



## New York Lien Law § 17 Under Scrutiny: Newly Proposed Amendments Seek to Expand the Duration of Mechanic's Liens

New York's Lien Law § 17 has long operated as one of the most unforgiving procedural provisions in construction law, imposing strict deadlines that can extinguish a mechanic's lien regardless of the underlying merits. Recent case law—and proposed legislative reform—suggest that this rigid framework may be evolving. Most notably, the Supreme Court's decision in *North Stucco Construction, Inc. v. USD 142 W 19 LLC* has brought renewed attention to the harsh consequences of technical noncompliance, prompting legislative efforts such as Senate Bill S.10033 to reconsider the statute's duration requirements, particularly where the lien has been discharged by deposit or the posting of a bond. If enacted, the proposed amendment could materially affect lien enforcement strategy, particularly by reducing the effectiveness of procedural defenses currently available to owners and developers.

This alert examines the current statutory framework, the implications of *North Stucco*, and the potential impact of the proposed amendments on lien enforcement and litigation strategy.

### **CURRENT STATUTORY FRAMEWORK**

Under New York Lien Law § 17, a mechanic's lien does not exist indefinitely. Rather, the statute imposes a clear and strictly enforced limitation period: a lien is valid for one year from the filing of the notice of lien, unless it is properly continued.

To preserve a lien beyond that initial one-year period, a lienor must take affirmative action within the statutory window. The statute provides two principal mechanisms for continuation. First, the lienor may commence an action to foreclose the lien *and, critically,* must also file a notice of pendency (lis pendens) with the appropriate county clerk. Second, the lienor may file an extension of lien with the county clerk prior to expiration of the original lien period. Each extension is itself limited in duration—generally to an additional one-year period—and further continuation may require court intervention.

New York courts have consistently interpreted these requirements as mandatory, jurisdictional and self-executing in nature. Failure to strictly comply results in automatic extinguishment of the lien, with no equitable exception.

## **STRICT COMPLIANCE IN PRACTICE**

The consequences of this rigid statutory scheme were recently underscored in *North Stucco Construction, Inc. v. USD 142 W 19 LLC*, 84 Misc. 3d 1250(A) (Sup. Ct. N.Y. County 2024). There, a subcontractor filed a mechanic's lien arising out of unpaid construction work and timely commenced a lien foreclosure action within the one-year statutory period. However, the lienor admittedly failed to file a notice of pendency or otherwise obtain an extension of the lien. The lienor argued that it was prohibited from filing a notice of pendency since the lien had been discharged from the property by the filing of a bond. Therefore, in an effort to oppose discharge of the lien and avoid dismissal of the foreclosure action, the lienor argued that commencement of the foreclosure action alone was sufficient to satisfy the requirements of Lien Law Section 17.

Despite the timely commencement of the action, the sympathetic court still dismissed the lien foreclosure claim and discharged the lien. In doing so, the court emphasized that Section 17 requires more than merely filing a complaint; it requires compliance with one of the statutory continuation mechanisms, including the filing of a notice of pendency. The Court noted in its decision that it was constrained by the First Department's holding in *Matter of Pizzarotti, LLC v. New York Concrete Washout Sys., Inc.*, 210 A.D.3d 445, 446 (1st Dept. 2022). There, the Appellate court held that the commencement of a lien-foreclosure action alone, is insufficient under Lien Law § 17 to extend the lien absent filing of a notice of pendency or an extension of lien. Significantly, the Court noted that even where a lien-discharge bond has been filed, thereby precluding the filing of a notice of pendency, a lienor still may obtain an extension through the other method of "extend[ing] the lien as contemplated by Lien Law § 17." *Id.*

These decisions highlight a critical—and often misunderstood—aspect of § 17: the requirement is not singular but dual. A lienor must both commence the action and take the additional procedural step of filing a *lis pendens* (or, alternatively, filing an extension). The failure to complete both steps renders the lien void, irrespective of whether the foreclosure action was timely filed.

