

Bond Case Briefs

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LIENS - NEW JERSEY

MasTec Renewables Construction Company, Inc. v. SunLight General Mercer Solar, LLC

Superior Court of New Jersey, Appellate Division - February 6, 2020 - A.3d - 2020 WL 579008

Subcontractor brought action against county improvement authority for payment owed by general contractor under a purported mechanics' lien against the project fund.

The Superior Court granted authority's motion to dismiss for failure to state a claim. Subcontractor appealed.

The Superior Court held that subcontractor lacked the right to file mechanics' lien.

The extent of lien protection under the Municipal Mechanics' Lien Law (MMLL) is limited to the amount the public agency owes to the prime contractor at the time the notice of lien claim is filed or thereafter becoming due; the former cannot be liable for more than the total amount of the prime contract, provided it pays the prime contractor in accordance with the terms thereof and withholds a sum sufficient to cover lien claims filed, and satisfaction of the claim cannot be had out of the public property which is the subject of the project.

Subcontractor who performed work on solar generating facility for county improvement authority lacked a right to file municipal mechanics' lien against the project fund created from authority's bond issuance, and therefore authority was entitled to dismissal of subcontractor's action for lien foreclosure pursuant to the Municipal Mechanics' Lien Law (MMLL); County Improvement Authorities Law (CIAL) specifically exempted authority from terms of the MMLL, and the Legislature could have made an exception for the type of contract at issue had it so intended, as it did with contracts subject to the Local Public Contracts Law (LPCL).