

LD7630152

SENATE BILL NO. 936

Offered January 23, 1995

A BILL to amend and reenact §§ 11-2.4 and 38.2-4616 of the Code of Virginia, relating to mechanics' liens; notice required; notification to buyers of title insurance.

Patrons—Reasor; Delegate: McClure

Referred to the Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 11-2.4 and 38.2-4616 of the Code of Virginia are amended and reenacted as follows:

§ 11-2.4. Notice of possible filing of mechanics' lien required.

Every contract made on or after July 1, 1992, for the purchase of *a one- or two-family residential real property dwelling unit* shall include the following provision:

NOTICE

Virginia law (§ 43-1 et seq.) permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against the property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials or (ii) 90 days from the time the construction, removal, repair or improvement is terminated.

AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

Failure of a contract for the purchase of residential real property to include the notice required by this section shall not void such contract.

§ 38.2-4616. Notification to buyers of the availability of owner's title insurance.

In connection with any transaction involving the purchase or sale of ~~an interest in a one- or two-family residential real property dwelling unit~~ in this Commonwealth, the settlement agent as defined in § 6.1-2.10, before the disbursement of any funds, shall obtain from the purchaser a statement in writing that he has been notified by the settlement agent that the purchaser may wish to obtain owner's title insurance coverage including affirmative mechanics' lien coverage, if available, and of the general nature of such coverage, and that the purchaser does or does not desire such coverage. The notification shall include language that the value of subsequent improvements to the property may not be covered.

The failure of a settlement agent to provide the information requested by this section shall not of itself be deemed to create a cause of action that would not otherwise exist.

INTRODUCED

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