list of the parties
16
     furnishing material or doing labor on the building and the amount due to each
17
     or who falsely certifies that an owner or agent has received the preliminary
     notice specified under § 18-44-115 shall be:
18
19
                 (1) guilty Guilty of a violation and upon conviction shall be
20
     punished by a fine not exceeding two thousand five hundred dollars ($2,500);
21
     and
22
                 (2)(A) Subject to suit by an aggrieved party in the circuit
23
     court where the property is located to enforce subsection (a) of this section
     including, without limitation, by the contempt powers of the circuit court.
24
                       (B) The prevailing party in an action under subdivision
25
26
     (b)(2) of this section shall receive a judgment for any damages proximately
27
     caused by the violation of subsection (a) of this section, the costs of the
28
     action, and a reasonable attorney's fee.
29
30
           SECTION 3. Arkansas Code \S 18-44-113 - 18-44-118 are amended to read
31
     as follows:
32
           18-44-113. Assignment of liens.
33
           (a) The lien given in this subchapter shall be transferable and
34
     assignable, but it shall not be enforced against the owner or proprietor of
35
     the ground or buildings unless the owner or proprietor of the ground or
36
     buildings shall have actual notice of the assignment so as to protect himself
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1	or herself or notice under subsection (b) of this section.
2	(b) The owner of the ground or buildings shall be considered to have
3	actual notice if within thirty (30) days of the assignment a copy of the
4	assignment is:
5	(1) Hand-delivered to the owner of the ground or buildings;
6	(2) Mailed to the last known address of the owner of the ground
7	or buildings and verified by a:
8	(A) Return receipt signed by the addressee or the agent of
9	the addressee; or
10	(B) Returned envelope, postal document, or affidavit by a
11	postal employee reciting or showing refusal of the notice by the addressee or
12	that the item was unclaimed; or
13	(3) Delivered by any means that provides written, third-party
14	verification of delivery at any place that the owner of the ground or
15	buildings maintains an office, conducts business, or resides.
16	
17	18-44-114. Notice and service generally.
18	(a) Every person who may wish to avail himself or herself of the
19	benefit of the provisions of this subchapter shall give ten (10) days' notice
20	before the filing of the lien, as required in $18-44-117(a)$ , to the owner,
21	owners, or agent, or either of them, of a building or improvement that he or
22	she holds a claim against the building or improvement, setting forth the
23	amount and from whom it is due.
24	(b)(1) The notice may be served by any:
25	(A) Officer authorized by law to serve process in a civil
26	action;
27	(B) Person who would be a competent witness; or
28	(C) Form of mail addressed to the person to be served,
29	with a return receipt requested and delivery restricted to the addressee or
30	the agent of the addressee; or
31	(D) Means that provides written, third-party verification
32	of delivery at any place where the owner of the building or improvement
33	maintains an office, conducts business, or resides.
34	(2)(A)(i) When served by an officer, his or her official return
35	endorsed on the notice shall be proof of the service.
36	(ii) When served by any other person, the fact of

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1
     the service shall be verified by affidavit of the person so serving the
 2
     notice.
 3
                       (B)(i) When served by mail, the service shall be:
 4
                                   (a) Complete when mailed; and
 5
                                   (b) verified Verified by a return receipt
 6
     signed by the addressee or the agent of the addressee, or a returned
 7
     envelope, postal document, or affidavit by a postal employee reciting or
8
     showing refusal of the notice by the addressee or that the item was
9
     unclaimed.
10
                             (ii) If delivery of the mailed notice is refused by
11
     the addressee, or the item is unclaimed:
12
                                   (a) then the person holding the claim The lien
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     claimant shall immediately mail to send the owner, owners, or agent of the
14
     building or improvement a copy of the notice by first class mail and may
15
     proceed to file his or her lien; and
16
                                   (b) The unopened original of the item marked
     unclaimed or refused by the United States Postal Service shall be accepted as
17
     proof of service as of the postmarked date of the item.
18
19
20
           18-44-115. Notice to owner by contractor.
