

What is an Arizona Stop Notice?

While mechanic's liens are a common solution for contractors who haven't been paid, they are not the only method. Stop notices are also an effective way to find non-payment relief. We'll take a closer look at how a stop notice works, who can use them, and where they apply.

How does a stop notice work?

When you haven't been paid on a construction job, you can file a stop notice with the owner of the property or the construction lender. This informs them that you haven't been paid and they must "stop" or freeze payment to your hiring party in the amount of your claim. This is meant to disrupt the flow of project funds, creating an incentive for your hiring party to pay you.

IMPORTANT TO KNOW

Stop notices only work if the owner or lender hasn't already paid your hiring party. If payment was already distributed to them, it can't be taken back - which means that a stop notice will be ineffective.

> WHERE CAN STOP NOTICES BE USED?

Arizona is one of four states that allow stop notices. They can only be used on private projects. Stop notices are not available against public projects or owner-occupied dwellings (A.R.S. § 33-1002).

> WHAT ARE THE REQUIREMENTS TO SEND A STOP NOTICE?

Like a mechanic's lien, an Arizona preliminary notice must be filed before the stop notice, otherwise the stop notice will be invalid. Unlike liens, a stop notice is not invalid by reason of any defect in form if it is sufficient to substantially inform the owner of the information required by this article. (A.R.S. § 33-1052)

> WHO CAN USE THEM?

Any person entitled to a mechanic's lien, other than the original contractor, can issue a stop notice against the owner. (A.R.S. § 33-1054). Even the general contractor may issue a stop notice against the construction lender*. (A.R.S. § 33-1055)

**Stop notices are not effective against construction lenders unless bonded. (A.R.S. §§ 33-1055 & 1058). Lenders may ignore non-bonded stop notices.*

What information is included in a stop notice?



A signed verified statement by the claimant (you)



A description of the labor, services and materials furnished by the claimant



The name of the person to whom the labor, services or materials were furnished



The amount in value of the labor, services or materials furnished and the total amount agreed to be furnished



The amount, if any, of payment already received by the claimant



The name and address of claimant

WHAT IF SOMEONE DEMANDS THAT I SERVE A STOP NOTICE?

If you receive a stop notice demand, you must serve the stop notice within 30 days or you'll forfeit your right to serve it. (A.R.S. § 33-1054)

Stop notices are an effective way for Arizona contractors to protect themselves against non-payment if they're unable to file a lien. Titan Lien Services can help you serve stop notices and send preliminary notices with ease. Contact Titan Lien Services for comprehensive stop notice support.

TITAN
LIEN SERVICES

HAVE AN UPCOMING CONSTRUCTION PROJECT?

Let Titan do the heavy-lifting for you and help you protect your payment rights!

(480) 380-3434

info@titanlien.com

titanlien.com

UDALL | SHUMWAY
COUNSELORS AT LAW SINCE 1965

A PROUD ASSOCIATE OF TITAN LIEN