

2232--D

2015-2016 Regular Sessions

I N S E N A T E

January 22, 2015

Introduced by Sen. PERALTA -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Judiciary in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the lien law, in relation to employee liens; to amend the labor law, in relation to employee complaints; to amend the civil practice law and rules, in relation to grounds for attachment; to amend the business corporation law, in relation to streamlining procedures where employees may hold shareholders of non-publicly traded corporations personally liable for wage theft; and to amend the limited liability company law, in relation to creating a right for victims of wage theft to hold the ten members with the largest ownership interests in a company personally liable for wage theft

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 2 of the lien law is amended by adding three new
2 subdivisions 21, 22 and 23 to read as follows:
3 21. EMPLOYEE. THE TERM "EMPLOYEE", WHEN USED IN THIS CHAPTER, SHALL
4 HAVE THE SAME MEANING AS "EMPLOYEE" PURSUANT TO THE LABOR LAW OR THE
5 FAIR LABOR STANDARDS ACT, AS APPLICABLE.
6 22. EMPLOYER. THE TERM "EMPLOYER", WHEN USED IN THIS CHAPTER, SHALL
7 HAVE THE SAME MEANING AS "EMPLOYER" PURSUANT TO THE LABOR LAW OR THE
8 FAIR LABOR STANDARDS ACT, AS APPLICABLE.
9 23. WAGE CLAIM. THE TERM "WAGE CLAIM", WHEN USED IN THIS CHAPTER,
10 MEANS A CLAIM THAT AN EMPLOYEE HAS SUFFERED A VIOLATION OF SECTIONS ONE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

LBD00429-06-6

1 HUNDRED SEVENTY, ONE HUNDRED NINETY-ONE, ONE HUNDRED NINETY-THREE, ONE
2 HUNDRED NINETY-SIX-D, SIX HUNDRED FIFTY-TWO OR SIX HUNDRED SEVENTY-THREE
3 OF THE LABOR LAW OR THE RELATED REGULATIONS AND WAGE ORDERS PROMULGATED
4 BY THE COMMISSIONER, A CLAIM FOR WAGES DUE TO AN EMPLOYEE PURSUANT TO AN
5 EMPLOYMENT CONTRACT THAT WERE UNPAID IN VIOLATION OF THAT CONTRACT, OR A
6 CLAIM THAT AN EMPLOYEE HAS SUFFERED A VIOLATION OF 29 U.S.C. S 206.

7 S 2. Section 3 of the lien law, as amended by chapter 137 of the laws
8 of 1985, is amended to read as follows:

9 S 3. Mechanic's lien AND EMPLOYEE'S LIEN on [real] property. 1.
10 MECHANIC'S LIEN. A contractor, subcontractor, laborer, materialman,
11 landscape gardener, nurseryman or person or corporation selling fruit or
12 ornamental trees, roses, shrubbery, vines and small fruits, who performs
13 labor or furnishes materials for the improvement of real property with
14 the consent or at the request of the owner thereof, or of his agent,
15 contractor or subcontractor, and any trust fund to which benefits and
16 wage supplements are due or payable for the benefit of such laborers,
17 shall have a lien for the principal and interest, of the value, or the
18 agreed price, of such labor, including benefits and wage supplements due
19 or payable for the benefit of any laborer, or materials upon the real
20 property improved or to be improved and upon such improvement, from the
21 time of filing a notice of such lien as prescribed in this chapter.
22 Where the contract for an improvement is made with a husband or wife and
23 the property belongs to the other or both, the husband or wife contract-
24 ing shall also be presumed to be the agent of the other, unless such
25 other having knowledge of the improvement shall, within ten days after
26 learning of the contract give the contractor written notice of his or
27 her refusal to consent to the improvement. Within the meaning of the
28 provisions of this chapter, materials actually manufactured for but not
29 delivered to the real property, shall also be deemed to be materials
30 furnished.

31 2. EMPLOYEE'S LIEN. AN EMPLOYEE WHO HAS A WAGE CLAIM AS THAT TERM IS
32 DEFINED IN SUBDIVISION TWENTY-THREE OF SECTION TWO OF THIS CHAPTER SHALL
33 HAVE A LIEN ON HIS OR HER EMPLOYER'S INTEREST IN PROPERTY FOR THE VALUE
34 OF THE WAGE CLAIM ARISING OUT OF THE EMPLOYMENT, FROM THE TIME OF FILING
35 A NOTICE OF SUCH LIEN AS PRESCRIBED IN THIS CHAPTER. AN EMPLOYEE'S LIEN
36 BASED ON A WAGE CLAIM MAY BE HAD AGAINST THE EMPLOYER'S INTEREST IN REAL
37 PROPERTY AND AGAINST THE EMPLOYER'S INTEREST IN PERSONAL PROPERTY THAT
38 CAN BE SUFFICIENTLY DESCRIBED WITHIN THE MEANING OF SECTION 9-108 OF THE
39 UNIFORM COMMERCIAL CODE, EXCEPT THAT AN EMPLOYEE'S LIEN SHALL NOT EXTEND
40 TO ACCOUNTS OR GOODS AS THOSE TERMS ARE DEFINED IN SECTION 9-102 OF THE
41 UNIFORM COMMERCIAL CODE.

42 3. AS USED IN THIS ARTICLE AND UNLESS OTHERWISE SPECIFIED, A LIEN
43 SHALL MEAN AN EMPLOYEE'S LIEN OR A MECHANIC'S LIEN.

44 S 3. Subdivisions 1 and 2 of section 4 of the lien law, subdivision 1
45 as amended by chapter 515 of the laws of 1929 and subdivision 2 as added
46 by chapter 704 of the laws of 1985, are amended to read as follows:

47 (1) [Such] A MECHANIC'S OR EMPLOYEE'S lien AND EMPLOYEE'S LIEN AGAINST
48 REAL PROPERTY shall extend to the owner's right, title or interest in
49 the real property and improvements, existing at the time of filing the
50 notice of lien, or thereafter acquired, except as hereinafter in this
51 article provided. If an owner assigns his interest in such real property
52 by a general assignment for the benefit of creditors, within thirty days
53 prior to such filing, the lien shall extend to the interest thus
54 assigned. If any part of the real property subjected to such lien be
55 removed by the owner or by any other person, at any time before the
56 discharge thereof, such removal shall not affect the rights of the

1 lienor, either in respect to the remaining real property, or the part so
2 removed. If labor is performed for, or materials furnished to, a
3 contractor or subcontractor for an improvement, the MECHANIC'S lien
4 shall not be for a sum greater than the sum earned and unpaid on the
5 contract at the time of filing the notice of lien, and any sum subse-
6 quently earned thereon. In no case shall the owner be liable to pay by
7 reason of all MECHANIC'S liens created pursuant to this article a sum
8 greater than the value or agreed price of the labor and materials
9 remaining unpaid, at the time of filing notices of such liens, except as
10 hereinafter provided.

11 (2) [Such] A MECHANIC'S OR EMPLOYEE'S lien shall not extend to the
12 owner's right, title or interest in real property and improvements,
13 existing at the time of filing the notice of lien if such lien arises
14 from the failure of a lessee of the right to explore, develop or produce
15 natural gas or oil, to pay for, compensate or render value for improve-
16 ments made with the consent or at the request of such lessee by a
17 contractor, subcontractor, materialman, equipment operator or owner,
18 landscaper, nurseryman, or person or corporation who performs labor or
19 furnishes materials for the exploration, development, or production of
20 oil or natural gas or otherwise improves such leased property. Such
21 MECHANIC'S OR EMPLOYEE'S lien shall extend to the improvements made for
22 the exploration, development and production of oil and natural gas, and
23 the working interest held by a lessee of the right to explore, develop
24 or produce oil and natural gas.

25 S 4. The opening paragraph of section 4-a of the lien law, as amended
26 by chapter 696 of the laws of 1959, is amended to read as follows:

27 The proceeds of any insurance which by the terms of the policy are
28 payable to the owner of real property improved, and actually received or
29 to be received by him because of the destruction or removal by fire or
30 other casualty of an improvement on which lienors have performed labor
31 or services or for which they have furnished materials, OR UPON WHICH AN
32 EMPLOYEE HAS ESTABLISHED AN EMPLOYEE'S LIEN, shall after the owner has
33 been reimbursed therefrom for premiums paid by him, if any, for such
34 insurance, be subject to liens provided by this act to the same extent
35 and in the same order of priority as the real property would have been
36 had such improvement not been so destroyed or removed.

37 S 5. Subdivisions 1, 2 and 5 of section 9 of the lien law, as amended
38 by chapter 515 of the laws of 1929, are amended to read as follows:

39 1. The name OF THE LIENOR, and EITHER THE residence of the lienor OR
40 THE NAME AND BUSINESS ADDRESS OF THE LIENOR'S ATTORNEY, IF ANY; and if
41 the lienor is a partnership or a corporation, the business address of
42 such firm, or corporation, the names of partners and principal place of
43 business, and if a foreign corporation, its principal place of business
44 within the state.

45 2. The name of the owner of the [real] property against whose interest
46 therein a lien is claimed, and the interest of the owner as far as known
47 to the lienor.

48 5. The amount unpaid to the lienor for such labor or materials, OR THE
49 AMOUNT OF THE WAGE CLAIM IF A WAGE CLAIM IS THE BASIS FOR ESTABLISHMENT
50 OF THE LIEN.

