

House Bill 253

By: Representatives Carter of the 159th and England of the 108th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 3 of Article 8 of Chapter 41 of Title 44 of the Official Code of Georgia
2 Annotated, relating to mechanics and materialmen, so as to provide that a contractor shall
3 sign an affidavit at the signing of a contract for work verifying that he or she has paid certain
4 persons; to provide for related matters; to repeal conflicting laws; and for other purposes.

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6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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SECTION 1.

8 Part 3 of Article 8 of Chapter 41 of Title 43 of the Official Code of Georgia Annotated,
9 relating to mechanics and materialmen, is amended by adding a new Code section to read as
10 follows:

11 "43-41-18.

12 (a) All contractors shall, upon the receipt of payment for work in excess of \$5,000.00 on
13 any real estate, provide the person paying for such work a signed sworn affidavit stating
14 that all subcontractors, all materialmen furnishing material to subcontractors, and all
15 laborers furnishing labor to subcontractors, materialmen, and persons furnishing material
16 for the work done on the real estate have been paid for their services or have agreed to
17 waive such payment.

18 (b) A sworn affidavit pursuant to subsection (a) of this Code section, shall serve as an
19 absolute defense to any lien filed pursuant to Code Section 44-14-361 and shall as a result
20 dissolve any such lien as a matter of law.

21 (c) Upon a contractor's first violation of subsection (a) of this Code section, he or she shall
22 be subject to a civil penalty not less than \$10,000.00 to be paid to the board for
23 transmission to the Department of Revenue for deposit into the general fund. A
24 contractor's second violation of subsection (a) of this Code section shall result in an
25 immediate suspension of his or her contractor's license for a period not less than six
26 months. A contractor's third violation of subsection (a) of this Code section shall result in
27 the revocation of his or her contractor's license."

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SECTION 2.

29 All laws and parts of laws in conflict with this Act are repealed.