

**HOUSE BILL NO. 534**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE BY REQUEST

Introduced: 2/28/96

Referred: Judiciary, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the priority of certain real property liens."

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 \* **Section 1.** AS 34.35.060(c) is amended to read:

4 (c) A lien created by AS 34.35.050 - 34.35.120 [IN FAVOR OF AN  
5 INDIVIDUAL ACTUALLY PERFORMING LABOR UPON A BUILDING OR  
6 OTHER IMPROVEMENT IN ITS ORIGINAL CONSTRUCTION OR OF A  
7 TRUSTEE OF AN EMPLOYEE BENEFIT TRUST FOR THOSE INDIVIDUALS] is  
8 preferred to a prior encumbrance upon the land on which the building or other  
9 improvement is constructed.

10 \* **Sec. 2.** AS 34.35.060(a) is repealed.

11 \* **Sec. 3.** APPLICATION. (a) Except as provided in (b) of this section, this Act applies  
12 to liens that are created under AS 34.35.050 - 34.35.120 on or after the effective date of this  
13 Act and that arise out of construction, alteration, or repair projects begun on or after the  
14 effective date of this Act. In this subsection, "construction, alteration, or repair" has the  
15 meaning given in AS 34.35.120.

1           (b) Liens described in (a) of this section, except liens in favor of an individual  
2 actually performing labor upon a building or other improvement in the building's original  
3 construction or of a trustee of an employee benefit trust for those individuals, are not preferred  
4 over encumbrances on the affected land that are recorded in the office of the recorder under  
5 AS 40.17 before the effective date of this Act. In this subsection, "encumbrance" has the  
6 meaning given in AS 34.35.120.