51 S 6. Subdivision 1 of section 10 of the lien law, as amended by chap-
52 ter 367 of the laws of 2011, is amended to read as follows:

53 1. (A) Notice of MECHANIC'S lien may be filed at any time during the
54 progress of the work and the furnishing of the materials, or, within
55 eight months after the completion of the contract, or the final perform-
56 ance of the work, or the final furnishing of the materials, dating from

1 the last item of work performed or materials furnished; provided, howev-
2 er, that where the improvement is related to real property improved or
3 to be improved with a single family dwelling, the notice of MECHANIC'S
4 lien may be filed at any time during the progress of the work and the
5 furnishing of the materials, or, within four months after the completion
6 of the contract, or the final performance of the work, or the final
7 furnishing of the materials, dating from the last item of work performed
8 or materials furnished; and provided further where the notice of MECHAN-
9 IC'S lien is for retainage, the notice of MECHANIC'S lien may be filed
10 within ninety days after the date the retainage was due to be released;
11 except that in the case of a MECHANIC'S lien by a real estate broker,
12 the notice of MECHANIC'S lien may be filed only after the performance of
13 the brokerage services and execution of lease by both lessor and lessee
14 and only if a copy of the alleged written agreement of employment or
15 compensation is annexed to the notice of lien, provided that where the
16 payment pursuant to the written agreement of employment or compensation
17 is to be made in installments, then a notice of lien may be filed within
18 eight months after the final payment is due, but in no event later than
19 a date five years after the first payment was made. For purposes of this
20 section, the term "single family dwelling" shall not include a dwelling
21 unit which is a part of a subdivision that has been filed with a municipi-
22 pality in which the subdivision is located when at the time the lien is
23 filed, such property in the subdivision is owned by the developer for
24 purposes other than his personal residence. For purposes of this
25 section, "developer" shall mean and include any private individual,
26 partnership, trust or corporation which improves two or more parcels of
27 real property with single family dwellings pursuant to a common scheme
28 or plan. [The]

29 (B) NOTICE OF EMPLOYEE'S LIEN MAY BE FILED AT ANY TIME NOT LATER THAN
30 SIX YEARS FOLLOWING THE END OF THE EMPLOYMENT GIVING RISE TO THE WAGE
31 CLAIM.

32 (C) A notice of lien, OTHER THAN FOR A LIEN ON PERSONAL PROPERTY, must
33 be filed in the clerk's office of the county where the property is situ-
34 ated. If such property is situated in two or more counties, the notice
35 of lien shall be filed in the office of the clerk of each of such coun-
36 ties. The county clerk of each county shall provide and keep a book to
37 be called the "lien docket," which shall be suitably ruled in columns
38 headed "owners," "lienors," "lienor's attorney," "property," "amount,"
39 "time of filing," "proceedings had," in each of which he shall enter the
40 particulars of the notice, properly belonging therein. The date, hour
41 and minute of the filing of each notice of lien shall be entered in the
42 proper column. Except where the county clerk maintains a block index,
43 the names of the owners shall be arranged in such book in alphabetical
44 order. The validity of the lien and the right to file a notice thereof
45 shall not be affected by the death of the owner before notice of the
46 lien is filed. A NOTICE OF EMPLOYEE'S LIEN ON PERSONAL PROPERTY MUST BE
47 FILED, TOGETHER WITH A FINANCING STATEMENT, IN THE FILING OFFICE AS SET
48 FORTH IN SECTION 9-501 OF THE UNIFORM COMMERCIAL CODE.

49 S 7. Section 11 of the lien law, as amended by chapter 147 of the laws
50 of 1996, is amended to read as follows:

51 S 11. Service of copy of notice of lien. 1. Within five days before
52 or thirty days after filing the notice of A MECHANIC'S lien, the lienor
53 shall serve a copy of such notice upon the owner, if a natural person,
54 (a) by delivering the same to him personally, or if the owner cannot be
55 found, to his agent or attorney, or (b) by leaving it at his last known
56 place of residence in the city or town in which the real property or

1 some part thereof is situated, with a person of suitable age and
2 discretion, or (c) by registered or certified mail addressed to his last
3 known place of residence, or (d) if such owner has no such residence in
4 such city or town, or cannot be found, and he has no agent or attorney,
5 by affixing a copy thereof conspicuously on such property, between the
6 hours of nine o'clock in the forenoon and four o'clock in the afternoon;
7 if the owner be a corporation, said service shall be made (i) by deliv-
8 ering such copy to and leaving the same with the president, vice-presi-
9 dent, secretary or clerk to the corporation, the cashier, treasurer or a
10 director or managing agent thereof, personally, within the state, or
11 (ii) if such officer cannot be found within the state by affixing a copy
12 thereof conspicuously on such property between the hours of nine o'clock
13 in the forenoon and four o'clock in the afternoon, or (iii) by regis-
14 tered or certified mail addressed to its last known place of business.
15 Failure to file proof of such a service with the county clerk within
16 thirty-five days after the notice of lien is filed shall terminate the
17 notice as a lien. Until service of the notice has been made, as above
18 provided, an owner, without knowledge of the lien, shall be protected in
19 any payment made in good faith to any contractor or other person claim-
20 ing a lien.

21 2. WITHIN FIVE DAYS BEFORE OR THIRTY DAYS AFTER FILING THE NOTICE OF
22 AN EMPLOYEE'S LIEN, THE LIENOR SHALL SERVE A COPY OF SUCH NOTICE UPON
23 THE EMPLOYER, IF A NATURAL PERSON, (A) BY DELIVERING THE SAME TO HIM
24 PERSONALLY, OR IF THE EMPLOYER CANNOT BE FOUND, TO HIS AGENT OR ATTOR-
25 NEY, OR (B) BY LEAVING IT AS HIS LAST KNOWN PLACE OF RESIDENCE OR BUSI-
26 NESS, WITH A PERSON OF SUITABLE AGE AND DISCRETION, OR (C) BY REGISTERED
27 OR CERTIFIED MAIL ADDRESSED TO HIS LAST KNOWN PLACE OF RESIDENCE OR
28 BUSINESS, OR (D) IF SUCH EMPLOYER OWNS REAL PROPERTY, BY AFFIXING A COPY
29 THEREOF CONSPICUOUSLY ON SUCH PROPERTY, BETWEEN THE HOURS OF NINE
30 O'CLOCK IN THE FORENOON AND FOUR O'CLOCK IN THE AFTERNOON. THE LIENOR
31 ALSO SHALL, WITHIN THIRTY DAYS AFTER FILING THE NOTICE OF EMPLOYEE'S
32 LIEN, AFFIX A COPY THEREOF CONSPICUOUSLY ON THE REAL PROPERTY IDENTIFIED
33 IN THE NOTICE OF EMPLOYEE'S LIEN, BETWEEN THE HOURS OF NINE O'CLOCK IN
34 THE FORENOON AND FOUR O'CLOCK IN THE AFTERNOON. IF THE EMPLOYER BE A
35 CORPORATION, SAID SERVICE SHALL BE MADE (I) BY DELIVERING SUCH COPY TO
36 AND LEAVING THE SAME WITH THE PRESIDENT, VICE-PRESIDENT, SECRETARY OR
37 CLERK TO THE CORPORATION, THE CASHIER, TREASURER OR A DIRECTOR OR MANAG-
38 ING AGENT THEREOF, PERSONALLY, WITHIN THE STATE, OR (II) IF SUCH OFFICER
39 CANNOT BE FOUND WITHIN THE STATE BY AFFIXING A COPY THEREOF CONSPICUOUS-
40 LY ON SUCH PROPERTY BETWEEN THE HOURS OF NINE O'CLOCK IN THE FORENOON
41 AND FOUR O'CLOCK IN THE AFTERNOON, OR (III) BY REGISTERED OR CERTIFIED
42 MAIL ADDRESSED TO ITS LAST KNOWN PLACE OF BUSINESS, OR (IV) BY DELIVERY
43 TO THE SECRETARY OF THE DEPARTMENT OF STATE IN THE SAME MANNER AS
44 REQUIRED BY PARAGRAPH ONE OF SUBDIVISION (B) OF SECTION THREE HUNDRED
45 SIX OF THE BUSINESS CORPORATION LAW. FAILURE TO FILE PROOF OF SUCH A
46 SERVICE WITH THE COUNTY CLERK WITHIN THIRTY-FIVE DAYS AFTER THE NOTICE
47 OF LIEN IS FILED SHALL TERMINATE THE NOTICE AS A LIEN. UNTIL SERVICE OF
48 THE NOTICE HAS BEEN MADE, AS ABOVE PROVIDED, AN OWNER, WITHOUT KNOWLEDGE
49 OF THE LIEN, SHALL BE PROTECTED IN ANY PAYMENT MADE IN GOOD FAITH TO ANY
50 OTHER PERSON CLAIMING A LIEN.

