

CONSTRUCTION LIEN ACT (EXCERPT)
Act 497 of 1980

570.1107b Construction lien for subcontract for professional services with design professional; approval by owner; notice of subcontract; form; recording; validity, effectiveness, and duration of notice; applicability to other liens.

Sec. 107b.

(1) A person that furnishes professional services under a written subcontract with a design professional who has recorded a notice under section 107a, and whose engagement has been approved in writing by or on behalf of the owner of the property, may record with the register of deeds for the county in which the property is located a notice of the subcontract in substantially the following form:

NOTICE OF
PROFESSIONAL
SERVICES
SUBCONTRACT

Under a written subcontract dated _____ between
_____, design professional, and
_____, as sub-design professional,
_____ is to furnish or has furnished professional services
relating to the proposed or actual erection, alteration, repair, or removal of a structure on or
other improvement to real property described as follows, which services are a portion of the
services furnished or to be furnished by the design professional under a written original contract
with _____, the owner:

Insert description
of services
rendered

The legal description of the real property is as follows:

Insert legal
description

At the time of this notice, an account of the subcontract is as follows:

1. Estimated or agreed contract price: _____
2. Approved extra or additional services: _____
3. Payments received: _____

The regular mailing address of the subcontracting party recording this notice is as follows:

Insert address

(2) A person entitled to record a notice of contract under subsection (1) may record the notice at any time after the execution of the written subcontract regardless of whether the professional services under the written subcontract have been commenced or completed, and regardless of whether the construction, alteration, repair, or removal of the structure or the other improvement to which the professional services relate has been, or is ever, commenced or completed. However, the person shall not record the notice later than 90 days after the last day a design professional who is entitled to record a notice under this section or section 107a, or any person claiming by, through, or under the design professional, performed professional services for the project.

(3) A notice under this section is valid for 1 year after the date it is recorded. The person furnishing professional services under the written contract with a design professional may record a subsequent notice with respect to the written contract. All of the requirements of this section, including the time limitation of subsection (2), apply to a subsequent notice.

(4) If an actual physical improvement is made to the property after a notice is recorded under this section, the notice is only effective from the date of the first actual physical improvement.

(5) This section, or the recording of a notice under this section, does not affect the requirements of this act regarding the creation of a construction lien, including requirements of section 107, the steps necessary to claim a lien, or the manner of enforcing a lien.

History: Add. 2018, Act 367, Imd. Eff. Dec. 12, 2018

