



Recent Amendments to Pennsylvania Mechanics' Lien Law Expand Ability To Obtain Blanket Pre-Waivers of Liens for Residential Properties

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On August 11, 2009, Governor Edward Rendell signed into law an amendment to the Mechanics' Lien law, which will take effect on October 10, 2009. The amendment expands the ability of owners and contractors to obtain broad, upfront waivers of liens for residential properties.

Under the existing Mechanics' Lien Law, a contractor cannot pre-waive mechanics' lien rights except for residential construction where the contract price between the owner and the contractor is less than \$1 million.

The amendment eliminates the monetary waiver exemption for residential projects (when the contract price was less than \$1 million) and changes it to a three-story height limitation. In addition, the amendment extends the option to waive its mechanics' lien rights to subcontractors. Thus, under the new law, a contractor or subcontractor may waive its right to file a claim against property for residential projects of any price so long as they are not more than three stories in height, not including any basement level, regardless of whether any portion of that basement is at grade level.

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