

**HIGHLIGHTS OF AMENDMENT TO MICHIGAN CONSTRUCTION LIEN ACT
(PUBLIC ACT 147, 148, 149, 150 151 and 152 of 2010, effective 8/23/2010)**

- **The Homeowner Construction Lien Recovery Fund (Fund), which is currently insolvent, was abolished effective August 23, 2010. The Fund was in existence since January 1982 and was created by the Michigan Construction Lien Act, 1980 PA 497. [Legal Cite: PA 147 of 2010] Lien claimants who were not properly paid would still need to file legal action on their construction liens against the nonpaying party, likely the contractor or builder, instead of the Fund, in order to collect on their claims of lien.**
- **The amendments retain a mechanism for a homeowner to prevent a construction lien from attaching to a residential structure, to the extent payments were made by the homeowner to the contractor. The homeowner must file an affidavit, including evidence of payment, with the circuit court. This provision was originally in MCL 570.1203 of the Construction Lien Act, 1980 PA 497 and now is in MCL 570.1118a of the Construction Lien Act [MCL 570.118a, as amended by PA 147 of 2010].**
- **Amends the licensing statutes to reduce contractors' license fees paid to the Department, by \$10 per year, which was the membership fees that were paid to the Homeowner Construction Lien Recovery Fund. The membership fees will no longer be collected by the Department, as of the effective date of the repeal. [Effective 8/23/2010, PA 147 of 2010 for suppliers, subcontractors or laborer members, PA 148 of 2010 for electrical contractors, PA 149 of 2010 for mechanical contractors, PA 150 of 2010 for plumbing contractors and PA 151 of 2010 for residential builders and maintenance & alteration contractors].**
- **The felony penalty & sentencing guidelines from the Code of Criminal Procedure Act, 1927 PA 175 for submitting false information in order to obtain payment from the Homeowner Construction Lien Recovery Fund was eliminated. [PA 152 of 2010]**

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