

# *Legal Notes . . .*

In continuation of our monthly service to our existing clients, below is a short synopsis of Ohio's Mechanic's Lien Act. It is our hope that you will find this informative. Please feel free to share this with family or friends who you think would be interested in the topic.

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## **Ohio Mechanic Lien Act**

What is a mechanic's lien? A mechanic's lien is a claim or charge on real property for the purpose of securing payment to those persons or entities that perform labor and/or furnish materials in the improvement of the real property. In essence, it affords those asserting a mechanic's lien an additional cause of action (in addition to a breach of contract or unjust enrichment claim) to collect the money they are owed. Contrary to the name, it is not a claim for payment made by an auto shop or a mechanic for work performed on your car.

Ohio's Mechanic's Lien Act ("Act") is codified at Ohio Revised Code Chapter 1311. The Act specifically defines the parties (original contractor, subcontractor, materialman & laborer) who may assert a lien and further defines what constitutes an improvement and whether that improvement is private or public, residential or commercial. The Act also provides for special protections to residential property owners who contract to build or improve a home and who may not be aware of the builder's use of a certain subcontractor and/or material suppliers.

Through various notices, such as a Notice of Commencement and Notice of Furnishing, the Act seeks to place property owners on notice of a party's performance of labor and/or furnishing of material for the improvement of real estate. The Act has very specific provisions as to the contents of these notices and spells out where, when and how they are to be provided.

If a person provides labor and/or materials for the improvement of real estate, adheres to the notice requirements under the Act, and remains unpaid for their efforts, within 60 to 120 days (depending on the type of project) that person can record an Affidavit of Lien with the County Recorder's office that places the world on "notice" of their claim for payment. Anyone that has ever sought to refinance or sell a house or commercial building understands that until the lien is removed, most lenders will not finance the loan. Protecting one's right to be paid for relatively little up front cost is the biggest advantage of providing the requisite notices and asserting a mechanic's lien.

The Act also provides for methods to have properly asserted liens removed from one's title to their property (i.e. bonding off and commencement of suit). The Act is technical in that the party seeking to assert a lien must strictly adhere to short timelines and requisite notices. For these reasons, involving an experienced attorney at the outset of a project is often good practice.

If you have questions regarding mechanic liens or collections matters, please do not hesitate to call me at (740) 654-4141 or email me at [tdp@sas-lawfirm.com](mailto:tdp@sas-lawfirm.com).