



## Construction Practice Group E-Alert: New Laws on Design Professional's Liens and Mechanic's Liens Take Effect July 1, 2012

Getting paid without getting sued can be a challenge, indeed, an art, for design and construction professionals, particularly in a recessionary era. Now there are new tools for design professionals and their legal counsel to employ in this art.

Comprehensive new laws go into effect this weekend in California concerning liens.

Both Design Professional's Liens and Mechanic's Liens are now available to architects, engineers, land surveyors, and, as of July 1, 2012, landscape architects.

Critical new requirements apply and must be strictly complied with in order to secure priority as a creditor. For example, one of the new requirements is that Design Professional's Liens must be converted to Mechanic's Liens once construction on a project begins in order for them to remain effective.

We view the new legislation as a very favorable development for design professionals practicing in California. When executed correctly, liens and stop notices can entitle design professionals to not only achieve priority and collect their fee, but also recover statutory interest. Properly noticing, asserting and recording liens and stop notices in accordance with the new legal requirements is the foundation of an effective collections policy and in today's world is a critical part of a successful design practice.

### San Francisco:

One Embarcadero Center, Suite 2600  
San Francisco, CA 94111

Phone: 415.398.3344

Fax: 415.956.0439

### Orange County:

19100 Von Karman Avenue, Suite 700  
Irvine, CA 92612

Phone: 949.442.7110

Fax: 949.442.7118

### Walnut Creek:

1801 N. California Blvd., Suite 101  
Walnut Creek, CA 94596

Phone: 925.627.1910

Fax: 925.932.3855

For more information please contact Joel Halverson (415.677.5629, [email](#)), Mark Zunino (415-677-5566, [email](#)) or any of the other attorneys in Severson & Werson's Construction Practice Group [here](#)

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