

Original sponsors: Meekins, Hayes,  
Carpenter, et al

Offered: 5/5/78  
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 739

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to materialmen and mechanics liens;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 34.35.050 is repealed and re-enacted to read:

10 Sec. 34.35.050. LIEN FOR LABOR OR MATERIALS FURNISHED. A person  
11 has a lien, only to the extent provided under this chapter, to secure  
12 the payment of his contract price if he

13 (1) performs labor upon real property at the request of the  
14 owner or his agent for the construction, alteration, or repair of a  
15 building or improvement;

16 (2) is a trustee of an employee benefit trust for the benefit  
17 of individuals performing labor on the building or improvement and has a  
18 direct contract with the owner or his agent for direct payments into the  
19 trust;

20 (3) furnishes materials that are delivered to real property  
21 under a contract with the owner or his agent which are incorporated in  
22 the construction, alteration or repair of a building or improvement;

23 (4) furnishes equipment that is delivered to and used upon  
24 real property under a contract with the owner or his agent for the con-  
25 struction, alteration or repair of a building or improvement;

26 (5) performs services under a contract with the owner or his  
27 agent in connection with the preparation of plans, surveys, or architec-  
28 tural or engineering plans or drawings for the construction, alteration  
29 or repair of a building or improvement, whether or not actually imple-

1 mented on that property; or

2 (6) is a prime contractor.

3 \* Sec. 2. AS 34.35.060(a) is repealed and re-enacted to read:

4 (a) Except as provided in (c) of this section, an encumbrance  
5 which is properly recorded shall be preferred to a lien created under  
6 secs. 50 - 120 of this chapter unless the claim of lien under sec. 70 of  
7 this chapter or notice of right to lien under sec. 64 of this chapter  
8 has been recorded before the encumbrance. The preference granted for a  
9 prior mortgage or deed of trust under this section applies without  
10 regard to when the sums are disbursed or whether the disbursements are  
11 required under the terms of a loan agreement.

12 \* Sec. 3. AS 34.35.060(c) is amended to read:

13 (c) A lien created by secs. 50 - 120 of this chapter in favor of  
14 an individual [A PERSON] actually performing labor upon [OR FURNISHING  
15 MATERIAL USED IN] a building or other improvement in its original con-  
16 struction or of a trustee of an employee benefit trust for those indivi-  
17 duals is preferred to a prior [LIEN, MORTGAGE, OR OTHER] encumbrance  
18 upon the land on which the building or other improvement is constructed.

19 \* Sec. 4. AS 34.35 is amended by adding new sections to read:

20 Sec. 34.35.062. CONSTRUCTION FINANCING. (a) Any lender providing  
21 construction financing where there is not a payment bond of at least 50  
22 per cent of the amount of construction financing shall observe the  
23 following procedures:

24 (1) Draws against construction financing shall be made only  
25 after certification of job progress to the lender by the general con-  
26 tractor, if any, and the owner. The form of the certification may be  
27 prescribed by the lender.

28 (2) Any claimant described in sec. 50 of this chapter who has  
29 not received payment within 20 days after the date for payment required

1 by his contract or employee benefit trust agreement or, if no date for  
2 payment is specified, then 30 days after the labor, materials, services,  
3 or equipment are first furnished, may within 20 days thereafter give a  
4 stop-payment notice of the sums due for which the claimant may claim a  
5 lien under sec. 95 of this chapter.

6 (3) The stop-payment notice shall be given to the lender and  
7 to the owner. The stop-payment notice shall state in substance

8 (A) the name of the person ordering the labor, mater-  
9 als, services, or equipment;

10 (B) a sufficient legal description of the real property  
11 being improved or developed;

12 (C) a description of the labor, materials, services or  
13 equipment furnished, or obligation owed to an employee benefit  
14 trust;

15 (D) the name, business address and telephone number of  
16 the claimant; and

17 (E) the sum due and not yet paid under the claimant's  
18 contract which may include an amount not to exceed 50 per cent of  
19 the principal amount of the claim for interest, reasonable costs,  
20 and attorney fees.

21 (4) After receipt of a stop-payment notice under this sec-  
22 tion, the lender shall withhold from the next and subsequent draws  
23 sufficient money to pay the amount claimed in the stop-payment notice.

24 (5) Sums withheld under a stop-payment notice may not be dis-  
25 bursed by the lender except under the terms of a written agreement  
26 signed by the claimant, owner and general contractor or by order of a  
27 court of competent jurisdiction.

