

SENATE BILL No. 138

DIGEST OF INTRODUCED BILL

Citations Affected: IC 32-28-3-1.5.

Synopsis: Mechanic's liens. 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. 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: July 1, 2003.

Kenley

January 7, 2003, read first time and referred to Committee on Judiciary.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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SENATE BILL No. 138



A BILL FOR AN ACT to amend the Indiana Code concerning property.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 32-28-3-1.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 1.5. (a) A subcontractor may not have a lien under**
4 **this chapter for any:**
5 (1) labor;
6 (2) services;
7 (3) material; or
8 (4) machinery;
9 provided after the date the subcontractor knows or should
10 reasonably know that the general contractor is not making
11 payments for work performed by the subcontractor or another
12 subcontractor.
13 (b) A subcontractor has a duty to mitigate damages in
14 connection with work described in subsection (a) that is performed
15 after the date the subcontractor knows or reasonably should know
16 that a general contractor is not making payments for work
17 performed by the subcontractor or another subcontractor.



1 SECTION 2. [EFFECTIVE JULY 1, 2003] IC 32-28-3-1.5, as
2 added by this act, applies to work performed by a subcontractor
3 after June 30, 2003.

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