

HCS SB 320 -- MECHANICS' LIENS

SPONSOR: Koster (Baker, 123)

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 10 to 0.

This substitute creates a lien against real estate for the non-payment of rental equipment fees. The lien may be for the reasonable rental value of the machinery or equipment during the period of actual use and for periods of non-use based on the rental contract. There may be no lien unless the improvements are made on commercial property, the amount of the claim exceeds \$5,000, and the party claiming the lien provides written notice within five business days of the commencement of the use of the rental property to the property owner that the rental equipment is being used on their property. The substitute includes a statute of limitations which begins to run 60 days after all rental equipment or machinery is removed from the property.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPONENTS: Supporters say that the rental of construction equipment should be something for which a mechanic's lien is available.

Testifying for the bill was Senator Koster.

OPPONENTS: Those who oppose the bill say that the lien doesn't have to be filed until the equipment is returned, and there are concerns about the notice that is provided to the owner of the property.

Testifying against the bill was Associated General Contractors.

OTHERS: Others testifying on the bill say mechanics' liens should be limited to commercial construction.

Others testifying on the bill was Missouri Land Title Association.

Amy Woods, Senior Legislative Analyst