28 (b) If a lender fails to comply with the provisions of (a)(4) or  
29 (5) of this section, the lender shall be liable to the claimant for an

1 amount equal to the sum disbursed in violation of those subsections or  
2 the sum ultimately determined to be due the claimant by a court of com-  
3 petent jurisdiction, whichever is less.

4 (c) Within 30 days after filing a stop-payment notice the claimant  
5 may file an action in a court of competent jurisdiction to obtain the  
6 sums claimed in the stop-payment notice. The complaint shall be accom-  
7 panied by a bond in an amount equal to the amount claimed with suffi-  
8 cient sureties as approved by the court. The claimant shall give notice  
9 to the lender that the action has been filed and include a copy of the  
10 bond filed with the action. If a claimant fails to file an action under  
11 this subsection and to serve notice of the filing and a copy of the bond  
12 upon the lender within 30 days after filing the stop notice, or to  
13 execute a written agreement under (a)(5) of this section, the lender may  
14 disburse the money withheld under the claimant's stop-payment notice  
15 without incurring liability to the claimant.

16 Sec. 34.35.064. NOTICE OF RIGHT TO LIEN. (a) At any time after  
17 entering into a contract, a claimant other than a prime contractor or an  
18 individual as defined in sec. 120(10) of this chapter shall give a  
19 notice of right to lien to the owner and the lender. The notice of  
20 right to lien shall be in writing, state that it is a notice of a right  
21 to assert a lien against a building or other improvement for labor,  
22 materials, services, or equipment furnished in connection with construc-  
23 tion, alteration, or repair of the building or other improvement, and  
24 contain

- 25 (1) a legal description sufficient for identification of the  
26 real property upon which the building or other improvement is located;  
27 (2) the name of the owner;  
28 (3) the name and address of the claimant;  
29 (4) the name and address of the person with whom the claimant

1 contracted;

2 (5) a general description of the labor, materials, services,  
3 or equipment provided or to be provided;

4 (6) a statement that the claimant may be entitled to record a  
5 claim of lien; and

6 (7) the following statement in type no smaller than that used  
7 in providing the information required by (1) - (6) of this subsection:

8 WARNING: Unless provision has been made for payment of this  
9 claim, you may be liable for payment directly to this claim-  
10 ant, notwithstanding the fact that payment has been made to  
11 a prime contractor or other party.

12 (b) Upon request from an owner, lender, or prime contractor, a  
13 claimant who has given a notice of right to lien under this section  
14 shall disclose to the requester within five days his most recent ac-  
15 counting of the amount due and unpaid to that claimant under the terms  
16 of his contract and a description of labor, materials, services, or  
17 equipment which the claimant reasonably anticipates furnishing.

18 Sec. 34.35.067. RECORDING NOTICE OF RIGHT TO LIEN. A notice of  
19 right to lien may be recorded by a claimant at any time after entering  
20 into a contract for labor, material, service or equipment furnished in  
21 connection with the construction, alteration or repair of a building or  
22 other improvement. The notice shall be recorded in the same manner as  
23 specified for the recording of a claim of lien under sec. 70 of this  
24 chapter.

25 \* Sec. 5. AS 34.35.070(a) is repealed and re-enacted to read:

26 Sec. 34.35.070. CLAIM OF LIEN. (a) A claimant may record a claim  
27 of lien after a notice of right to lien is given by that claimant except  
28 that a claimant who is not required to give a notice of right to lien  
29 under sec. 64(a) of this chapter may record a claim of lien after enter-

1 ing into a contract for the construction, alteration, or repair of a  
2 building or improvement. A claim of lien may not be recorded later than  
3 the time specified under (b) of this section.

4 \* Sec. 6. AS 34.35.070(c) is repealed and re-enacted to read:

5 (c) The lien shall be verified by the oath of the claimant or  
6 another person having knowledge of the facts and state

7 (1) the real property subject to the lien, with a legal de-  
8 scription sufficient for identification;

9 (2) the name of the owner;

10 (3) the name and address of the claimant;

11 (4) the name and address of the person with whom the claimant  
12 contracted;

13 (5) a general description of the labor, materials, services,  
14 or equipment furnished for the construction, alteration, or repair, and  
15 the contract price of the labor, materials, services, or equipment;

16 (6) the amount due to the claimant for the labor, materials,  
17 services, or equipment; and

18 (7) the date the last labor, materials, services, or equip-  
19 ment were furnished.

