**South Carolina General Assembly**

118th Session, 2009-2010

**S. 877**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Bryant

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Introduced in the Senate on May 21, 2009

Currently residing in the Senate Committee on **Labor, Commerce and Industry**

Summary: Subcontractors

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

5/21/2009 Senate Introduced and read first time [SJ](file:///h:\SJ%20Archive\2009\05-21-09.docx)‑5

5/21/2009 Senate Referred to Committee on **Labor, Commerce and Industry** [SJ](file:///h:\SJ%20Archive\2009\05-21-09.docx)‑5

**VERSIONS OF THIS BILL**

[5/21/2009](file:///p:\pprever\2009-10\877_20090521.docx)

**A** **BILL**

TO AMEND CHAPTER 11, TITLE 40 OF THE 1976 CODE, RELATING TO CONTRACTORS, BY ADDING SECTION 40‑11‑580 TO PROVIDE A PROCESS FOR SUBCONTRACTORS TO PERFECT LABORER'S LIENS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 11, Title 40 of the 1976 Code is amended by adding:

“Section 40‑11‑580. (A) For purposes of this section, 'lender' means any person providing financing for the project.

(B) In the contract between the parties, a contractor must provide each subcontractor that he employs contact information for each lender. A subcontractor must put the lender on notice that he is a subcontractor on the project to become a subcontractor of record and preserve his rights as a lienholder under Chapter 7, Title 29.

(C) Ten days prior to closing on a loan financing the project, the lender closing the loan must give each subcontractor of record notice of the loan closing date. Subcontractors have five working days to provide the bank with notice that they have not been paid for their services. Timely notice to the lender constitutes the perfection of a laborer's lien as provided in under Chapter 7, Title 29.

(D) All disbursements to the contractor from the lender must be made subject to the laborer's lien.

(E) The provisions of this section do not apply if there is no contract between the contractor and the subcontractor that clearly defines the scope of the work to be completed and the compensation due for completing the work.”

SECTION 2. This act takes effect upon approval by the Governor.

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