51 S 8. Section 11-b of the lien law, as amended by chapter 147 of the
52 laws of 1996, is amended to read as follows:

53 S 11-b. Copy of notice of MECHANIC'S lien to a contractor or subcon-
54 tractor. Within five days before or thirty days after filing a notice
55 of MECHANIC'S lien in accordance with section ten of this chapter or the
56 filing of an amendment of notice of MECHANIC'S lien in accordance with

1 section twelve-a of this [chapter] ARTICLE the lienor shall serve a copy
2 of such notice or amendment by certified mail on the contractor, subcon-
3 tractor, assignee or legal representative for whom he was employed or to
4 whom he furnished materials or if the lienor is a contractor or subcon-
5 tractor to the person, firm or corporation with whom the contract was
6 made. A lienor having a direct contractual relationship with a subcon-
7 tractor or a sub-subcontractor but not with a contractor shall also
8 serve a copy of such notice or amendment by certified mail to the
9 contractor. Failure to file proof of such a service with the county
10 clerk within thirty-five days after the notice of lien is filed shall
11 terminate the notice as a lien. Any lienor, or a person acting on behalf
12 of a lienor, who fails to serve a copy of the notice of MECHANIC'S lien
13 as required by this section shall be liable for reasonable attorney's
14 fees, costs and expenses, as determined by the court, incurred in
15 obtaining such copy.

16 S 9. Subdivision 1 of section 12-a of the lien law, as amended by
17 chapter 1048 of the laws of 1971, is amended to read as follows:

18 1. Within sixty days after the original filing, a lienor may amend his
19 lien upon twenty days notice to existing lienors, mortgagees and the
20 owner, provided that no action or proceeding to enforce or cancel the
21 mechanics' lien OR EMPLOYEE'S LIEN has been brought in the interim,
22 where the purpose of the amendment is to reduce the amount of the lien,
23 except the question of wilful exaggeration shall survive such amendment.

24 S 10. Subdivision 1 of section 13 of the lien law, as amended by chap-
25 ter 878 of the laws of 1947, is amended to read as follows:

26 (1) [A] AN EMPLOYEE'S LIEN, OR A lien for materials furnished or labor
27 performed in the improvement of real property, shall have priority over
28 a conveyance, mortgage, judgment or other claim against such property
29 not recorded, docketed or filed at the time of the filing of the notice
30 of such lien, except as hereinafter in this chapter provided; over
31 advances made upon any mortgage or other encumbrance thereon after such
32 filing, except as hereinafter in this article provided; and over the
33 claim of a creditor who has not furnished materials or performed labor
34 upon such property, if such property has been assigned by the owner by a
35 general assignment for the benefit of creditors, within thirty days
36 before the filing of either of such notices; and also over an attachment
37 hereafter issued or a money judgment hereafter recovered upon a claim,
38 which, in whole or in part, was not for materials furnished, labor
39 performed or moneys advanced for the improvement of such real property;
40 and over any claim or lien acquired in any proceedings upon such judg-
41 ment. Such liens shall also have priority over advances made upon a
42 contract by an owner for an improvement of real property which contains
43 an option to the contractor, his successor or assigns to purchase the
44 property, if such advances were made after the time when the labor began
45 or the first item of material was furnished, as stated in the notice of
46 lien. If several buildings are demolished, erected, altered or repaired,
47 or several pieces or parcels of real property are improved, under one
48 contract, and there are conflicting liens thereon, each lienor shall
49 have priority upon the particular part of the real property or upon the
50 particular building or premises where his labor is performed or his
51 materials are used. Persons shall have no priority on account of the
52 time of filing their respective notices of liens, but all liens shall be
53 on a parity except as hereinafter in section fifty-six of this chapter
54 provided; and except that in all cases laborers for daily or weekly
55 wages WITH A MECHANIC'S LIEN, AND EMPLOYEES WITH AN EMPLOYEE'S LIEN,
56 shall have preference over all other claimants under this article.

1 S 11. Section 17 of the lien law, as amended by chapter 324 of the
2 laws of 2000, is amended to read as follows:

3 S 17. Duration of lien. 1. (A) No MECHANIC'S lien specified in this
4 article shall be a lien for a longer period than one year after the
5 notice of lien has been filed, unless within that time an action is
6 commenced to foreclose the lien, and a notice of the pendency of such
7 action, whether in a court of record or in a court not of record, is
8 filed with the county clerk of the county in which the notice of lien is
9 filed, containing the names of the parties to the action, the object of
10 the action, a brief description of the real property affected thereby,
11 and the time of filing the notice of lien; or unless an extension to
12 such lien, except for a lien on real property improved or to be improved
13 with a single family dwelling, is filed with the county clerk of the
14 county in which the notice of lien is filed within one year from the
15 filing of the original notice of lien, continuing such lien and such
16 lien shall be redocketed as of the date of filing such extension. Such
17 extension shall contain the names of the lienor and the owner of the
18 real property against whose interest therein such lien is claimed, a
19 brief description of the real property affected by such lien, the amount
20 of such lien, and the date of filing the notice of lien. No lien shall
21 be continued by such extension for more than one year from the filing
22 thereof. In the event an action is not commenced to foreclose the lien
23 within such extended period, such lien shall be extinguished unless an
24 order be granted by a court of record or a judge or justice thereof,
25 continuing such lien, and such lien shall be redocketed as of the date
26 of granting such order and a statement made that such lien is continued
27 by virtue of such order. A lien on real property improved or to be
28 improved with a single family dwelling may only be extended by an order
29 of a court of record, or a judge or justice thereof. No lien shall be
30 continued by court order for more than one year from the granting there-
31 of, but a new order and entry may be made in each of two successive
32 years. If a lienor is made a party defendant in an action to enforce
33 another lien, and the plaintiff or such defendant has filed a notice of
34 the pendency of the action within the time prescribed in this section,
35 the lien of such defendant is thereby continued. Such action shall be
36 deemed an action to enforce the lien of such defendant lienor. The fail-
37 ure to file a notice of pendency of action shall not abate the action as
38 to any person liable for the payment of the debt specified in the notice
39 of lien, and the action may be prosecuted to judgment against such
40 person. The provisions of this section in regard to continuing liens
41 shall apply to liens discharged by deposit or by order on the filing of
42 an undertaking. Where a lien is discharged by deposit or by order, a
43 notice of pendency of action shall not be filed.

44 (B) A lien, the duration of which has been extended by the filing of a
45 notice of the pendency of an action as above provided, shall neverthe-
46 less terminate as a lien after such notice has been canceled as provided
47 in section sixty-five hundred fourteen of the civil practice law and
48 rules or has ceased to be effective as constructive notice as provided
49 in section sixty-five hundred thirteen of the civil practice law and
50 rules.

51 2. (A) NO EMPLOYEE'S LIEN ON REAL PROPERTY SHALL BE A LIEN FOR A LONG-
52 ER PERIOD THAN ONE YEAR AFTER THE NOTICE OF LIEN HAS BEEN FILED, UNLESS
53 AN EXTENSION TO SUCH LIEN IS FILED WITH THE COUNTY CLERK OF THE COUNTY
54 IN WHICH THE NOTICE OF LIEN IS FILED WITHIN ONE YEAR FROM THE FILING OF
55 THE ORIGINAL NOTICE OF LIEN, CONTINUING SUCH LIEN AND SUCH LIEN SHALL BE
56 REDOCKETED AS OF THE DATE OF FILING SUCH EXTENSION. SUCH EXTENSION SHALL

1 CONTAIN THE NAMES OF THE LIENOR AND THE OWNER OF THE REAL PROPERTY
2 AGAINST WHOSE INTEREST THEREIN SUCH LIEN IS CLAIMED, A BRIEF DESCRIPTION
3 OF THE PROPERTY AFFECTED BY SUCH LIEN, THE AMOUNT OF SUCH LIEN, AND THE
4 DATE OF FILING THE NOTICE OF LIEN. NO LIEN SHALL BE CONTINUED BY SUCH
5 EXTENSION FOR MORE THAN ONE YEAR FROM THE FILING THEREOF. IN THE EVENT
6 AN ACTION IS NOT COMMENCED TO OBTAIN JUDGMENT ON THE WAGE CLAIM OR TO
7 FORECLOSE THE LIEN WITHIN SUCH EXTENDED PERIOD, SUCH LIEN SHALL BE
8 EXTINGUISHED UNLESS AN ORDER BE GRANTED BY A COURT OF RECORD OR A JUDGE
9 OR JUSTICE THEREOF, CONTINUING SUCH LIEN, AND SUCH LIEN SHALL BE REDOCK-
10 ETED AS OF THE DATE OF GRANTING SUCH ORDER AND A STATEMENT MADE THAT
11 SUCH LIEN IS CONTINUED BY VIRTUE OF SUCH ORDER.

