

You should also ask for explanations of legal terms or confusing language. Be sure you understand completely what you are signing because promises are difficult to enforce unless they are in writing. Even for small jobs it's smart to have a written contract.

Be wary of anyone who says, "We don't need to bother putting it in writing." Some contractors require a down payment of 10-30 percent of the total or an additional payment at the halfway point. Pay only when the work is done to your satisfaction and you have releases of lien as previously noted. If the completion date is critical, like a swimming pool planned for summertime use, link your payments to on-time performance. Changes to a contract after construction begins can cost you! Make sure to specify in the contract how changes are to be handled and insist that all change orders be in writing and signed by both you and the contractor.

Cancellation Of Contracts

Some home repair/improvement contracts can be canceled in writing (preferably by certified mail) without penalty or obligation by midnight of the third business day after signing. These include:

- Those signed anywhere other than the seller's normal place of business
- Those signed as a result of door-to-door solicitation, except emergency home repairs
- Those paid on an installment basis

Other contracts are binding as soon as they're signed, so be sure you know what the cancellation policy is before you sign any contract.

Things You Should Know Before Starting

The most frequent complaints concerning home remodeling and repair are cost overruns, missed deadlines and inferior workmanship. Another ongoing problem is "fly-by-night" contractors who take deposits or payments before starting or finishing work. Choose your contractor carefully. Be wary of door-to-door sales people and telephone solicitors promising "this-month-only" bargains. Make sure that any contractor you hire is properly licensed and insured. Florida Statute 713 is complex and can't be covered completely in this brochure. We recommend that if a specific problem arises you consult an attorney.

You can contact the Marion County Building Department's Licensing Division at (352) 620-7424 to check on a contractor's status in Marion County. To check a license via the web, go to www.marioncountyfl.org/building.htm, or verify a state license at www.MyFlorida.com.

To file a complaint (or to learn if complaints have been filed against a contractor) call the Florida Department of Business and Professional Regulation. Check your local listings for the nearest regional office, or file your complaint with:

Dept. of Business & Professional Regulation—Region IV
240 NW 76th Drive, Suite C
Gainesville, FL 32607

MARION COUNTY
BUILDING DEPARTMENT
2710 EAST SILVER SPRINGS BOULEVARD
OCALA, FL 34470
MAIN LINE: (352)438-2400
WWW.MARIONCOUNTYFL.ORG/BUILDING.HTM

FLORIDA'S CONSTRUCTION LIEN LAW



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PROTECT YOURSELF AND YOUR INVESTMENT

Florida Statute 713-Part 1

According to Florida law, those who work on your property or provide materials and are not paid-in-full have a right to enforce their claim for payment against your property. This claim is known as a construction lien. If your contractor fails to pay subcontractors or material suppliers, or neglects to make other legally required payments, the people who are owed money may look to your property for payment, even if you have paid your contractor in full. This means if a lien is filed against your property, it could be sold against your will to pay for labor, materials or other services which your contractor may have failed to pay.

Protecting Yourself

If you hire a contractor and the improvements cost more than \$2,500, you should know the following:

- You may be liable if you pay your contractor and he fails to pay his suppliers or contractors. There is a way to protect yourself: A *Release of Lien* is a written statement that removes your property from the threat of lien. Before you make any payment be sure you receive this waiver from suppliers and subcontractors covering the materials used and work performed
- Request from the contractor, via certified or registered mail, a list of all subcontractors and suppliers who have a contract to provide services or materials to your property
- If partial payments are called for before all work is completed, get a *Partial Release of Lien* covering all workers and materials used to that point
- Before you make the last payment to your contractor, obtain an affidavit that specifies all unpaid parties who performed labor, services or provided materials to your property. Make sure that your contractor obtains releases from these parties before you make the final payment
- Always file a *Notice of Commencement* before beginning home construction or remodeling projects. The local authority that issues building permits is required to provide this form. You must record the form with the Clerk of the Circuit Court in the county where the property is located, and post a certified copy at the job site. (In lieu of a certified copy, you may post an affidavit stating that a Notice of Commencement has been recorded. Attach a copy of the Notice of Commencement to the affidavit.)

The building department is prohibited from performing the first inspection if the *Notice of Commencement* is not filed with the building department. You can supply a notarized statement that the Notice has been filed, with a copy attached. The Notice of Commencement notes the intent to begin improvements, the location of the property, description of the work and the amount of bond (if any). It also identifies the property owner, contractor, surety, lender and other pertinent information.

Failure to record a Notice of Commencement, or incorrect information reported on the Notice of Commencement, could contribute to your having to pay twice for the same work or materials.

Whose Responsibility Is It To Get These Releases?

You can stipulate in the agreement with your contractor that he must provide all releases of lien. However, if it is not specified in the contract, or you act as your own contractor, **YOU** must get the releases. If you borrow money to pay for the improvements and the lender pays the contractor directly, instruct the lender to get releases before making any payments. If your lender then fails to follow the legal requirements, then the lending institution may be responsible to you for any loss.

What Can Happen If I Don't Get Releases Of Lien?

You will not be able to sell your property unless all outstanding liens are paid. Sometimes a landowner can even be forced to sell his property to satisfy a lien.

Who Can Claim A Lien On My Property?

- Contractors, laborers, material suppliers, subcontractors and professionals such as architects, landscape architects, interior designers, engineers or land surveyors all have the right to file a claim of lien for work or materials. Always get a release of lien from anyone who does work on your home.

Additional Tips On Home Construction

- Verify that your contractor is properly licensed. Information on how to check on a license can be found at the end of this brochure
- If you intend to get financing, consult with your lender or an attorney before recording your Notice of Commencement
- Insist that the contractor/remodeler secures a building permit and adheres to all building codes and ordinances

All Construction Contracts Should Contain:

- Contractor's name, address, phone number and the contractor's license number
- Precise description of work and materials to be supplied. The contract should specify the grade of construction, flooring and trim materials to be used. Don't accept the phrase "or equivalent"—the contract should specify appliance models and alternates for models not available
- A work beginning date and a work completion date
- Complete list of companies or individuals supplying the contractor with labor or materials. Be sure they are insured so you are protected against theft or damage to their supplies or work
- Financing information and the payment schedule
- List of all necessary building permits or licenses
- Agreement regarding site clean-up and debris disposal
- All warranty agreements