21
           (a)(1) No lien upon residential real estate containing four (4) or
22
     fewer units may be acquired by virtue of this subchapter unless the owner or
23
     his or her authorized agent owner of the residential real estate, the owner's
24
     authorized agent, or the owner's registered agent has received, by personal
25
     delivery or by certified mail, a copy of the notice set out in this
26
     subsection (c) of this section.
27
                 (2) The notice required by this section subsection shall not
28
     require the signature of the owner or his or her authorized agent owner of
     the residential real estate, the owner's authorized agent, or the owner's
29
30
     registered agent in an instance when the notice is delivered by certified
31
     mail.
32
                 \frac{(b)(1)(A)(3)}{(b)(1)} It shall be the duty of the <u>residential</u> contractor
33
     to give the owner or his or her authorized agent owner, the owner's
34
     authorized agent, or the owner's registered agent the notice set out in this
35
     subsection (e) of this section on behalf of all potential lien claimants
36
     under his or her contract prior to the supplying of any materials or fixtures
```

1	before the commencement of work.
2	(4) If a residential contractor fails to give the notice
3	required under this subsection, then the residential contractor is barred
4	from bringing an action either at law or in equity, including without
5	limitation quantum meruit, to enforce any provision of a residential
6	contract.
7	$\frac{(B)}{(5)(A)}$ Any potential lien claimant may also give notice.
8	(B)(i) If before commencing work or supplying goods a
9	subcontractor, material supplier, laborer, or other lien claimant gives
10	notice under this section, the notice shall be effective for all
11	subcontractors, material supplies, laborers, and other lien claimants
12	notwithstanding that the notice was given after the project commences as
13	defined under § 18-44-110(a)(2).
14	(ii) If the notice relied upon by a lien claimant to
15	establish a lien under this subchapter is given by another lien claimant
16	under subdivision (a)(5)(B)(i) of this section after the project commences,
17	the lien of the lien claimant shall secure only the labor, material, and
18	services supplied after the effective date of the notice under subdivision
19	(a)(5)(B)(i) of this section.
20	$\frac{(2)}{(C)}$ However, no lien may be claimed by any
21	<u>subcontractor</u> , <u>laborer</u> , <u>material</u> supplier <del>of materials or fixtures</del> , <u>or other</u>
22	<u>lien claimant</u> unless the owner <del>or agent</del> <u>of the residential real estate</u> , the
23	owner's authorized agent, or the owner's registered agent has received at
24	least one (1) copy of the notice, which need not have been given by the
25	particular lien claimant.
26	(6) A residential contractor who fails to give the notice
27	required by this subsection is guilty of a violation pursuant to § 5-1-108
28	and upon pleading guilty or nolo contendere to or being found guilty of
29	failing to give the notice required by this subsection shall be punished by a
30	fine not exceeding one thousand dollars (\$1,000).
31	$\frac{(e)}{(7)}$ The notice set forth in this subsection may be
32	incorporated into the contract or affixed to the contract and shall be
33	conspicuous, set out in boldface type, worded exactly as stated in all
34	capital letters, and shall read as follows:
35	"IMPORTANT NOTICE TO OWNER

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1	I UNDERSTAND THAT EACH PERSON CONTRACTOR, SUBCONTRACTOR, LABORER, SUPPLIER,
2	ARCHITECT, ENGINEER, SURVEYOR, APPRAISER, LANDSCAPER, ABSTRACTOR, OR TITLE
3	INSURANCE AGENT SUPPLYING LABOR, SERVICES, MATERIAL, OR FIXTURES IS ENTITLED
4	TO A LIEN AGAINST THE PROPERTY IF NOT PAID IN FULL FOR THE LABOR, SERVICES,
