

had it for several days contrary to what Mr. Beutler has said, and what we have done is to combine the amendments that were offered by different individuals on this floor, to 512 into one solid amendment. I would say this, that I believe the amended bill that is before us is a much stronger bill, a much fairer bill than the 512 that we are amending. It is a comprehensive substitute for that bill, the proposal is a combination of amendments to LB 512 which have been circulated and placed in the Legislative Journal. It includes, number one, a requirement that a contractor, subcontractor, or supplier, file of record a notice of preservation of lien rights in order to be able to file a lien after final payment or after the property is sold. Number two, the provision for the owner of a piece of property to obtain costs and attorney fees in clearing title after a fraudulent or frivolous mechanic lien has been filed. Number three, a requirement that a lending institution financing construction give notice to the borrower that a review of the Register of Deeds should be made to determine if a contractor, subcontractor, or supplier has filed of record a notice to preserve the lien rights. And, four, a requirement that a title company include lien coverage in the owner's title insurance policy. Now the effect of this amendment would be to strike the current provisions of 512 and substitute them with a simple and effective means for a homeowner to find out who has a lien and an effective means for a homeowner to find out who has a lien right before the final payment is made or the home is sold. A homeowner or a home buyer need only check the record in order to assure himself or herself that a lien should not be filed after final payment or sale of a house. Additionally, final payment is defined to allow the contracting owner to withhold five percent of the contract obligation in order to ensure performance while still triggering the requirement for a contractor or subcontractor, or supplier to file a notice of preservation of lien rights. Additionally, this proposal addresses an area of the consumer concern which is also currently addressed in 512, and that is to allow a homeowner who wants to clear his title of a fraudulent mechanic's lien to recover from the claimant's cost of such action and attorney's fees. Those of you who have the handout copy, that is a typographical error. It should be which is also currently. The approach in Request 2428 uses our present system of notice of record for homeowner protection, instead of upsetting the entire chapter on mechanic's lien as done by 512. This proposal is a major step forward of providing consumer protection. Various segments of the construction industry, consumer protection, various...of LB 512 have agreed to this proposal, even though this means that they must file a notice in order to assure themselves of