

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6691

BILL NUMBER: SB 138

NOTE PREPARED: Dec 16, 2002

BILL AMENDED:

SUBJECT: Mechanic's Liens.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

**FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL**

IMPACT: No Fiscal Impact

Summary of Legislation: The bill prohibits a subcontractor from obtaining a mechanic's lien if the subcontractor knows or should know that the general contractor is defaulting on payments to the subcontractor or another subcontractor. The bill also requires a subcontractor to mitigate damages after the subcontractor knows or should know the general contractor is defaulting on payments to the subcontractor or another subcontractor.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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