12 (B) NO EMPLOYEE'S LIEN ON PERSONAL PROPERTY SHALL BE A LIEN FOR A
13 LONGER PERIOD THAN ONE YEAR AFTER THE FINANCING STATEMENT HAS BEEN
14 RECORDED, UNLESS AN EXTENSION TO SUCH LIEN, IS FILED WITH THE FILING
15 OFFICE IN WHICH THE FINANCING STATEMENT IS REQUIRED TO BE FILED PURSUANT
16 TO SECTION 9-501 OF THE UNIFORM COMMERCIAL CODE WITHIN ONE YEAR FROM THE
17 FILING OF THE ORIGINAL FINANCING STATEMENT, CONTINUING SUCH LIEN. SUCH
18 EXTENSION SHALL CONTAIN THE NAMES OF THE LIENOR AND THE OWNER OF THE
19 PROPERTY AGAINST WHOSE INTEREST THEREIN SUCH LIEN IS CLAIMED, A BRIEF
20 DESCRIPTION OF THE PRIOR FINANCING STATEMENT TO BE EXTENDED, AND THE
21 DATE OF FILING THE PRIOR FINANCING STATEMENT. NO LIEN SHALL BE CONTIN-
22 UED BY SUCH EXTENSION FOR MORE THAN ONE YEAR FROM THE FILING THEREOF. IN
23 THE EVENT AN ACTION IS NOT COMMENCED TO OBTAIN JUDGMENT ON THE WAGE
24 CLAIM OR TO FORECLOSE THE LIEN WITHIN SUCH EXTENDED PERIOD, SUCH LIEN
25 SHALL BE EXTINGUISHED UNLESS AN ORDER BE GRANTED BY A COURT OF RECORD OR
26 A JUDGE OR JUSTICE THEREOF, CONTINUING SUCH LIEN, AND SUCH LIEN SHALL BE
27 REFILED AS OF THE DATE OF GRANTING SUCH ORDER AND A STATEMENT MADE THAT
28 SUCH LIEN IS CONTINUED BY VIRTUE OF SUCH ORDER.

29 (C) IF A LIENOR IS MADE A PARTY DEFENDANT IN AN ACTION TO ENFORCE
30 ANOTHER LIEN, AND THE PLAINTIFF OR SUCH DEFENDANT HAS FILED A NOTICE OF
31 THE PENDENCY OF THE ACTION WITHIN THE TIME PRESCRIBED IN THIS SECTION,
32 THE LIEN OF SUCH DEFENDANT IS THEREBY CONTINUED. SUCH ACTION SHALL BE
33 DEEMED AN ACTION TO ENFORCE THE LIEN OF SUCH DEFENDANT LIENOR. THE FAIL-
34 URE TO FILE A NOTICE OF PENDENCY OF ACTION SHALL NOT ABATE THE ACTION AS
35 TO ANY PERSON LIABLE FOR THE PAYMENT OF THE DEBT SPECIFIED IN THE NOTICE
36 OF LIEN, AND THE ACTION MAY BE PROSECUTED TO JUDGMENT AGAINST SUCH
37 PERSON. THE PROVISIONS OF THIS SECTION IN REGARD TO CONTINUING LIENS
38 SHALL APPLY TO LIENS DISCHARGED BY DEPOSIT OR BY ORDER ON THE FILING OF
39 AN UNDERTAKING. WHERE A LIEN IS DISCHARGED BY DEPOSIT OR BY ORDER, A
40 NOTICE OF PENDENCY OF ACTION SHALL NOT BE FILED.

41 (D) NOTWITHSTANDING THE FOREGOING, IF A LIENOR COMMENCES A FORECLOSURE
42 ACTION OR AN ACTION TO OBTAIN A JUDGMENT ON THE WAGE CLAIM WITHIN ONE
43 YEAR FROM THE FILING OF THE NOTICE OF LIEN ON REAL PROPERTY OR THE
44 RECORDING OF THE FINANCING STATEMENT CREATING LIEN ON PERSONAL PROPERTY,
45 THE LIEN SHALL BE EXTENDED DURING THE PENDENCY OF THE ACTION AND FOR ONE
46 HUNDRED TWENTY DAYS FOLLOWING THE ENTRY OF FINAL JUDGMENT IN SUCH
47 ACTION, UNLESS THE ACTION RESULTS IN A FINAL JUDGMENT OR ADMINISTRATIVE
48 ORDER IN THE LIENOR'S FAVOR ON THE WAGE CLAIMS AND THE LIENOR COMMENCES
49 A FORECLOSURE ACTION, IN WHICH INSTANCE THE LIEN SHALL BE VALID DURING
50 THE PENDENCY OF THE FORECLOSURE ACTION. IF A LIEN IS EXTENDED DUE TO THE
51 PENDENCY OF A FORECLOSURE ACTION OR AN ACTION TO OBTAIN A JUDGMENT ON
52 THE WAGE CLAIM, THE LIENOR SHALL FILE A NOTICE OF SUCH PENDENCY AND
53 EXTENSION WITH THE COUNTY CLERK OF THE COUNTY IN WHICH THE NOTICE OF
54 LIEN IS FILED, CONTAINING THE NAMES OF THE PARTIES TO THE ACTION, THE
55 OBJECT OF THE ACTION, A BRIEF DESCRIPTION OF THE PROPERTY AFFECTED
56 THEREBY, AND THE TIME OF FILING THE NOTICE OF LIEN, OR IN THE CASE OF A

1 LIEN ON PERSONAL PROPERTY SHALL FILE SUCH NOTICE WITH THE OFFICE AUTHOR-
2 IZED TO ACCEPT FINANCING STATEMENTS PURSUANT TO SECTION 9-501 OF THE
3 UNIFORM COMMERCIAL CODE. FOR PURPOSES OF THIS SECTION, AN ACTION TO
4 OBTAIN JUDGMENT ON A WAGE CLAIM INCLUDES AN ACTION BROUGHT IN ANY COURT
5 OF COMPETENT JURISDICTION OR THE SUBMISSION OF A COMPLAINT TO THE
6 DEPARTMENT OF LABOR. AN ACTION ALSO INCLUDES AN INVESTIGATION OF WAGE
7 CLAIMS BY THE COMMISSIONER OF LABOR OR THE ATTORNEY GENERAL OF THE STATE
8 OF NEW YORK, REGARDLESS OF WHETHER SUCH INVESTIGATION WAS INITIATED BY A
9 COMPLAINT.

10 (E) A LIEN, THE DURATION OF WHICH HAS BEEN EXTENDED BY THE FILING OF A
11 NOTICE OF THE PENDENCY OF AN ACTION AS ABOVE PROVIDED, SHALL NEVERTHE-
12 LESS TERMINATE AS A LIEN AFTER SUCH NOTICE HAS BEEN CANCELED AS PROVIDED
13 IN SECTION SIXTY-FIVE HUNDRED FOURTEEN OF THE CIVIL PRACTICE LAW AND
14 RULES OR HAS CEASED TO BE EFFECTIVE AS CONSTRUCTIVE NOTICE AS PROVIDED
15 IN SECTION SIXTY-FIVE HUNDRED THIRTEEN OF THE CIVIL PRACTICE LAW AND
16 RULES.

17 S 12. Subdivisions 2 and 4 of section 19 of the lien law, subdivision
18 2 as amended by chapter 310 of the laws of 1962, and subdivision 4 as
19 added by chapter 582 of the laws of 2002, paragraph (a) of subdivision 4
20 as further amended by section 104 of part A of chapter 62 of the laws of
21 2011, are amended to read as follows:

22 (2) By failure to begin an action to foreclose such lien or to secure
23 an order continuing it, within one year from the time of filing the
24 notice of lien, unless (I) an action be begun within the same period to
25 foreclose a mortgage or another mechanic's lien upon the same property
26 or any part thereof and a notice of pendency of such action is filed
27 according to law, OR (II) AN ACTION IS COMMENCED TO OBTAIN A JUDGMENT ON
28 A WAGE CLAIM PURSUANT TO SUBDIVISION TWO OF SECTION SEVENTEEN OF THIS
29 ARTICLE, but a lien, the duration of which has been extended by the
30 filing of a notice of the pendency of an action as herein provided,
31 shall nevertheless terminate as a lien after such notice has been
32 cancelled or has ceased to be effective as constructive notice.

33 (4) Either before or after the beginning of an action by the EMPLOYER,
34 owner or contractor executing a bond or undertaking in an amount equal
35 to one hundred ten percent of such lien conditioned for the payment of
36 any judgment which may be rendered against the property OR EMPLOYER for
37 the enforcement of the lien:

38 a. The execution of any such bond or undertaking by any fidelity or
39 surety company authorized by the laws of this state to transact busi-
40 ness, shall be sufficient; and where a certificate of qualification has
41 been issued by the superintendent of financial services under the
42 provisions of section one thousand one hundred eleven of the insurance
43 law, and has not been revoked, no justification or notice thereof shall
44 be necessary. Any such company may execute any such bond or undertaking
45 as surety by the hand of its officers, or attorney, duly authorized
46 thereto by resolution of its board of directors, a certified copy of
47 which resolution, under the seal of said company, shall be filed with
48 each bond or undertaking. Any such bond or undertaking shall be filed
49 with the clerk of the county in which the notice of lien is filed, and a
50 copy shall be served upon the adverse party. The undertaking is effec-
51 tive when so served and filed. If a certificate of qualification issued
52 pursuant to subsections (b), (c) and (d) of section one thousand one
53 hundred eleven of the insurance law is not filed with the undertaking, a
54 party may except, to the sufficiency of a surety and by a written notice
55 of exception served upon the adverse party within ten days after
56 receipt, a copy of the undertaking. Exceptions deemed by the court to

1 have been taken unnecessarily, or for vexation or delay, may, upon
2 notice, be set aside, with costs. Where no exception to sureties is
3 taken within ten days or where exceptions taken are set aside, the
4 undertaking shall be allowed.