5	MATERIALS, OR FIXTURES USED TO IMPROVE, CONSTRUCT, OR INSURE OR EXAMINE TITLE
6	TO THE PROPERTY EVEN THOUGH THE FULL CONTRACT PRICE MAY HAVE BEEN PAID TO THE
7	CONTRACTOR. I REALIZE THAT THIS LIEN CAN BE ENFORCED BY THE SALE OF THE
8	PROPERTY IF NECESSARY. I AM ALSO AWARE THAT PAYMENT MAY BE WITHHELD TO THE
9	CONTRACTOR IN THE AMOUNT OF THE COST OF ANY SERVICES, FIXTURES, MATERIALS, OF
10	LABOR NOT PAID FOR. I KNOW THAT IT IS ADVISABLE TO, AND I MAY, REQUIRE THE
11	CONTRACTOR TO FURNISH TO ME A TRUE AND CORRECT FULL LIST OF ALL SUPPLIERS AND
12	SERVICE PROVIDERS UNDER THE CONTRACT, AND I MAY CHECK WITH THEM TO DETERMINE
13	IF ALL MATERIALS, LABOR, FIXTURES, AND SERVICES FURNISHED FOR THE PROPERTY
14	HAVE BEEN PAID FOR. I MAY ALSO REQUIRE THE CONTRACTOR TO PRESENT LIEN WAIVERS
15	BY ALL SUPPLIERS AND SERVICE PROVIDERS, STATING THAT THEY HAVE BEEN PAID IN
16	FULL FOR SUPPLIES AND SERVICES PROVIDED UNDER THE CONTRACT, BEFORE I PAY THE
17	CONTRACTOR IN FULL. IF A SUPPLIER OR OTHER SERVICE PROVIDER HAS NOT BEEN
18	PAID, I MAY PAY THE SUPPLIER OR OTHER SERVICE PROVIDER AND CONTRACTOR WITH A
19	CHECK MADE PAYABLE TO THEM JOINTLY.
20	
21	SIGNED:
22	<del></del>
23	ADDRESS OF PROPERTY
24	DATE:
25	
26	I HEREBY CERTIFY THAT THE SIGNATURE ABOVE IS THAT OF THE OWNER, REGISTERED
27	AGENT OF THE OWNER, OR AUTHORIZED AGENT OF THE OWNER OF THE PROPERTY AT THE
28	ADDRESS SET OUT ABOVE.
29	<del></del>
30	CONTRACTOR"
31	
32	$\frac{(d)(1)(8)(A)}{(d)(a)}$ If the <u>residential</u> contractor supplies a
33	performance and payment bond or if the transaction is a direct sale to the
34	property owner, the notice requirement of subsection (a) of this section
35	subsection shall not apply, and the lien rights arising under this subchapter
36	shall not be conditioned on the delivery and execution of the notice.

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1
                       (2)(B) A sale shall be a direct sale only if the owner
 2
     orders the materials or services from the lien claimant or authorizes another
 3
     person to do so.
 4
           (e)(1)(A)(b)(1)(A) The General Assembly finds that owners and
 5
     developers of commercial real estate are generally knowledgeable and
 6
     sophisticated in construction law, are aware that unpaid laborers,
 7
     subcontractors, and material suppliers of labor and materials are entitled to
8
     assert liens against the real estate if unpaid, and know how to protect
 9
     themselves against the imposition of mechanics' and material suppliers'
10
     liens.
11
                            The General Assembly further finds that consumers who
                       (B)
12
     construct or improve residential real estate containing four (4) or fewer
     units generally do not possess the same level of knowledge and awareness and
13
14
     need to be informed of their rights and responsibilities.
15
                 (2) As used in subsection (b) of this section:
16
                       (A) "Commercial real estate" means:
17
                             (i) Nonresidential real estate; and
                             (ii) Residential real estate containing five (5) or
18
19
     more units; and
20
                       (B) "Service provider" means an architect, an engineer, a
     surveyor, an appraiser, a landscaper, an abstractor, or a title insurance
21
22
     agent.
23
                 (C)(3) Because supplying the notice specified in subsection (e)
24
     (a) of this section imposes a substantial burden on laborers, subcontractors,
25
     service providers, and material suppliers, the notice requirement mandated
26
     under subsection (b) (a) of this section as a condition precedent to the
27
     imposition of a material supplier's lien by a laborer, subcontractor, service
28
     provider, or material supplier shall apply only to construction of or
29
     improvement to residential real estate containing four (4) or fewer units.
