

What Contractors Need to Know About Prelien Amendments in Arizona

After sending a prelien in the state of Arizona, contractors may need to make changes to the original prelien notice. These changes are referred to as "prelien amendments." They protect contractors' rights when significant changes have been made to the project after the original prelien was served. While prelien laws differ slightly from state to state, we will focus primarily on Arizona.

What is a prelien or preliminary notice amendment?

The purpose of a prelien amendment is to modify, correct or otherwise revise an existing prelien notice, yet still maintaining your lien rights back to the date the original prelien was served.

Why Amend a Prelien?

There are a number of reasons why a prelien may need to be amended. As long as the time to send a prelien has not expired, contractors will still be able to amend their prelien and protect their lien rights/project payment.

COMMON REASONS TO AMEND A PRELIEN



Substantial increases in the job contract amount*
This may result from:



CHANGE ORDERS -

Adding to the scope of work on a project

ACCELERATION -

Speeding the pace of project, which may add overtime and additional, unanticipated costs



Additional parties that you determine need to be identified



Performance or payment bond is identified and you need to add insurance/surety company information so they are noticed of a potential bond claim



Correcting inaccurate information on the original prelien, such as incorrect addresses or names

* DID YOU KNOW?

As of December 31, 2019, Arizona contractors are required to amend prelien notices if the estimated project cost increases by 30% or more. The previous threshold was 20%, which meant contractors were required to amend their prelien if the cost increased by 20% or more. Arizona Revised Statutes § 33-992.01(G)



Contractor's Checklist

Things to Remember When You Amend Your Arizona Prelien



Check whether or not the time to send a prelien has passed. Sending a revised prelien notice after the deadline will do nothing.



Serve the amended prelien notice as soon as possible.



Enlist the help of a professional lien service company to ensure that the amended prelien is prepared properly, promptly, with no components falling through the cracks. This allows you to focus more on construction and less on tedious legal documents.