5 b. In the case of bonds or undertakings not executed pursuant to para-
6 graph a of this subdivision, the EMPLOYER, owner or contractor shall
7 execute an undertaking with two or more sufficient sureties, who shall
8 be free holders, to the clerk of the county where the premises are situ-
9 ated. The sureties must together justify in at least double the sum
10 named in the undertaking. A copy of the undertaking, with notice that
11 the sureties will justify before the court, or a judge or justice there-
12 of, at the time and place therein mentioned, must be served upon the
13 lienor or his attorney, not less than five days before such time. Upon
14 the approval of the undertaking by the court, judge or justice an order
15 shall be made by such court, judge or justice discharging such lien.

16 c. If the lienor cannot be found, or does not appear by attorney,
17 service under this subsection may be made by leaving a copy of such
18 undertaking and notice at the lienor's place of residence, or if a
19 corporation at its principal place of business within the state as stat-
20 ed in the notice of lien, with a person of suitable age and discretion
21 therein, or if the house of his abode or its place of business is not
22 stated in said notice of lien and is not known, then in such manner as
23 the court may direct. The premises, if any, described in the notice of
24 lien as the lienor's residence or place of business shall be deemed to
25 be his said residence or its place of business for the purposes of said
26 service at the time thereof, unless it is shown affirmatively that the
27 person servicing the papers or directing the service had knowledge to
28 the contrary. Notwithstanding the other provisions of this subdivision
29 relating to service of notice, in any case where the mailing address of
30 the lienor is outside the state such service may be made by registered
31 or certified mail, return receipt requested, to such lienor at the mail-
32 ing address contained in the notice of lien.

33 d. Except as otherwise provided in this subdivision, the provisions of
34 article twenty-five of the civil practice law and rules regulating
35 undertakings is applicable to a bond or undertaking given for the
36 discharge of a lien on account of private improvements OR OF AN EMPLOY-
37 EE'S LIEN.

38 S 13. Section 24 of the lien law, as amended by chapter 515 of the
39 laws of 1929, is amended to read as follows:

40 S 24. Enforcement of [mechanic's] lien. (1) REAL PROPERTY. The
41 [mechanics'] liens ON REAL PROPERTY specified in this article may be
42 enforced against the property specified in the notice of lien and which
43 is subject thereto and against any person liable for the debt upon which
44 the lien is founded, as prescribed in article three of this chapter.

45 (2) PERSONAL PROPERTY. AN EMPLOYEE'S LIEN ON PERSONAL PROPERTY SPECI-
46 FIED IN THIS ARTICLE MAY IMMEDIATELY BE ENFORCED AGAINST THE PROPERTY
47 THROUGH A FORECLOSURE AS PRESCRIBED IN ARTICLE NINE OF THE UNIFORM
48 COMMERCIAL CODE, OR UPON JUDGMENT OBTAINED BY THE EMPLOYEE, COMMISSIONER
49 OF LABOR OR ATTORNEY GENERAL OF THE STATE OF NEW YORK, MAY BE ENFORCED
50 IN ANY MANNER AVAILABLE TO THE JUDGMENT CREDITOR PURSUANT TO ARTICLE
51 NINE OF THE UNIFORM COMMERCIAL CODE OR OTHER APPLICABLE LAWS.

52 S 14. Section 26 of the lien law, as amended by chapter 373 of the
53 laws of 1977, is amended to read as follows:

54 S 26. Subordination of liens after agreement with owner. In case an
55 owner of real property shall execute to one or more persons, or a corpo-
56 ration, as trustee or trustees, a bond and mortgage or a note and mort-

1 gage affecting such property in whole or in part, or an assignment of
2 the moneys due or to become due under a contract for a building loan in
3 relation to such property, and in case such mortgage, if any, shall be
4 recorded in the office of the register of the county where such real
5 property is situated, or if such county has no register then in the
6 office of the clerk of such county, and in case such assignment, if any,
7 shall be filed in the office of the clerk of the county where such real
8 property is situated; and in case lienors having [mechanics'] liens
9 against said real property, notices of which have been filed up to and
10 not later than fifteen days after the recording of such mortgage or the
11 filing of such assignment, and which liens have not been discharged as
12 in this article provided, shall, to the extent of at least fifty-five
13 per centum of the aggregate amount for which such notices of liens have
14 been so filed, approve such bond and mortgage or such note and mortgage,
15 if any, and such assignment, if any, by an instrument or instruments in
16 writing, duly acknowledged and filed in the office of such county clerk,
17 then all mechanics' liens for labor performed or material furnished
18 prior to the recording of such mortgage or filing of such assignment,
19 whether notices thereof have been theretofore or are thereafter filed
20 and which have not been discharged as in this article provided, shall be
21 subordinate to the lien of such trust bond and mortgage or such trust
22 note and mortgage to the extent of the aggregate amount of all certifi-
23 cates of interest therein issued by such trustee or trustees, or their
24 successors, for moneys loaned, materials furnished, labor performed and
25 any other indebtedness incurred after said trust mortgage shall have
26 been recorded, and for expenses in connection with said trust mortgage,
27 and shall also be subordinate to the lien of the bond and mortgage or
28 note and mortgage, given to secure the amount agreed to be advanced
29 under such contract for a building loan to the extent of the amount
30 which shall be advanced by the holder of such bond and mortgage or such
31 note and mortgage to the trustee or trustees, or their successors, under
32 such assignment. The provisions of this section shall apply to all bonds
33 and mortgages and notes and mortgages and all assignments of moneys due,
34 or to become due under building loan contracts executed by such owner,
35 in like manner, and recorded or filed, from time to time as hereinbefore
36 provided. In case of an assignment to trustees under the provisions of
37 this section, the trustees and their successors shall be the agents of
38 the assignor to receive and receipt for any and all sums advanced by the
39 holder of the building loan bond and mortgage or the building loan note
40 and mortgage under the building loan contract and such assignment. No
41 lienor shall have any priority over the bond and mortgage or note and
42 mortgage given to secure the money agreed to be advanced under a build-
43 ing loan contract or over the advances made thereunder, by reason of any
44 act preceding the making and approval of such assignment.

45 S 15. Section 38 of the lien law, as amended by chapter 859 of the
46 laws of 1930, is amended to read as follows:

47 S 38. Itemized statement may be required of lienor. A lienor who has
48 filed a notice of MECHANIC'S lien shall, on demand in writing, deliver
49 to the owner or contractor making such demand a statement in writing
50 which shall set forth the items of labor and/or material and the value
51 thereof which make up the amount for which he claims a lien, and which
52 shall also set forth the terms of the contract under which such items
53 were furnished. A LIENOR WHO HAS FILED A NOTICE OF EMPLOYEE LIEN SHALL,
54 ON DEMAND IN WRITING, DELIVER TO THE EMPLOYER MAKING SUCH DEMAND A
55 STATEMENT IN WRITING WHICH SHALL SET FORTH THE ITEMS OF THE WAGE CLAIM
56 AND THE VALUE THEREOF WHICH MAKE UP THE AMOUNT FOR WHICH HE CLAIMS A

1 LIEN. The statement shall be verified by the lienor or his agent in the
2 form required for the verification of notices in section nine of this
3 [chapter] ARTICLE. If the lienor shall fail to comply with such a demand
4 within five days after the same shall have been made by the EMPLOYER,
5 owner or contractor, or if the lienor delivers an insufficient state-
6 ment, the person aggrieved may petition the supreme court of this state
7 or any justice thereof, or the county court of the county where the
8 premises are situated, or the county judge of such county for an order
9 directing the lienor within a time specified in the order to deliver to
10 the petitioner the statement required by this section. Two days' notice
11 in writing of such application shall be served upon the lienor. Such
12 service shall be made in the manner provided by law for the personal
13 service of a summons. The court or a justice or judge thereof shall hear
14 the parties and upon being satisfied that the lienor has failed,
15 neglected or refused to comply with the requirements of this section
16 shall have an appropriate order directing such compliance. In case the
17 lienor fails to comply with the order so made within the time specified,
18 then upon five days' notice to the lienor, served in the manner provided
19 by law for the personal service of a summons, the court or a justice or
20 judge thereof may make an order cancelling the lien.

21 S 16. Section 39 of the lien law, as added by chapter 859 of the laws
22 of 1930, is amended to read as follows:

23 S 39. Lien wilfully exaggerated is void. In any action or proceeding
24 to enforce a [mechanic's] lien upon a private or public improvement or
25 in which the validity of the lien is an issue, if the court shall find
26 that a lienor has wilfully exaggerated the amount for which he claims a
27 lien as stated in his notice of lien, his lien shall be declared to be
28 void and no recovery shall be had thereon. No such lienor shall have a
29 right to file any other or further lien for the same claim. A second or
30 subsequent lien filed in contravention of this section may be vacated
31 upon application to the court on two days' notice.

32 S 17. Section 40 of the lien law, as amended by chapter 515 of the
33 laws of 1929, is amended to read as follows:

34 S 40. Construction of article. This article is to be construed in
35 connection with article two of this chapter, and provides proceedings
36 for the enforcement of EMPLOYEE'S LIENS ON REAL PROPERTY, AS WELL AS
37 liens for labor performed and materials furnished in the improvement of
38 real property, created by virtue of such article.

39 S 18. Section 41 of the lien law, as amended by chapter 807 of the
40 laws of 1952, is amended to read as follows:

41 S 41. Enforcement of mechanic's OR EMPLOYEE'S lien on real property. A
42 mechanic's lien OR EMPLOYEE'S LIEN on real property may be enforced
43 against such property, and against a person liable for the debt upon
44 which the lien is founded, by an action, by the lienor, his assignee or
45 legal representative, in the supreme court or in a county court other-
46 wise having jurisdiction, regardless of the amount of such debt, or in a
47 court which has jurisdiction in an action founded on a contract for a
48 sum of money equivalent to the amount of such debt.

