

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SENATE BILL 1873

By: Coates

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6 AS INTRODUCED

7 An Act relating to construction projects; creating
8 the State Construction Project Registry Act (SCPR);
9 providing short title; directing the Construction
10 Industries Board, the Administrative Office of the
11 Courts, and offices of the County Clerk to develop
12 certain on-line data system for certain purpose;
13 making data system subject to funding; providing
14 certain suggestions for development of data system;
15 construing effect of suggestions; stating purposes of
16 SCPR on-line data system for general contractors;
17 allowing filing of certain notices; providing for
18 automatic notices upon issuance of building permit;
19 allowing certain filing of notices by certain
20 persons; recommending municipality file building
21 permit in certain system; providing for Notice of
22 Commencement; providing for certain original
23 contractor form; providing for individual accounts
24 within data system; providing for failure of
municipality to file permit; stating purpose of
Notice of Commencement; providing preliminary lien
notice; requiring certain notice be certified; making
Notice of Completion optional; stating preliminary
lien notice is not official lien notice; limiting
certain notice after filing Notice of Completion;
allowing extension of time to file certain lien
notice upon certain circumstance; allowing amendments
to certain data on construction project; recommending
subcontractors file preliminary lien notices;
providing access to SCPR system by property owners
for certain purposes; allowing for automated and
alternative notifications; stating procedure for
notification functionality; providing for individual
account pages to follow construction projects; making
SCPR on-line data system a centralized resource for
information and data on construction projects;

1 allowing various persons access to on-line data
2 system for certain purposes; exempting certain
3 contractors; suggesting subcontractor participation
4 in on-line data system; providing for codification;
5 providing an effective date; and declaring an
6 emergency.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

7 SECTION 1. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 3000 of Title 59, unless there
9 is created a duplication in numbering, reads as follows:

10 This act shall be known and may be cited as the "State
11 Construction Project Registry Act".

12 SECTION 2. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 3002.1 of Title 59, unless there
14 is created a duplication in numbering, reads as follows:

15 The Construction Industries Board together with the
16 Administrative Office of the Courts and each Office of the County
17 Clerk, subject to appropriated funding, shall develop a centralized
18 on-line data system to record notices and information about
19 construction projects in this state as provided in this act, and any
20 amendments thereto. The provisions of this act are suggestions for
21 the purposes of developing an on-line data system and nothing herein
22 shall be deemed to be a mandatory requirement for the construction
23 industry.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3002.2 of Title 59, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The State Construction Project Registry (SCPR) shall provide
5 general contractors with an easy way to stay informed and to protect
6 themselves. The SCPR shall offer access to a list of all parties
7 that have provided goods, services and/or equipment to a
8 construction project, and give notice of potential lien rights by
9 allowing the filing of preliminary notices. Complete participant
10 awareness, along with joint check arrangements and/or lien waivers,
11 should be considered in the on-line data system design to help
12 contractors minimize liability and risk.

13 B. The SCPR system should provide through its on-line data
14 system a quick and easy process for filing a Notice of Commencement,
15 as well as a Notice of Completion. While a Notice of Commencement
16 may be automatically generated for projects for which a building
17 permit is issued, original contractors may utilize the SCPR system
18 to file a Notice of Commencement for public works projects and
19 projects in which a permit has not been issued. At the completion
20 of a construction project, general contractors may also use the SCPR
21 system to file a Notice of Completion.

22 SECTION 4. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3002.3 of Title 59, unless there
24 is created a duplication in numbering, reads as follows:

1 A. When a building permit is issued for a new construction
2 project, the issuing municipality may be required to submit the
3 permit data to the SCPR system within a specified time. A Notice of
4 Commencement may be generated automatically when this information is
5 received and entered into the SCPR on-line data system. Once the
6 Notice of Commencement is available, original contractors will be
7 able to verify the information and associate the project with their
8 individual SCPR accounts by completing an "I'm an Original
9 Contractor" form. Associating the project with an individual
10 account should allow each account holder to receive automated
11 notification when preliminary and other notices are filed on-line
12 and should provide access to the project's Filing Detail page which
13 lists all on-line filings associated with the project.

14 B. If a municipality does not file a Notice of Commencement,
15 original contractors and owners may file the Notice of Commencement
16 themselves in the on-line data system. Ensuring that a Notice of
17 Commencement for a project is filed in a timely manner will ensure
18 the project participants get notified of preliminary lien notices
19 which can protect individual lien rights. If a Notice of
20 Commencement is not filed within the designated timeframe, the
21 opportunity for filing preliminary lien notices may be restricted.

22 C. If a building permit is not required for a construction
23 project, original contractors may still file a Notice of
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1 Commencement within the time frame established for the on-line data
2 system.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3002.4 of Title 59, unless there
5 is created a duplication in numbering, reads as follows:

6 A. A Notice of Completion may be filed by the original
7 contractor, owner, lender, surety or title company, provided, the
8 person certifies that one of the following conditions has been met
9 for the entire project:

- 10 1. A permanent certificate of occupancy has been issued;
- 11 2. A final inspection has been completed; or
- 12 3. All substantial work has been completed.

13 B. A Notice of Completion may be optional for the on-line data
14 system, but it is recommended for the ability to limit and control
15 outstanding liability.

16 C. Additional preliminary notices may also be filed within a
17 certain time period following the filing of a Notice of Completion.
18 Preliminary lien notices filed in the on-line data system shall not
19 be valid as official lien notice. By filing a Notice of Completion,
20 the original contractors, owners, lenders, surety and title
21 companies set a firm date after which no additional preliminary
22 notices may be filed. If a Notice of Completion is not filed in the
23 on-line data system, then the opportunity for filing an individual
24 lien notice may be extended.

