

Senate Bill 269

By: Senator Tippins of the 37th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 3 of Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia  
2 Annotated, relating to liens of mechanics and materialmen, so as to provide for priorities  
3 between liens of mechanics and materialmen and other liens under certain circumstances; to  
4 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
5 for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 3 of Article 8 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated,  
9 relating to liens of mechanics and materialmen, is amended by adding a new Code section  
10 to read as follows:

11 "44-14-370.

12 (a) No lien, deed to secure debt, or encumbrance upon any real estate created before any  
13 person having a right to file a special lien specified in subsection (a) of Code Section  
14 44-14-361 commences the labor or services or furnishes the materials shall operate upon  
15 the building, structures, or improvements subsequently erected thereon, or materials  
16 furnished for use in or on such building, structures, or improvements, until any lien in favor  
17 of the person performing the labor or services or furnishing the materials has been satisfied.  
18 No lien, security deed, or encumbrance upon the real estate created after labor or services  
19 were commenced or materials were furnished for such real estate or building, structures,  
20 or improvements shall operate until the lien in favor of the person performing the labor or  
21 services or furnishing the materials has been satisfied.

22 (b) A lien, deed to secure debt, or encumbrance upon any real estate created before any  
23 labor or services were commenced or materials furnished by any person having a right to  
24 file a special lien specified in subsection (a) of Code Section 44-14-361 shall have priority  
25 in the distribution of proceeds of any sale by foreclosure or otherwise only to the extent of  
26 the value of the land, exclusive of subsequently erected buildings, structures, or  
27 improvements, as determined at the time of such sale, and the residue of the proceeds of

28 such sale shall be applied to the satisfaction of the special lien specified in subsection (a)  
29 of Code Section 44-14-361 if such lien has been perfected pursuant to this part."

30 **SECTION 2.**

31 This Act shall become effective upon its approval by the Governor or upon its becoming law  
32 without such approval.

33 **SECTION 3.**

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