30
                 (2)(A)(4) No subcontractor, service provider, material supplier,
     or laborer shall be entitled to a lien upon commercial real estate unless the
31
32
     subcontractor, service provider, material supplier, or laborer notifies the
33
     owner of the commercial real estate being constructed or improved, the
34
     owner's authorized agent, or the owner's registered agent in writing, that
35
     the subcontractor, service provider, material supplier, or laborer is
36
     currently entitled to payment but has not been paid.
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1	$\frac{(B)(i)(5)(A)}{(5)(A)}$ The notice shall be sent to the owner, the owner's
2	authorized agent, or the owner's registered agent and to the contractor
3	before seventy-five (75) days have elapsed from the time that the labor was
4	supplied or the materials furnished.
5	(ii)(B) The notice may be served by any:
6	(a)(i) Officer authorized by law to serve process in
7	civil actions; <del>or</del>
8	(b)(ii) Form of mail addressed to the person to be
9	served with a return receipt requested and delivery restricted to the
10	addressee or the agent of the addressee; or
11	(iii) Means that provides written, third-party
12	verification of delivery at any place where the owner, the owner's registered
13	agent, or the owner's authorized agent maintains an office, conducts
14	business, or resides.
15	(C) When served by mail, the notice shall be complete when
16	mailed.
17	(D) If delivery of the mailed notice is refused by the
18	addressee or the item is unclaimed:
19	(i) The lien claimant shall immediately send the
20	owner, the owner's authorized agent, or the owner's registered agent a copy
21	of the notice by first class mail; and
22	(ii) The unopened original of the item marked
23	unclaimed or refused by the United States Postal Service shall be accepted as
24	proof of service as of the postmarked date of the item.
25	(G) The notice shall contain the following information:
26	$\frac{(i)(A)}{(A)}$ A general description of the labor, service, or
27	materials furnished, and the amount due and unpaid;
28	$\frac{\text{(ii)}(B)}{\text{(B)}}$ The name and address of the person furnishing the
29	labor, service, or materials;
30	(iii)(C) The name of the person who contracted for
31	purchase of the labor, service, or materials;
32	(iv)(D) A description of the job site sufficient for
33	identification; and
34	$\frac{(v)(E)}{(E)}$ The following statement set out in boldface type
35	and all capital letters:
36	"NOTICE TO PROPERTY OWNER

1 2 IF BILLS FOR LABOR, SERVICES, OR MATERIALS USED TO CONSTRUCT OR PROVIDE SERVICES FOR AN IMPROVEMENT TO REAL ESTATE ARE NOT PAID IN FULL, A 3 4 CONSTRUCTION LIEN MAY BE PLACED AGAINST THE PROPERTY. THIS COULD RESULT IN THE LOSS, THROUGH FORECLOSURE PROCEEDINGS, OF ALL OR PART OF YOUR REAL ESTATE 5 BEING IMPROVED. THIS MAY OCCUR EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN 6 7 FULL. YOU MAY WISH TO PROTECT YOURSELF AGAINST THIS CONSEQUENCE BY PAYING THE 8 ABOVE NAMED PROVIDER OF LABOR, SERVICES, OR MATERIALS DIRECTLY, OR MAKING YOUR CHECK PAYABLE TO THE ABOVE NAMED PROVIDER AND CONTRACTOR JOINTLY." 9 10 11 (3) Any contractor who fails to give the notice required by this 12 subsection shall be guilty of a violation and upon conviction shall be punished by a fine not exceeding one thousand dollars (\$1,000). 13 14 15 18-44-116. Service on nonresident or absconder. 16 (a)(1) Whenever property is sought to be charged with a lien under 17 this subchapter, the notice may be filed with the recorder of deeds of the 18 county in which the property is situated if the owner of the property so 19 sought to be charged: 20 (A) Is not a resident of this state; 21 (B) Does not have an agent in the county in which the 22 property is situated; 23 (C) Is a resident of this state but not of the county in 24 which the property is situated; or 25 (D) Conceals himself or herself, has absconded, or absents 26 himself or herself from his or her usual place of abode, so that the notice 27 required by § 18-44-114 or § 18-44-115 cannot be served upon him or her. 28 (2) When filed, the notice shall have like effect as if served 29 upon the owner or his or her agent in the manner contemplated in § 18-44-114 30 or § 18-44-115. (b) A copy of the notice so filed, together with the certificate of 31 32 the recorder of deeds that it is a correct copy of the notice so filed, shall 33 be received in all courts of this state as evidence of the service, as 34 provided in this section, of the notice. 35 (c)(1) The recorder of deeds in each county of this state shall