1 SECTION 6. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3002.5 of Title 59, unless there
3 is created a duplication in numbering, reads as follows:

4 Any party that has associated themselves with a construction
5 project by filing some form of notice through the State Construction
6 Project Registry (SCPR) on-line data system may file an amendment to
7 the project at anytime. Amendments shall be appended to a projects'
8 data, and therefore the data contained in the original Notice of
9 Commencement shall not be overwritten.

10 SECTION 7. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3002.6 of Title 59, unless there
12 is created a duplication in numbering, reads as follows:

13 All subcontractors and suppliers providing services, materials
14 and/or equipment should be required to file preliminary lien notices
15 in the State Construction Project Registry (SCPR) on-line data
16 system if the party wants to preserve or notify persons of any lien
17 rights claimed; provided, however, a Notice of Commencement must be
18 filed in a timely manner within the SCPR system before any lien
19 notices may be filed. Preliminary notices of all kinds may be filed
20 after the filing of the Notice of Commencement or within a certain
21 period of time after furnishing labor, service, material and/or
22 equipment, whichever comes later.

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1 SECTION 8. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 3002.7 of Title 59, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The State Construction Project Registry (SCPR) should be
5 designed to help keep property owners informed of all parties that
6 supply services, materials and/or equipment to a construction
7 project on their property. Through the SCPR on-line data system,
8 property owners will be able to have easy access to a list of all
9 parties that are expecting payment or have filed a preliminary
10 notice to persons of potential lien rights. Knowledge gained from
11 the SCPR on-line data system will keep property owners involved in a
12 construction project and allow owners to utilize joint check
13 agreements, direct pay arrangements, and/or lien releases to ensure
14 everyone gets paid and the property remains lien-free.

15 B. The SCPR Notifications functionality should be developed and
16 designed to provide owners as well as other interested parties with
17 automated notifications, alternative notifications, and access to
18 filing details. Completing an Official Notifications Form should
19 allow property owners to easily access a project's Filing Detail
20 Page, as well as receive email alerts or alternative notifications
21 such as fax communications when preliminary lien notices or other
22 types of filings are submitted on-line by project participants.

23 C. Four steps should be required to utilize the Notifications
24 functionality:

- 1 1. Register with the SCPR on-line data system;
- 2 2. Search the SCPR on-line data system for the exact
- 3 construction project;
- 4 3. After finding the project in the database, access the
- 5 Notifications form; and
- 6 4. Complete the Notifications form and the associated payment
- 7 process.

8 In developing and designing the SCPR on-line data system,
9 consideration should be given to fees for participants. Fees should
10 be sufficient to wholly or partially support the system and yet, be
11 low enough to encourage participation. At the conclusion of the
12 registration and filing process, the project should electronically
13 move into the person's individual account page for continued access
14 until after the project is completed.

15 SECTION 9. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3002.8 of Title 59, unless
17 there is created a duplication in numbering, reads as follows:

18 A. The State Construction Project Registry (SCPR) on-line data
19 system should be designed to provide a single, centralized resource
20 for information and data on all construction projects in the State
21 of Oklahoma. Since there are a variety of people and businesses
22 that are associated and concerned with construction projects, any
23 registered party should be allowed to access and utilize the SCPR
24 on-line data system, including, but not limited to:

- 1 1. Attorneys representing parties involved with a project;
- 2 2. Lenders and title companies who may want to ensure a
- 3 property remains lien free;
- 4 3. Owners who may want to ensure all subcontractor and
- 5 materials suppliers are promptly paid and no liens are filed;
- 6 4. Subcontractors who may want to give preliminary notice of
- 7 potential liens and obtain information on lien priority;
- 8 5. General contractors who may follow the project to ensure all
- 9 data, materials, subcontractors and permits are properly
- 10 administered and paid; and
- 11 6. Materials suppliers who may want to ensure delivery and
- 12 billings are promptly handled and paid as agreed or lien notices
- 13 filed to protect payment.

14 B. The SCPR Notifications functionality should be designed to
15 provide all interested parties with automated notifications,
16 alternative notifications such as fax communication, and access to
17 filing details.

18 SECTION 10. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 3002.9 of Title 59, unless there
20 is created a duplication in numbering, reads as follows:

21 A. The State Construction Project Registry (SCPR) on-line data
22 system should provide subcontractors and suppliers with a simple and
23 standardized way to ensure payments for goods or services are
24 received in a timely manner. By filing a preliminary lien notice

1 through the SCPR on-line data system, subcontractors and suppliers
2 may alert property owners and general contractors to involvement in
3 a project, expectation of payment and the potential for filing of
4 lien rights. The State Construction Project Registry should be
5 designed to provide participating subcontractors and suppliers with
6 project visibility and help general contractors oversee that
7 payments are made to the appropriate parties.

8 B. The SCPR on-line data system should also be designed to help
9 keep subcontractors and suppliers informed by providing automated
10 email notifications or alternative notifications when additional
11 notices or Notices of Completion are filed on any project in which
12 such person is involved and registered.

13 C. Unless a contractor contracts directly with a property
14 owner, all subcontractors and suppliers providing services,
15 materials and/or equipment should be required to participate in the
16 SCPR on-line data system and to file a preliminary lien notice after
17 the Notice of Commencement is filed.

18 SECTION 11. This act shall become effective July 1, 2010.

19 SECTION 12. It being immediately necessary for the preservation
20 of the public peace, health and safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

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