HOUSE BILL NO. 831

Introduced: 02/15/83

Referred to Committee on Judiciary: 02/15/83 Hearing: 2/19/83 Died in Committee

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CONTRACTORS

TO PROVIDE NOTICE OF POTENTIAL LIEN LIABILITY FOR LABOR AND

MATERIALS PROVIDED BY SUBCONTRACTORS TO CONTRACTING OWNERS;

AND PROVIDING A PENALTY."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Notice of potential lien liability. (1) A contractor who enters into a contract with a contracting owner to improve the owner's land or any structure thereon shall give a written notice of any potential lien liability of the owner resulting, directly or indirectly, from the contract. The notice must be given to the owner on or before the date of entering into the contract or the date of commencing work, whichever is earlier.

(2) The notice may be incorporated in the contract or personally served on the owner separately. It must be in at least 8-point bold type, if printed, or all capital letters, if typewritten. The notice must be written in layman's terms and must contain, if applicable, a statement that a subcontractor and supplier of material with whom the owner has not directly contracted is entitled to a lien on the owner's property if sums due that subcontractor for supplies

l are not paid.

2 (3) A person who violates this section is upon 3 conviction guilty of a misdemeanor and must be fined not to 4 exceel \$250.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 71. Chapter 3. part 5. and the provisions of Title 71. chapter 3. part 5. apply to section 1.

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