receive, file, and keep every such notice presented to him or her for filing

1 and shall further record it at length in a separate book appropriately 2 entitled. 3 (2) For service so performed, the recorder of deeds shall 4 receive for each notice, the sum of twenty-five cents (25¢), and for each copy certified, as stated in this section, of each of the notices he or she 5 6 shall receive the sum of fifty cents (50¢), to be paid by the party so filing 7 or procuring the certified copy, as the case may be. 8 (d) The costs of filing and of one (1) certified copy shall be taxed 9 as costs in any lien suit to which it pertains to abide the result of the 10 suit. 11 12 18-44-117. Filing of lien-account - Abstract. (a)(1) It shall be the duty of every person who wishes to avail 13 14 himself or herself of the provisions of this subchapter to file with the 15 clerk of the circuit court of the county in which the building, erection, or 16 other improvement to be charged with the lien is situated and within one 17 hundred twenty (120) days after the things specified in this subchapter shall have been furnished or the work or labor done or performed: 18 19 (A) A just and true account of the demand due or owing to him or her after allowing all credits; and 20 21 (B) An affidavit of notice attached to the lien account. 22 (2) The lien account shall contain a correct description of the 23 property to be charged with the lien, verified by affidavit. 24 The affidavit of notice shall contain: (3) 25 (A) A sworn statement evidencing compliance with the 26 applicable notice provisions of  $\S\S$  18-44-114 - 18-44-116; and 27 (B) A copy of each applicable notice given under §§ 18-44-28 114 - 18 - 44 - 116. (b)(1)(A) It shall be the duty of the clerk of the circuit court to 29 30 endorse upon every account the date of its filing and to make an abstract of the account in a book kept by him or her for that purpose, properly indexed. 31 32 (B) This abstract shall contain: 33 (i) The date of the filing; 34 The name of the person laying or imposing the 35 lien:

(iii) The amount of the lien;

2 the lien is filed; and 3 (v) A description of the property to be charged with 4 the lien. 5 (2) For this service, the clerk shall receive the sum of three 6 dollars (\$3.00) from the person laying or imposing the lien, which shall be 7 taxed and collected as other costs in case there is suit on the lien. 8 (3) The clerk shall refuse to file a lien account that does not 9 contain the affidavits and attachments required by this section. 10 11 18-44-118. Filing of bond in contest of lien. 12 (a)(1) In the event any person claiming a lien for labor or materials upon any property shall file such a lien within the time and in the manner 13 14 required by law with the circuit clerk or other officer provided by law for 15 the filing of such a lien, and if the owner of the property, any mortgagee or 16 other person having an interest in the property, or any contractor, 17 subcontractor, or other person liable for the payment of such a lien shall 18 desire to contest the lien, then the person so desiring to contest the lien 19 may file: (A) with With the circuit clerk or other officer with whom 20 21 the lien is filed as required by law a bond with surety, to be approved by 22 the officer in double the amount of the lien claimed; or 23 (B) An action under subsection (f) of this section to 24 protest the filing of the lien. (2) The bond shall be conditioned for the payment of the amount 25 26 of the lien, or so much of the lien as may be established by suit, together 27 with interest and the costs of the action, if upon trial it shall be found 28 that the property was subject to the lien. 29 (b)(1)(A) Upon the filing of the bond, if the circuit clerk or other 30 officer before whom it is filed approves the surety, he or she shall give to the person claiming the lien, at his or her last known address, three (3) 31 32 days' notice of the filing of the bond. 33 (B) The notice shall be in writing and served by any: 34 (i) Officer authorized by law to serve process in a 35 civil action; or 36 (ii) Form of mail addressed to the person to be

(iv) The name of the person against whose property

- l served with a return receipt requested and delivery restricted to the
- 2 addressee or the agent of the addressee.