20 \* Sec. 7. AS 34.35 is amended by adding a new section to read:

21 Sec. 34.35.071. NOTICE OF COMPLETION. (a) The owner of real  
22 property which may be subject to a lien under secs. 50 - 120 of this  
23 chapter may announce the date of completion of a building or other im-  
24 provement on his property by

25 (1) recording a notice of completion after completion of the  
26 construction, alteration or repair of the building or other improvement  
27 in the office of the recorder of the district in which the building or  
28 other improvement is situated; and

29 (2) giving notice at least five days before the recording of

1 the notice of completion to all claimants who have given a notice of  
2 right to lien or a stop-payment notice to the owner and the lender prior  
3 to 10 days before recording a notice of completion. The notice shall  
4 include a copy of the notice of completion and a statement advising  
5 claimants that a notice of completion will be recorded not earlier than  
6 five days after the date of the notice.

7 (b) The notice of completion shall be signed and verified by the  
8 owner, and shall state

9 (1) the date of completion of the building or other improve-  
10 ment;

11 (2) the name and address of the owner;

12 (3) the nature of the interest or estate of the owner;

13 (4) the legal description of the property sufficient for  
14 identification; and

15 (5) the name of the prime contractors, if any.

16 (c) Notwithstanding the provisions of sec. 70(a) and (b) of this  
17 chapter, a claimant who has received a notice as provided in (a)(2) of  
18 this section shall record his claim of lien no later than 10 days after  
19 the date the notice of completion is recorded. Any claimant who has  
20 given notice of right to lien and who is entitled to receive but who has  
21 not received the notice required under (a)(2) of this section, shall  
22 have the period specified in sec. 70(b) of this chapter to record his  
23 claim of lien.

24 (d) A notice of completion is not effective if recorded before  
25 completion.

26 (e) Labor, materials, services, or equipment furnished after a  
27 notice of completion is recorded to satisfy warranty obligations or to  
28 remedy defective or unsatisfactory construction, alterations or repairs  
29 for which no additional consideration is owed to the person furnishing

1 the additional labor, materials, services, or equipment shall not result  
2 in lien liability under secs. 50 - 120 of this chapter.

3 (f) After recording a condominium declaration as provided in AS  
4 34.07 (Horizontal Property Regimes Act), an owner may record a notice of  
5 completion under this section after completion of the original construc-  
6 tion of each condominium apartment.

7 \* Sec. 8. AS 34.35.072 is amended to read:

8 Sec. 34.35.072. BOND. If the owner of the property sought to be  
9 charged with a claim of lien under secs. 50 - 120 of this chapter, or a  
10 prime contractor or subcontractor disputes the correctness or validity  
11 of the claim of lien brought under secs. 50 - 120 of this chapter, he  
12 may record either before or after the commencement of an action to  
13 enforce the claim of lien, in the office of the recorder in which dis-  
14 trict the claim of lien was recorded, a bond executed by a person au-  
15 thorized to issue surety bonds in this state under AS 21, a financial  
16 institution licensed under AS 06, or a national bank authorized under  
17 the federal banking laws, in the penal sum equal to one and one-half  
18 times the amount of the claim of lien, which bond shall guarantee the  
19 payment of the sum which the lien claimant has claimed [MAY RECOVER ON  
20 THE CLAIM], together with the lien claimant's reasonable cost of suit in  
21 the action, if he recovers on the claim of lien. If the owner records a  
22 bond under this section, the property described in the bond is freed  
23 from the effect of a claim of lien under secs. 50 - 120 of this chapter  
24 and an action brought to foreclose the claim of lien. The principal on  
25 the bond may be the owner of the property, the prime contractor or a  
26 subcontractor who is affected by the claim of lien.

27 \* Sec. 9. AS 34.35.090 is amended to read:

28 Sec. 34.35.090. PAYMENT TO CONTRACTOR. A payment by the owner of  
29 a building or structure to a prime [AN ORIGINAL] contractor or subcon-

1 tractor, made before 90 days from the completion of the building, is not  
2 valid to defeat or discharge a lien created by secs. 50 - 120 of this  
3 chapter in favor of other claimants [A WORKMAN, LABORER, LUMBER MER-  
4 CHANT, OR MATERIALMAN], unless the payment is distributed among the  
5 other claimants [WORKMEN, LABORERS, LUMBER MERCHANTS, OR MATERIALMEN].  
6 If a payment is distributed in part only, then the payment is valid only  
7 to the extent it is distributed.