In practical terms, *North Stucco* and *Matter of Pizzarotti* reinforce that § 17 is not merely a statute of limitations but a condition precedent to lien enforcement. It also confirms that courts will not excuse noncompliance based on fairness or the underlying validity of the claim. Thus, the failure to strictly comply with the statute is fatal to the foreclosure action on technical grounds regardless of the merits.

## **PROPOSED AMENDMENTS TO LIEN LAW SECTION 17**

Although not a formally designated legislative program, the term "North Stucco Initiative" has emerged within the construction bar to describe the growing push to reform § 17 in response to cases like *North Stucco*. The decision has become emblematic of what practitioners view as a statutory "trap for the unwary," particularly for subcontractors and smaller trades that may lack the resources to meticulously track procedural requirements and/or where the lien has been discharged by an undertaking or the filing of a bond.

Critics argue that the statute's current structure allows owners and developers to defeat otherwise valid claims on purely technical grounds, thereby shifting the focus of litigation away from substantive payment disputes. Proponents of reform contend that lien law should facilitate adjudication on the merits rather than operate as a procedural forfeiture mechanism.

Against this backdrop, the New York Legislature has introduced Senate Bill S.10033 (2026), which proposes to amend Lien Law § 17 regarding the "extended duration of certain mechanic's liens."

While the core framework of the statute remains intact in the bill, the proposed amendment signals a legislative intent to revisit and potentially expand the mechanisms by which liens may be continued. The emphasis on "extended duration" suggests a policy shift toward affording lienors greater flexibility in preserving their rights, particularly where procedural defects might otherwise result in forfeiture.

Specifically, the proposed amendment provides that where a lien has been discharged by deposit, undertaking or order, the lien shall be extended and continue in force and effect for three years from the earlier of the date of commencement of (a) an action to foreclose or enforce such lien, or (b) an action to foreclose or enforce any other lien which names such lienor as a defendant pursuant to section forty-four of this chapter.

Although the currently available bill text still closely tracks existing statutory language and limits the change to instances where the lien has been discharged by deposit, undertaking or order, its stated purpose and context indicate an effort to soften the rigid application of § 17 and address concerns highlighted by recent case law. Therefore, the proposed amendment seeks to mitigate the harsh consequences of technical noncompliance, particularly where lienors have taken substantial steps to enforce their rights but have failed to satisfy every procedural requirement. Additionally, it aims to provide greater protection to subcontractors and lower-tier contractors, who are often most vulnerable to inadvertent forfeiture. Finally, it reflects a broader policy preference for resolving disputes on their merits, rather than allowing procedural defaults to dictate outcomes.

In this sense, S.10033 can be viewed as a corrective response to the strict enforcement paradigm exemplified by *North Stucco*.

## **PRACTICAL IMPLICATIONS**

For the time being, § 17 remains unchanged, and strict compliance remains essential. Lienors must continue to assume that failure to properly extend or continue a lien within the statutory period will result in extinguishment. This includes ensuring that a foreclosure action is accompanied by the timely filing of a notice of pendency or that an extension is properly recorded. Note, the notice of pendency itself is valid for three (3) years and must also be extended by court order during the pendency of the foreclosure action, or else the foreclosure action will again be subject to dismissal.

At the same time, owners, developers, and sureties should recognize that § 17 continues to provide a powerful procedural defense. Vigilant monitoring of lien expiration dates and associated filings can create opportunities for early dismissal and discharge of liens without reaching the merits.

If S.10033 or similar legislation is enacted, however, the balance may shift. Owners may face longer-lasting liens and reduced opportunities for early dismissal based on technical defects. Lienors, in turn, may benefit from increased flexibility and a reduced risk of forfeiture for procedural missteps.

## **CONCLUSION**

Lien Law § 17 has long been a cornerstone of New York construction litigation, offering both a powerful enforcement mechanism for lienors and an equally powerful procedural defense for property owners. The *North Stucco* decision underscores the risks inherent in the statute's strict requirements, while the proposed enactment of S.10033 reflects a growing recognition that those requirements may warrant reconsideration.

As legislative developments continue to unfold, construction industry participants and their counsel should closely monitor changes to § 17 and adjust their lien enforcement and defense strategies accordingly.

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