- 3 (2)(A) Within the three (3) days' notice, the person claiming
- 4 the lien may appear and question the sufficiency of the surety or form of the
- 5 bond.
- 6 (B) At the expiration of three (3) days, if the person
- 7 claiming the lien shall not have questioned the sufficiency of the bond or
- 8 surety or if the circuit clerk finds the bond to be sufficient, the circuit
- 9 clerk shall note the filing of the bond upon the margin of the lien record
- 10 and the lien shall then be discharged and the claimant shall have recourse
- 11 only against the principal and surety upon the bond.
- 12 (c)(1) If no action to enforce the lien shall be filed within the time
- 13 prescribed by law for the enforcement of a lien against the surety, the bond
- 14 shall be null and void.
- 15 (2) However, if any action shall be timely commenced, the surety
- 16 shall be liable in like manner as the principal.
- 17 (d) If the circuit clerk shall determine that the bond tendered is
- 18 insufficient, the person tendering the bond shall have twenty-four (24) hours
- 19 within which to tender a sufficient bond, and unless a sufficient bond shall
- 20 be so tendered, the lien shall remain in full force and effect.
- 21 (e)(1) Any party aggrieved by the acceptance or rejection of the bond
- 22 may apply to any court of competent jurisdiction by an action which is
- 23 appropriate.
- 24 (2) Upon notice as required by law, the court shall have
- 25 jurisdiction to enter an interlocutory order as may be necessary for the
- 26 protection of the parties by:
  - (A) Requiring additional security for the bond;
- 28 (B) Reinstating the lien in default of the bond, pending
- 29 trial and hearing; or
- 30 (C) Requiring acceptance of the bond as may be necessary
- 31 for the protection of the parties.
- 32 (f)(1) A protest under subdivision (a)(1)(B) of this section shall be
- 33 filed as a civil action in the circuit court of the county where the lien is
- 34 filed.

- 35 (2) The issues in the action shall be limited to whether:
- 36 (A) The lien was filed in the form required by § 18-44-

1	117; and
2	(B) All of the applicable requirements of §§ 18-44-114 and
3	18-44-115 were satisfied.
4	(3)(A) The summons shall be in customary form directed to the
5	sheriff of the county in which the action is filed, with directions for
6	service of the summons on the named defendants. In addition, the clerk of
7	the circuit court shall issue and direct the sheriff to serve upon the named
8	defendants a notice in the following form:
9	
10	"NOTICE OF INTENTION TO DISCHARGE LIEN
11	
12	You are hereby notified that the attached complaint in the above-styled cause
13	claims that you have not satisfied the requirements for claiming a lien upon
14	the property described in the complaint and seeks to have the lien discharged
15	by the court. If, within five (5) days, excluding Sundays and legal
16	holidays, from the date of service of this notice, you have not filed in the
17	office of the clerk of this court a written objection to the claims made
18	against you by the plaintiff, then an order discharging the lien shall be
19	issued immediately by the court. If you should file a written objection to
20	the allegations of the complaint of the plaintiff within five (5) days,
21	excluding Sundays and legal holidays, from the date of service of this
22	notice, a hearing will be scheduled by the court to determine whether or not
23	the lien should be discharged."
24	
25	(B) If within five (5) days, excluding Sundays and legal
26	holidays, following service of the summons, complaint, and notice the
27	defendant or defendants have not filed a written objection to the claim of
28	the plaintiff, the court shall immediately issue an order discharging the
29	lien upon the property described in the complaint.