49 S 19. Section 43 of the lien law, as amended by section 310 of the
50 laws of 1962, is amended to read as follows:

51 S 43. Action in a court of record; consolidation of actions. The
52 provisions of the real property actions and proceedings law relating to
53 actions for the foreclosure of a mortgage upon real property, and the
54 sale and the distribution of the proceeds thereof apply to actions in a
55 court of record, to enforce mechanics' liens AND EMPLOYEES' LIENS on
56 real property, except as otherwise provided in this article. If actions

1 are brought by different lienors in a court of record, the court in
2 which the first action was brought, may, upon its own motion, or upon
3 the application of any party in any of such actions, consolidate all of
4 such actions.

5 S 20. Section 46 of the lien law, as amended by chapter 515 of the
6 laws of 1929, is amended to read as follows:

7 S 46. Action in a court not of record. If an action to enforce a
8 mechanic's lien OR EMPLOYEE'S LIEN against real property is brought in a
9 court not of record, it shall be commenced by the personal service upon
10 the owner of a summons and complaint verified in the same manner as a
11 complaint in an action in a court of record. The complaint must set
12 forth substantially the facts contained in the notice of lien, and the
13 substance of the agreement under which the labor was performed or the
14 materials were furnished, OR IF THE LIEN IS BASED UPON A WAGE CLAIM AS
15 DEFINED IN SECTION TWO OF THIS CHAPTER, THE BASIS FOR SUCH WAGE CLAIM.
16 The form and contents of the summons shall be the same as provided by
17 law for the commencement of an action upon a contract in such court. The
18 summons must be returnable not less than twelve nor more than twenty
19 days after the date of the summons, or if service is made by publica-
20 tion, after the day of the last publication of the summons. Service
21 must be made at least eight days before the return day.

22 S 21. Section 50 of the lien law, as amended by chapter 515 of the
23 laws of 1929, is amended to read as follows:

24 S 50. Execution. Execution may be issued upon a judgment obtained in
25 an action to enforce a mechanic's lien OR AN EMPLOYEE'S LIEN against
26 real property in a court not of record, which shall direct the officer
27 to sell the title and interest of the owner in the premises, upon which
28 the lien set forth in the complaint existed at the time of filing the
29 notice of lien.

30 S 22. Section 53 of the lien law, as amended by chapter 515 of the
31 laws of 1929, is amended to read as follows:

32 S 53. Costs and disbursements. If an action is brought to enforce a
33 mechanic's lien OR AN EMPLOYEE'S LIEN against real property in a court
34 of record, the costs and disbursements shall rest in the discretion of
35 the court, and may be awarded to the prevailing party. The judgment
36 rendered in such an action shall include the amount of such costs and
37 specify to whom and by whom the costs are to be paid. If such action is
38 brought in a court not of record, they shall be the same as allowed in
39 civil actions in such court. The expenses incurred in serving the
40 summons by publication may be added to the amount of costs now allowed
41 in such court.

42 S 23. Section 59 of the lien law, as amended by chapter 515 of the
43 laws of 1929, is amended to read as follows:

44 S 59. Vacating of a [mechanic's] lien; cancellation of bond; return of
45 deposit, by order of court. 1. A mechanic's lien notice of which has
46 been filed on real property or a bond given to discharge the same may be
47 vacated and cancelled or a deposit made to discharge a lien pursuant to
48 section twenty may be returned, by an order of a court of record. Before
49 such order shall be granted, a notice shall be served upon the lienor,
50 either personally or by leaving it as his last known place of residence,
51 with a person of suitable age, with directions to deliver it to the
52 lienor. Such notice shall require the lienor to commence an action to
53 enforce the lien, within a time specified in the notice, not less than
54 thirty days from the time of service, or show cause at a special term of
55 a court of record, or at a county court, in a county in which the prop-
56 erty is situated, at a time and place specified therein, why the notice

1 of lien filed or the bond given should not be vacated and cancelled, or
2 the deposit returned, as the case may be. Proof of such service and that
3 the lienor has not commenced the action to foreclose such lien, as
4 directed in the notice, shall be made by affidavit, at the time of
5 applying for such order.

6 2. AN EMPLOYEE'S LIEN NOTICE OF WHICH HAS BEEN FILED ON REAL PROPERTY
7 OR A BOND GIVEN TO DISCHARGE THE SAME MAY BE VACATED AND CANCELLED OR A
8 DEPOSIT MADE TO DISCHARGE A LIEN PURSUANT TO SECTION TWENTY OF THIS
9 CHAPTER MAY BE RETURNED, BY AN ORDER OF A COURT OF RECORD. BEFORE SUCH
10 ORDER SHALL BE GRANTED, A NOTICE SHALL BE SERVED UPON THE LIENOR, EITHER
11 PERSONALLY OR BY LEAVING IT AT HIS LAST KNOWN PLACE OF RESIDENCE OR
12 ATTORNEY'S PLACE OF BUSINESS, WITH A PERSON OF SUITABLE AGE, WITH
13 DIRECTIONS TO DELIVER IT TO THE LIENOR. SUCH NOTICE SHALL REQUIRE THE
14 LIENOR TO COMMENCE AN ACTION TO ENFORCE THE LIEN, OR TO COMMENCE AN
15 ACTION TO OBTAIN JUDGMENT ON THE WAGE CLAIM UPON WHICH THE LIEN WAS
16 ESTABLISHED, WITHIN A TIME SPECIFIED IN THE NOTICE, NOT LESS THAN NINETY
17 DAYS FROM THE TIME OF SERVICE, OR SHOW CAUSE AT A SPECIAL TERM OF A
18 COURT OF RECORD, OR AT A COUNTY COURT, IN A COUNTY IN WHICH THE PROPERTY
19 IS SITUATED, AT A TIME AND PLACE SPECIFIED THEREIN, WHY THE NOTICE OF
20 LIEN FILED OR THE BOND GIVEN SHOULD NOT BE VACATED AND CANCELLED, OR THE
21 DEPOSIT RETURNED, AS THE CASE MAY BE. PROOF OF SUCH SERVICE AND THAT THE
22 LIENOR HAS NOT COMMENCED THE ACTION TO FORECLOSE SUCH LIEN OR AN ACTION
23 TO OBTAIN JUDGMENT ON THE WAGE CLAIM UPON WHICH THE LIEN WAS ESTAB-
24 LISHED, AS DIRECTED IN THE NOTICE, SHALL BE MADE BY AFFIDAVIT, AT THE
25 TIME OF APPLYING FOR SUCH ORDER.

26 S 24. Section 62 of the lien law, as amended by chapter 697 of the
27 laws of 1934, is amended to read as follows:

28 S 62. Bringing in new parties. A lienor who has filed a notice of lien
29 after the commencement of an action in a court of record to foreclose or
30 enforce AN EMPLOYEE'S LIEN OR a mechanic's lien against real property or
31 a public improvement, may at any time up to and including the day
32 preceding the day on which the trial of such action is commenced, make
33 application upon notice to the plaintiff or his attorney in such action,
34 to be made a party therein. Upon good cause shown, the court must order
35 such lienor to be brought in by amendment. If the application is made by
36 any other party in said action to make such lienor or other person a
37 party, the court may in its discretion direct such lienor or other
38 person to be brought in by like amendment. The order to be entered on
39 such application shall provide the time for and manner of serving the
40 pleading of such additional lienor or other person and shall direct that
41 the pleadings, papers and proceedings of the other several parties in
42 such action, shall be deemed amended, so as not to require the making or
43 serving of papers other than said order to effectuate such amendment,
44 and shall further provide that the allegations in the answer of such
45 additional lienor or other person shall, for the purposes of the action,
46 be deemed denied by the other parties therein. The action shall be so
47 conducted by the court as not to cause substantially any delay in the
48 trial thereof. The bringing in of such additional lienor or other
49 person shall be without prejudice to the proceedings had, and if the
50 action be on the calendar of the court, same shall retain its place on
51 such calendar without the necessity of serving a new note of issue and
52 new notices of trial.

53 S 25. Subdivision 3 of section 199-a of the labor law, as amended by
54 chapter 564 of the laws of 2010, is amended to read as follows:

55 3. Each employee and his or her authorized representative shall be
56 notified in writing, OF THE TERMINATION OF THE COMMISSIONER'S INVESTI-

1 GATION OF THE EMPLOYEE'S COMPLAINT AND THE RESULT OF SUCH INVESTIGATION,
2 of any award and collection of back wages and civil penalties, and of
3 any intent to seek criminal penalties. In the event that criminal penal-
4 ties are sought the employee and his or her authorized representative
5 shall be notified of the outcome of prosecution.