8 \* Sec. 10. AS 34.35.095 is amended to read:

9 Sec. 34.35.095. AMOUNT OF [CONTRACTOR'S] LIEN. (a) A prime con-  
10 tractor may recover upon a lien recorded [FILED] by him only the amount  
11 due to him according to the terms of his contract, after deducting all  
12 claims of other persons claiming through him for work done and materials  
13 furnished.

14 (b) A claimant other than a prime contractor or an individual de-  
15 scribed in sec. 120(10) of this chapter may recover upon a lien recorded  
16 by him an amount not to exceed that portion of the unpaid contract price  
17 attributable to labor, materials, services or equipment furnished within  
18 10 days before, and at any time after, the claimant gives a notice of  
19 right to lien under sec. 64 of this chapter.

20 (c) An individual described in sec. 120(10) of this chapter may  
21 recover upon a lien recorded by him only the amount due to him according  
22 to the terms of his contract.

23 \* Sec. 11. AS 34.35.100(a) is amended to read:

24 (a) Where a lien is recorded [FILED] under secs. 50 - 120 of this  
25 chapter for work done or materials furnished to a prime contractor, the  
26 prime contractor shall defend an action at his own expense, and during  
27 the pendency of the action the owner may withhold from the prime con-  
28 tractor the amount of money for which the lien is recorded [FILED].

29 \* Sec. 12. AS 34.35.100(b) is amended to read:

1 (b) If judgment is given against the owner or his property upon  
2 the liens, the owner may deduct from the amount due or [ABOUT] to become  
3 due by him to the prime contractor the amount of the judgment and costs.

4 \* Sec. 13. AS 34.35.100(c) is amended to read:

5 (c) If the amount of the judgment and costs exceeds the amount due  
6 by the owner to the prime contractor, or if the owner settles with that  
7 [THE] contractor in full, the owner may recover back from the prime  
8 contractor an amount paid by the owner in excess of the contract price,  
9 and for which the prime contractor was originally liable.

10 \* Sec. 14. AS 34.35.110(a) is amended to read:

11 (a) An action to enforce a lien created by secs. 50 - 120 of this  
12 chapter shall be brought in the superior court. The pleadings, process,  
13 practice, and procedure are the same as in other cases. [IF THE PRO-  
14 CEEDS OF A SALE ARE INSUFFICIENT TO PAY ALL LIENHOLDERS UNDER SECS. 50 -  
15 120 OF THIS CHAPTER, THE LIENS OF ALL PERSONS OTHER THAN THE ORIGINAL  
16 CONTRACTOR AND SUBCONTRACTORS SHALL FIRST BE PAID IN FULL, OR PRO RATA  
17 IF THE PROCEEDS ARE INSUFFICIENT TO PAY THEM IN FULL. OUT OF THE RE-  
18 MAINDER THE SUBCONTRACTORS SHALL BE PAID IN FULL, OR PRO RATA IF THE  
19 REMAINDER IS INSUFFICIENT TO PAY THEM IN FULL, AND THE BALANCE SHALL BE  
20 PAID TO THE ORIGINAL CONTRACTOR.] Each claimant is entitled to execu-  
21 tion for the balance due him after distribution. The clerk of the  
22 superior court, upon demand, shall issue the execution after the return  
23 of the officer making the execution showing the balance due.

24 \* Sec. 15. AS 34.35 is amended by adding new sections to read:

25 Sec. 34.35.112. PAYMENT OF CLAIMANT'S LIENS. (a) If more than  
26 one lien created under secs. 50 - 120 of this chapter is claimed against  
27 property, the court in its judgment shall declare the rank of each lien  
28 or class of liens in the following order:

29 (1) all persons other than prime contractors or subcontrac-

1 tors with lien rights under sec. 50(1) of this chapter;

2 (2) the trustees of employment benefit trusts for persons  
3 described in (1) of this subsection;

4 (3) all materialmen other than prime contractors or sub-  
5 contractors;

6 (4) subcontractors, including persons described in sec. 50(5)  
7 of this chapter;

8 (5) the prime contractors.