30	(C) If a written objection to the claim of the plaintiff
31	is filed by the defendant or defendants within five (5) days from the date of
32	service of the notice, summons, and complaint, the plaintiff shall obtain a
33	date for the hearing of the plaintiff's complaint and shall give notice of
34	the date, time, and place of the hearing to all defendants.
35	(4)(A) The action shall be heard as expeditiously as the
36	business of the circuit court permits.

1	(B) Evidence may be presented by affidavit, subject to
2	Rule 56(e),(f), and (g) of the Arkansas Rules of Civil Procedure.
3	(5) If the circuit court finds that the lien was not in the form
4	required by § 18-44-117 or that the applicable requirements of §§ 18-44-114
5	and 18-44-115 were not satisfied, then the circuit court shall enter an order
6	discharging the lien.
7	(6) The prevailing party shall be entitled to a reasonable
8	attorney's fee and the costs of the protest.
9	(f)(g) Nothing in this section shall be construed to limit the right
10	of an owner, mortgagee, or any other person with an interest in the property
11	to contest the lien by declaratory judgment proceedings under § 16-111-101 et
12	seq.
13	
14	SECTION 4. Arkansas Code § 18-44-122 is amended to read as follows:
15	18-44-122. Contents of petition complaint.
16	The petition complaint, among other things, shall allege the facts
17	necessary for securing a lien under this subchapter and shall contain a
18	description of the property to be charged with the lien.
19	
20	SECTION 5. Arkansas Code § 18-44-128 is amended to read as follows:
21	18-44-128. Attorney's fee.
22	(a) When any contractor, subcontractor, laborer, or material supplier
23	who has filed a lien, as provided for in this chapter, gives notice thereof
24	to the <del>debtor or</del> owner of property <del>which has been subjected to the lien in</del>
25	writing sent by registered or certified mail, by any method permitted under §
26	18-44-115(f)(3) and the claim has not been paid within twenty (20) days from
27	the date of the mailing service of the notice, and if the contractor,
28	subcontractor, <u>laborer</u> , or material supplier is required to sue for the
29	enforcement of his or her claim, the court shall allow the successful party
30	in the action contractor, subcontractor, laborer, or material supplier a
31	reasonable attorney's fee in addition to other relief to which he or she may
32	be entitled.
33	(b) If the owner is the prevailing party in the action, the court
34	shall allow the owner a reasonable attorney's fee in addition to any other
35	relief to which the owner may be entitled.

15

1	SECTION 6. Arkansas Code $\S\S$ 18-44-133 and 18-44-134 are repealed.
2	18-44-133. Lien of architect, engineer, surveyor, appraiser,
3	abstractor, or title insurance agent.
4	(a)(1) Every architect, engineer, surveyor, appraiser, abstractor, or
5	title insurance agent who shall do or perform any architectural, engineering,
6	surveying, appraisal, or abstracting work on, or who shall issue any title
7	insurance policy on any land, building, erection, or improvement upon land,
8	under or by virtue of any written agreement for performance of the work with
9	the owner or his or her agent thereof shall have a lien upon the land,
10	building, erection, or improvement to the extent of the agreed contract price
11	or a reasonable price for those services.
12	(2) However, the lien does not attach to the land, building,
13	erection, or improvement unless and until the lien is duly filed of record
14	with the circuit clerk and recorder in the county in which the land,
15	building, erection, or improvement is located.
16	(b) This recorded lien will be enforced in the same manner as a
17	mechanic's or contractor's lien.
18	
19	18-44-134. Landscaping services and supplies.
20	(a)(1) Every person who shall do or perform landscaping services or
21	provide landscaping supplies on any land, building, erection, or improvement
22	upon land, under or by virtue of any written agreement for performance with
23	the owner or his or her agent thereof shall have a lien upon the land,
24	building, erection, or improvement to the extent of the agreed contract price
25	or a reasonable price for those services.
26	(2) However, the lien does not attach to the land, building,
27	erection, or improvement unless and until the lien is duly filed of record
28	with the circuit clerk and recorder in the county in which the land,
29	building, erection, or improvement is located.
30	(b) This recorded lien will be enforced in the same manner as a
31	mechanic's or contractor's lien.
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