

State Construction Registry

www.scr.utah.gov

NOTE: The following information provides a general overview of the new State Construction Registry requirements for preserving lien rights as established by House Bills 136 (2004) and 105 (2005). For a complete understanding of this new program, you must review the applicable laws and rules.

General Overview

The Utah Legislature passed new legislation modifying the mechanics' lien statute which requires the filing of notices of commencement, preliminary notices, and notices of completion for both residential and commercial projects – in order to protect lien rights – in an exclusive statewide electronic database named the State Construction Registry (SCR).

The concept is an online "bulletin board" identifying those who provide labor and materials to a construction project, which may enable interested parties to assess exposure and minimize risk.

As defined in the new law, the SCR will be implemented in two phases: May 1, 2005 for commercial and public work construction projects and November 1, 2005 for residential construction projects.

Changes to the Pre-Lien Process

The following key changes to the pre-lien process become effective on the two dates indicated above:

- Notices of commencement, preliminary notices, and notices of completion must now be filed in the SCR.
- The deadline for filing notices of commencement is now 15 days from the commencement of physical construction.
- Notices of commencement for projects requiring a building permit will be automatically generated by the SCR upon permit information submission from each city or county permitting office.
- Notices of commencement for non-permitted projects must be filed by the general contractor.
- Any other interested party associated with the project may also file a notice of commencement.
- Preliminary notices must now be filed through the SCR in order to preserve lien rights.
- Preliminary notices must be filed within the later of 20 days of commencement of work or delivery of materials and/or equipment or 20 days of the filing of the notice of commencement.
- 1st tier subcontractors, as well as all lower tier subcontractors, must now file preliminary notices to protect lien rights.
- Upon completion of a construction process, a notice of completion may be filed through the SCR.
- Once a notice of completion is filed, interested parties have 10 days to file preliminary notices.

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How the State Construction Registry Works

Use of the SCR is the only way to comply with the new statutory requirements. Key features of the SCR include:

- Password-protected access to project information as well as project participant information
- Standardized process for filing notices of commencement, preliminary notices, and notices of completion online
- An automatic notification system that will send an email notice to all parties on a project when a new preliminary notice or notice of completion is filed and/or when any amendments are made to the notice of commencement

Registration and Pricing

All users of the SCR — general contractors, sub-contractors, suppliers, and property owners — will have to register to use the online system. Registration can be done online at www.scr.utah.gov or offline by fax at 1-800-585-1534.

Registering to use the SCR system involves providing:

- company information (name and address)
- alternative contact information
- approved users of the system
- payment preference (3 options available)

The SCR assesses fees on a per transaction basis. A list of fees is available at www.scr.utah.gov

Oversight and Development Responsibility

For your additional information, the Division of Occupational and Professional Licensing (DOPL) has been mandated to oversee and enforce implementation of this new law. However, the new law also required that DOPL contract with a third-party designated agent to administer the program.

To meet this requirement, DOPL has contracted with Utah Interactive, a private technology company, to design, develop, and host the SCR system and to provide training and technical support of the SCR. Utah Interactive hosts Utah's official state web portal (Utah.gov) and since 1999 has worked with agency partners statewide to facilitate online access to government data, services, and processes.

The full text of the new legislation can be found in HB 136 (2004), as amended by HB 105 (2005).

Questions should be directed to Utah Interactive:

www.scr.utah.gov

800-585-1534 (fax)

801-983-0275 (phone)

Notes on the Lien Filing Process

NOTE: Mechanic liens are still filed with the respective county recorder's office. The information described above only applies to pre-lien notifications which must be filed to protect lien rights.