9 (b) For purposes of secs. 50 - 120 of this chapter, if the pro-  
10 ceeds of sale of the property are insufficient to pay the lien claims of  
11 all persons who have recorded a claim of lien,

12 (1) the liens of all individuals with lien rights under sec.  
13 50(1) of this chapter shall first be paid in full, or pro rata if the  
14 proceeds are insufficient to pay them in full;

15 (2) the liens of trustees of employment benefit trusts for  
16 persons described in (1) of this subsection shall be paid in full or pro  
17 rata if the proceeds are insufficient to pay them in full;

18 (3) the liens of materialmen, other than a prime contractor  
19 or subcontractor shall be paid in full or pro rata if the proceeds are  
20 insufficient to pay them in full;

21 (4) out of the remainder the subcontractors shall be paid in  
22 full, or pro rata if the remainder is insufficient to pay them in full;  
23 and

24 (5) the balance shall be paid to the prime contractor; a  
25 prime contractor is entitled to execution for the balance due him after  
26 distribution.

27 Sec. 34.35.117. WAIVER OF LIEN RIGHTS. (a) Except as provided  
28 under (b) of this section, a written waiver of lien or stop-payment  
29 notice rights created under secs. 50 - 120 of this chapter signed by a

1 claimant requires no consideration and is valid and binding. A waiver  
2 permitted under this section may not relate to labor, materials, ser-  
3 vices or equipment furnished after the date the waiver is signed by the  
4 claimant.

5 (b) An individual described in sec. 120(10) of this chapter may  
6 not waive his right to claim a lien under secs. 50 - 120 of this chap-  
7 ter. A waiver which purports to waive the lien rights of that indivi-  
8 dual or class of individuals is void.

9 Sec. 34.35.118. CLAIMANT LIABILITY. A claimant shall be liable  
10 for any loss, cost or expense, including reasonable attorney fees, to  
11 any persons injured by an unjust, excessive or premature stop-payment  
12 notice or claim of lien.

13 Sec. 34.35.119. WAIVER OF LIENS ON UNSOLD CONDOMINIUM APARTMENTS.

14 (a) After recording a condominium declaration as provided in AS 34.07  
15 (Horizontal Property Regimes Act) and before the time of the first sale  
16 of condominium apartments in a building, a lien created under secs. 50 -  
17 120 of this chapter may be waived only to the extent provided in this  
18 section.

19 (b) Subject to (c) of this section, a claimant who claims a lien  
20 against the entire building shall waive that portion of his lien claim  
21 which relates to a particular condominium apartment selected by the  
22 owner of the unsold condominium apartments after the claimant receives a  
23 partial payment of his lien claim which is equal to 115 per cent of the  
24 amount determined by:

25 (1) dividing the surface area of the common areas and facil-  
26 ities attendant to the condominium apartment by the surface area of all  
27 common areas and facilities of the building; and

28 (2) multiplying the result obtained in (1) of this subsection  
29 by the total amount of the claimant's lien claim.

1 (c) A lien claimant is not required to waive a portion of his lien  
2 claim under this section unless the amount of indebtedness secured by a  
3 prior encumbrance against the building held by a construction lender is  
4 also reduced by an amount equal to the amount waived by the lien  
5 claimant.

6 (d) A waiver granted under this section shall conform to the re-  
7 quirements of sec. 117 of this chapter.

8 \* Sec. 16. AS 34.35.120 is amended by adding new paragraphs to read:

9 (3) "completion" means the cessation of the performance of  
10 labor or services or the furnishing of material or equipment on the  
11 building or other improvement to be constructed, altered or repaired and  
12 includes, but is not limited to, the following:

13 (A) the occupation or use by the owner or his agent of  
14 the building or other improvement constructed, altered or repaired  
15 accompanied by cessation of the furnishing of labor, services,  
16 material, or equipment on the building or improvement;

17 (B) the acceptance by the owner or his agent of the  
18 construction, alteration or repair after labor, service, material,  
19 or equipment is furnished; or

20 (C) the issuance of a certificate of occupancy for a  
21 building by a general law or home rule municipality empowered to  
22 issue that certificate accompanied by cessation of the furnishing  
23 of labor, services, material, or equipment on the building or  
24 improvement;

25 (4) "construction financing" means that portion of money  
26 secured by an encumbrance to finance original construction of a building  
27 or other improvement on, or development of, real property, but does not  
28 include

29 (A) funds to acquire real property;

1 (B) funds to pay principal amortization of encumbrances  
2 with priority over the encumbrance securing the construction fi-  
3 nancing;

4 (C) funds to pay loan, commitment, title, legal,  
5 closing, recording or appraisal fees on the construction loan;