6 S 26. Subdivision 2 of section 663 of the labor law, as amended by
7 chapter 564 of the laws of 2010, is amended to read as follows:

8 2. By commissioner. On behalf of any employee paid less than the wage
9 to which the employee is entitled under the provisions of this article,
10 the commissioner may bring any legal action necessary, including admin-
11 istrative action, to collect such claim, and the employer shall be
12 required to pay the full amount of the underpayment, plus costs, and
13 unless the employer proves a good faith basis to believe that its under-
14 payment was in compliance with the law, an additional amount as liqui-
15 dated damages. Liquidated damages shall be calculated by the commission-
16 er as no more than one hundred percent of the total amount of
17 underpayments found to be due the employee. In any action brought by the
18 commissioner in a court of competent jurisdiction, liquidated damages
19 shall be calculated as an amount equal to one hundred percent of under-
20 payments found to be due the employee. EACH EMPLOYEE OR HIS OR HER
21 AUTHORIZED REPRESENTATIVE SHALL BE NOTIFIED IN WRITING OF THE OUTCOME OF
22 ANY LEGAL ACTION BROUGHT ON THE EMPLOYEE'S BEHALF PURSUANT TO THIS
23 SECTION.

24 S 27. Subdivision 5 of section 6201 of the civil practice law and
25 rules, as amended by chapter 860 of the laws of 1977 and as renumbered
26 by chapter 618 of the laws of 1992, is amended and a new subdivision 6
27 is added to read as follows:

28 5. the cause of action is based on a judgment, decree or order of a
29 court of the United States or of any other court which is entitled to
30 full faith and credit in this state, or on a judgment which qualifies
31 for recognition under the provisions of article 53[.] OF THIS CHAPTER;
32 OR

33 6. THE CAUSE OF ACTION IS BASED ON WAGE CLAIMS. "WAGE CLAIMS," WHEN
34 USED IN THIS CHAPTER, SHALL INCLUDE ANY CLAIMS OF VIOLATIONS OF ARTICLES
35 FIVE, SIX, AND NINETEEN OF THE LABOR LAW, SECTION TWO HUNDRED FIFTEEN OF
36 THE LABOR LAW, AND THE RELATED REGULATIONS OR WAGE ORDERS PROMULGATED BY
37 THE COMMISSIONER OF LABOR, INCLUDING BUT NOT LIMITED TO ANY CLAIMS OF
38 UNPAID, MINIMUM, OVERTIME, AND SPREAD-OF-HOURS PAY, UNLAWFULLY RETAINED
39 GRATUITIES, UNLAWFUL DEDUCTIONS FROM WAGES, UNPAID COMMISSIONS, UNPAID
40 BENEFITS AND WAGE SUPPLEMENTS, AND RETALIATION, AND ANY CLAIMS PURSUANT
41 TO 18 U.S.C. S 1595, 29 U.S.C. S 201 ET SEQ., AND/OR EMPLOYMENT CONTRACT
42 AS WELL AS THE CONCOMITANT LIQUIDATED DAMAGES AND PENALTIES AUTHORIZED
43 PURSUANT TO THE LABOR LAW, THE FAIR LABOR STANDARDS ACT, OR ANY EMPLOY-
44 MENT CONTRACT.

45 S 28. Section 6210 of the civil practice law and rules, as added by
46 chapter 860 of the laws of 1977, is amended to read as follows:

47 S 6210. Order of attachment on notice; temporary restraining order;
48 contents. Upon a motion on notice for an order of attachment, the court
49 may, without notice to the defendant, grant a temporary restraining
50 order prohibiting the transfer of assets by a garnishee as provided in
51 subdivision (b) of section 6214. WHEN ATTACHMENT IS SOUGHT PURSUANT TO
52 SUBDIVISION SIX OF SECTION 6201, AND IF THE EMPLOYER CONTESTS THE
53 MOTION, THE COURT SHALL HOLD A HEARING WITHIN TEN DAYS OF WHEN THE
54 EMPLOYER'S RESPONSE TO PLAINTIFFS' MOTION FOR ATTACHMENT IS DUE. The
55 contents of the order of attachment granted pursuant to this section
56 shall be as provided in subdivision (a) of section 6211.

1 S 29. Subdivision (b) of section 6211 of the civil practice law and
2 rules, as amended by chapter 566 of the laws of 1985, is amended to read
3 as follows:

4 (b) Confirmation of order. Except where an order of attachment is
5 granted on the ground specified in subdivision one OR SIX of section
6 6201, an order of attachment granted without notice shall provide that
7 within a period not to exceed five days after levy, the plaintiff shall
8 move, on such notice as the court shall direct to the defendant, the
9 garnishee, if any, and the sheriff, for an order confirming the order of
10 attachment. Where an order of attachment without notice is granted on
11 the ground specified in subdivision one OR SIX of section 6201, the
12 court shall direct that the statement required by section 6219 be served
13 within five days, that a copy thereof be served upon the plaintiff, and
14 the plaintiff shall move within ten days after levy for an order
15 confirming the order of attachment. If the plaintiff upon such motion
16 shall show that the statement has not been served and that the plaintiff
17 will be unable to satisfy the requirement of subdivision (b) of section
18 6223 until the statement has been served, the court may grant one exten-
19 sion of the time to move for confirmation for a period not to exceed ten
20 days. If plaintiff fails to make such motion within the required period,
21 the order of attachment and any levy thereunder shall have no further
22 effect and shall be vacated upon motion. Upon the motion to confirm, the
23 provisions of subdivision (b) of section 6223 shall apply. An order of
24 attachment granted without notice may provide that the sheriff refrain
25 from taking any property levied upon into his actual custody, pending
26 further order of the court.

27 S 30. Subdivisions (b) and (e) of rule 6212 of the civil practice law
28 and rules, subdivision (b) as separately amended by chapters 15 and 860
29 of the laws of 1977 and subdivision (e) as added by chapter 860 of the
30 laws of 1977, are amended to read as follows:

31 (b) Undertaking. [On] 1. EXCEPT WHERE AN ORDER OF ATTACHMENT IS SOUGHT
32 ON THE GROUND SPECIFIED IN SUBDIVISION SIX OF SECTION 6201, ON a motion
33 for an order of attachment, the plaintiff shall give an undertaking, in
34 a total amount fixed by the court, but not less than five hundred
35 dollars, a specified part thereof conditioned that the plaintiff shall
36 pay to the defendant all costs and damages, including reasonable attor-
37 ney's fees, which may be sustained by reason of the attachment if the
38 defendant recovers judgment or if it is finally decided that the plain-
39 tiff was not entitled to an attachment of the defendant's property, and
40 the balance conditioned that the plaintiff shall pay to the sheriff all
41 of his allowable fees.

42 2. ON A MOTION FOR AN ATTACHMENT PURSUANT TO SUBDIVISION SIX OF
43 SECTION 6201, THE COURT SHALL ORDER THAT THE PLAINTIFF GIVE AN ACCESSI-
44 BLE UNDERTAKING OF NO MORE THAN FIVE HUNDRED DOLLARS, OR IN THE ALTERNA-
45 TIVE, MAY WAIVE THE UNDERTAKING ALTOGETHER. The attorney for the plain-
46 tiff shall not be liable to the sheriff for such fees. The surety on the
47 undertaking shall not be discharged except upon notice to the sheriff.

48 (e) Damages. [The] EXCEPT WHERE AN ORDER OF ATTACHMENT IS SOUGHT ON
49 THE GROUND SPECIFIED IN SUBDIVISION SIX OF SECTION 6201, THE plaintiff
50 shall be liable to the defendant for all costs and damages, including
51 reasonable attorney's fees, which may be sustained by reason of the
52 attachment if the defendant recovers judgment, or if it is finally
53 decided that the plaintiff was not entitled to an attachment of the
54 defendant's property. Plaintiff's liability shall not be limited by the
55 amount of the undertaking.

1 S 31. Section 6223 of the civil practice law and rules, as amended by
2 chapter 860 of the laws of 1977, is amended to read as follows:

3 S 6223. Vacating or modifying attachment. (a) Motion to vacate or
4 modify. Prior to the application of property or debt to the satisfac-
5 tion of a judgment, the defendant, the garnishee or any person having an
6 interest in the property or debt may move, on notice to each party and
7 the sheriff, for an order vacating or modifying the order of attachment.
8 Upon the motion, the court may give the plaintiff a reasonable opportu-
9 nity to correct any defect. [If] EXCEPT AS PROVIDED UNDER SUBDIVISION
10 (B), IF, after the defendant has appeared in the action, the court
11 determines that the attachment is unnecessary to the security of the
12 plaintiff, it shall vacate the order of attachment. Such a motion shall
13 not of itself constitute an appearance in the action.

14 (b) Burden of proof. [Upon] EXCEPT WHERE AN ORDER OF ATTACHMENT IS
15 GRANTED PURSUANT TO SUBDIVISION SIX OF SECTION 6201, UPON a motion to
16 vacate or modify an order of attachment the plaintiff shall have the
17 burden of establishing the grounds for the attachment, the need for
18 continuing the levy and the probability that he will succeed on the
19 merits. UPON A MOTION TO VACATE OR MODIFY AN ORDER OF ATTACHMENT GRANTED
20 PURSUANT TO SUBDIVISION SIX OF SECTION 6201, THE DEFENDANT SHALL HAVE
21 THE BURDEN TO DEMONSTRATE THAT THE ATTACHMENT IS UNNECESSARY TO THE
22 SECURITY OF THE PLAINTIFF, IN ORDER TO VACATE OR MODIFY THE ATTACHMENT
23 ORDER.