6 (5) "contract price" means the amount agreed upon by the  
7 contracting parties for furnishing services, labor, materials or equip-  
8 ment covered by the contract, increased or diminished by the price of  
9 change orders, extras, or amounts attributable to altered specifica-  
10 tions; if no price is agreed upon by the contracting parties, "contract  
11 price" means the reasonable value of all services, labor, materials, or  
12 equipment covered by the contract;

13 (6) "draws" means periodic disbursements of construction  
14 financing by a lender;

15 (7) "encumbrance" means a mortgage, deed of trust, or lien  
16 arising other than under secs. 50 - 120 of this chapter;

17 (8) "general contractor" means a person who is a prime con-  
18 tractor and who has the responsibility for supervising all other con-  
19 tractors furnishing labor, materials, services or equipment in con-  
20 nection with the construction, alteration or repair of a building or  
21 other improvement;

22 (9) "give notice" means to mail a notice required under secs.  
23 50 - 120 of this chapter by first-class mail and by using a form of mail  
24 requiring a signed receipt, or to deliver the notice and obtain a re-  
25 ceipt signed by the person to whom it is directed or his agent; a notice  
26 is effective when given or delivered

27 (A) to a lender at the address designated in the encum-  
28 brance securing that lender;

29 (B) to an owner at his last known address;

1 (C) to a prime contractor at his last known address;

2 (D) to a potential lien claimant at the address speci-  
3 fied in a stop-payment notice or notice of right to lien or claim  
4 of lien;

5 (10) "individual" means a natural person who actually performs  
6 labor upon a building or other improvement as an employee of the owner  
7 or any contractor furnishing labor, materials, services, or equipment  
8 for the construction, alteration or repair of a building or other im-  
9 provement;

10 (11) "lender" means any person providing construction fi-  
11 nancing;

12 (12) "owner" means a person who owns the building or other im-  
13 provement and who enters into a contract, express or implied, for the  
14 construction, alteration or repair of a building or improvement;

15 (13) "potential lien claimant" or "claimant" means any person  
16 entitled to assert lien rights under secs. 50 - 120 of this chapter;

17 (14) "prime contractor" means a person who enters into a  
18 contract directly with an owner for the construction, alteration or  
19 repair of a building or improvement on the owner's property;

20 (15) "subcontractor" means a person who enters into a contract  
21 with a prime contractor for the construction, alteration or repair of a  
22 building or other improvement.

23 \* Sec. 17. AS 34.35.495 is amended to read:

24 Sec. 34.35.495. WAIVER OF LIEN. Except as provided under secs. 117  
25 and 119 of this chapter, no [NO] agreement by a person mentioned in  
26 secs. 10 - 425 of this chapter to waive his right to acquire a lien  
27 provided in secs. 10 - 425 of this chapter is valid.

28 \* Sec. 18. AS 34.07.110 is amended by adding a new subsection to read:

29 (b) A partial waiver of lien claims created under AS 34.35.050 -

1 34.35.120 (mechanics liens) on unsold apartments may be obtained by  
2 following the procedures specified in AS 34.35.119.

3 \* Sec. 19. AS 34.35.040, 34.35.060(b) and 34.35.070(d) and (e) are re-  
4 pealed.

5 \* Sec. 20. (a) This Act is inapplicable to liens arising out of con-  
6 struction, alteration or repair projects commenced before the effective date  
7 of this Act claimed by claimants whose furnishing or delivery of labor,  
8 materials, services or equipment is completed within 120 days after the  
9 effective date of this Act.

10 (b) This Act is applicable to

11 (1) lien claims arising out of construction, alteration or repair  
12 projects commenced after the effective date of this Act; and

13 (2) liens arising out of construction, alteration or repair pro-  
14 jects commenced before the effective date of this Act and not completed  
15 within 120 days after the effective date of this Act claimed by claimants  
16 whose furnishing or delivery of labor, materials, services or equipment  
17 continues beyond 120 days after the effective date of this Act; however, in  
18 order to preserve the right to claim a lien for labor, materials, services or  
19 equipment furnished or delivered during the 120-day period after the effec-  
20 tive date of this Act, the claimant must give a notice of right to lien  
21 required under AS 34.35.064 contained in sec. 4 of this Act within 130 days  
22 after the effective date of this Act. A notice of right to lien given under  
23 this paragraph is effective for all labor, materials, services or equipment  
24 furnished from the date of commencement of the claimant's portion of the  
25 construction, alteration or repair project.

26 \* Sec. 21. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).