24 S 32. Paragraph (b) of section 624 of the business corporation law, as
25 amended by chapter 449 of the laws of 1997, is amended to read as
26 follows:

27 (b) Any person who shall have been a shareholder of record of a corpo-
28 ration, OR WHO IS OR SHALL HAVE BEEN A LABORER, SERVANT OR EMPLOYEE,
29 upon at least five days' written demand shall have the right to examine
30 in person or by agent or attorney, during usual business hours, its
31 minutes of the proceedings of its shareholders and record of sharehold-
32 ers and to make extracts therefrom for any purpose reasonably related to
33 such person's interest as a shareholder, LABORER, SERVANT OR EMPLOYEE.
34 Holders of voting trust certificates representing shares of the corpo-
35 ration shall be regarded as shareholders for the purpose of this
36 section. Any such agent or attorney shall be authorized in a writing
37 that satisfies the requirements of a writing under paragraph (b) of
38 section 609 OF THIS ARTICLE (Proxies). A corporation requested to
39 provide information pursuant to this paragraph shall make available such
40 information in written form and in any other format in which such infor-
41 mation is maintained by the corporation and shall not be required to
42 provide such information in any other format. If a request made pursuant
43 to this paragraph includes a request to furnish information regarding
44 beneficial owners, the corporation shall make available such information
45 in its possession regarding beneficial owners as is provided to the
46 corporation by a registered broker or dealer or a bank, association or
47 other entity that exercises fiduciary powers in connection with the
48 forwarding of information to such owners. The corporation shall not be
49 required to obtain information about beneficial owners not in its
50 possession.

51 S 33. Section 630 of the business corporation law, paragraph (a) as
52 amended by chapter 421 of the laws of 2015, paragraph (c) as amended by
53 chapter 746 of the laws of 1963, is amended to read as follows:

54 S 630. Liability of shareholders for wages due to laborers, servants or
55 employees.

1 (a) The ten largest shareholders, as determined by the fair value of
2 their beneficial interest as of the beginning of the period during which
3 the unpaid services referred to in this section are performed, of every
4 domestic corporation (other than an investment company registered as
5 such under an act of congress entitled "Investment Company Act of
6 1940"), or of any foreign corporation, when the unpaid services were
7 performed in the state, no shares of which are listed on a national
8 securities exchange or regularly quoted in an over-the-counter market by
9 one or more members of a national or an affiliated securities associ-
10 ation, shall jointly and severally be personally liable for all debts,
11 wages or salaries due and owing to any of its laborers, servants or
12 employees other than contractors, for services performed by them for
13 such corporation. [Before such laborer, servant or employee shall charge
14 such shareholder for such services, he shall give notice in writing to
15 such shareholder that he intends to hold him liable under this section.
16 Such notice shall be given within one hundred and eighty days after
17 termination of such services, except that if, within such period, the
18 laborer, servant or employee demands an examination of the record of
19 shareholders under paragraph (b) of section 624 (Books and records;
20 right of inspection, prima facie evidence) of this article, such notice
21 may be given within sixty days after he has been given the opportunity
22 to examine the record of shareholders. An action to enforce such liabil-
23 ity shall be commenced within ninety days after the return of an
24 execution unsatisfied against the corporation upon a judgment recovered
25 against it for such services.]

26 (b) For the purposes of this section, wages or salaries shall mean all
27 compensation and benefits payable by an employer to or for the account
28 of the employee for personal services rendered by such employee INCLUD-
29 ING ANY CONCOMITANT LIQUIDATED DAMAGES, PENALTIES, INTEREST, ATTORNEY'S
30 FEES OR COSTS. These shall specifically include but not be limited to
31 salaries, overtime, vacation, holiday and severance pay; employer
32 contributions to or payments of insurance or welfare benefits; employer
33 contributions to pension or annuity funds; and any other moneys properly
34 due or payable for services rendered by such employee.

35 (c) A shareholder who has paid more than his pro rata share under this
36 section shall be entitled to contribution pro rata from the other share-
37 holders liable under this section with respect to the excess so paid,
38 over and above his pro rata share, and may sue them jointly or severally
39 or any number of them to recover the amount due from them. Such recov-
40 ery may be had in a separate action. As used in this paragraph, "pro
41 rata" means in proportion to beneficial share interest. Before a share-
42 holder may claim contribution from other shareholders under this para-
43 graph, he shall[, unless they have been given notice by a laborer, serv-
44 ant or employee under paragraph (a),] give them notice in writing that
45 he intends to hold them so liable to him. Such notice shall be given by
46 him within twenty days after the date that [notice was given to him by]
47 HE BECAME AWARE THAT a laborer, servant or employee MAY SEEK TO HOLD HIM
48 LIABLE under paragraph (a).

49 S 34. Subdivision (c) of section 609 of the limited liability company
50 law, as added by chapter 537 of the laws of 2014, is amended to read as
51 follows:

52 (c) Notwithstanding the provisions of subdivisions (a) and (b) of this
53 section, the ten members with the largest percentage ownership interest,
54 as determined as of the beginning of the period during which the unpaid
55 services referred to in this section are performed, of every limited
56 liability company, shall jointly and severally be personally liable for

1 all debts, wages or salaries due and owing to any of its laborers, serv-
2 ants or employees, for services performed by them for such limited
3 liability company. [Before such laborer, servant or employee shall
4 charge such member for such services, he or she shall give notice in
5 writing to such member that he or she intends to hold such member liable
6 under this section. Such notice shall be given within one hundred eighty
7 days after termination of such services. An action to enforce such
8 liability shall be commenced within ninety days after the return of an
9 execution unsatisfied against the limited liability company upon a judg-
10 ment recovered against it for such services.] A member who has paid more
11 than his or her pro rata share under this section shall be entitled to
12 contribution pro rata from the other members liable under this section
13 with respect to the excess so paid, over and above his or her pro rata
14 share, and may sue them jointly or severally or any number of them to
15 recover the amount due from them. Such recovery may be had in a separate
16 action. As used in this subdivision, "pro rata" means in proportion to
17 percentage ownership interest. Before a member may claim contribution
18 from other members under this section, he or she shall give them notice
19 in writing that he or she intends to hold them so liable to him or her.

20 S 35. Section 1102 of the limited liability company law is amended by
21 adding a new subdivision (e) to read as follows:

22 (E) ANY PERSON WHO IS OR SHALL HAVE BEEN A LABORER, SERVANT OR EMPLOY-
23 EE OF A LIMITED LIABILITY COMPANY, UPON AT LEAST FIVE DAYS' WRITTEN
24 DEMAND SHALL HAVE THE RIGHT TO EXAMINE IN PERSON OR BY AGENT OR ATTOR-
25 NEY, DURING USUAL BUSINESS HOURS, RECORDS DESCRIBED IN PARAGRAPH TWO OF
26 SUBDIVISION (A) OF THIS SECTION THROUGHOUT THE PERIOD OF TIME DURING
27 WHICH SUCH LABORER, SERVANT OR EMPLOYEE PROVIDED SERVICES TO SUCH COMPA-
28 NY. A COMPANY REQUESTED TO PROVIDE INFORMATION PURSUANT TO THIS PARA-
29 GRAPH SHALL MAKE AVAILABLE SUCH RECORDS IN WRITTEN FORM AND IN ANY OTHER
30 FORMAT IN WHICH SUCH INFORMATION IS MAINTAINED BY THE COMPANY AND SHALL
31 NOT BE REQUIRED TO PROVIDE SUCH INFORMATION IN ANY OTHER FORMAT. UPON
32 REFUSAL BY THE COMPANY OR BY AN OFFICER OR AGENT OF THE COMPANY TO
33 PERMIT AN INSPECTION OF THE RECORDS DESCRIBED IN THIS PARAGRAPH, THE
34 PERSON MAKING THE DEMAND FOR INSPECTION MAY APPLY TO THE SUPREME COURT
35 IN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE COMPANY IS LOCATED,
36 UPON SUCH NOTICE AS THE COURT MAY DIRECT, FOR AN ORDER DIRECTING THE
37 COMPANY, ITS MEMBERS OR MANAGERS TO SHOW CAUSE WHY AN ORDER SHOULD NOT
38 BE GRANTED PERMITTING SUCH INSPECTION BY THE APPLICANT. UPON THE RETURN
39 DAY OF THE ORDER TO SHOW CAUSE, THE COURT SHALL HEAR THE PARTIES SUMMAR-
40 ILY, BY AFFIDAVIT OR OTHERWISE, AND IF IT APPEARS THAT THE APPLICANT IS
41 QUALIFIED AND ENTITLED TO SUCH INSPECTION, THE COURT SHALL GRANT AN
42 ORDER COMPELLING SUCH INSPECTION AND AWARDING SUCH FURTHER RELIEF AS TO
43 THE COURT MAY SEEM JUST AND PROPER. IF THE APPLICANT IS FOUND TO BE
44 QUALIFIED AND ENTITLED TO SUCH INSPECTION, THE COMPANY SHALL PAY ALL
45 REASONABLE ATTORNEY'S FEES AND COSTS OF SAID APPLICANT RELATED TO THE
46 DEMAND FOR INSPECTION OF THE RECORDS.

47 S 36. This act shall take effect on the thirtieth day after it shall
48 have become a law. The procedures and rights created in this act may be
49 used by employees, laborers or servants in connection with claims for
50 liabilities that arose prior to the effective date.