

SMACNA SPECS

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SMACNA OF WESTERN PA CELEBRATES 50 YEARS!

A beautiful night greeted all those who attended SMACNA's annual dinner dance at LeMont on November 18th. Besides being our annual Fall event, it was also a celebration of our association's 50th anniversary! Over 165 people turned out to enjoy drinks, music, great food and, of course, the company of their SMACNA friends.

We were fortunate to have SMACNA National President Dick Cramer and his wife Judy in attendance. Mr. Cramer presented chapter President David Meyer with a plaque commemorating SMACNA of Western PA's fifty years of service to the industry. He noted that we are the only chapter to have had four national presidents and continually

have members who are active on SMACNA National task forces and committees.

Local 12 Business Manager Ken Greiner told those in attendance that the industry is where it is today because of organizations like SMACNA of Western PA. He thanked those who he has worked with over the years.

SMACNA of Western PA Executive Director James Strother thanked the members and the Board of Direc-

tors for their dedication to the industry and asked everyone to raise their glasses to toast the membership and the Board members past and present for fifty outstanding years!



The presentation of the 50 year plaque to President David Meyer



TOM SZYMCAK ELECTED TO SMACNA NATIONAL BOARD OF DIRECTORS

At SMACNA National's annual business meeting during the convention in Phoenix, six new directors were elected to SMACNA's Board for terms of four years and one new director was elected for a one year term.

Tom Szymczak, owner of SSM Industries, was one of those elected to a four year term on

the Board. He will attend regular meetings of the Board and help SMACNA set policies for the future of the industry.

We congratulate Tom on his election and wish him much success as a SMACNA National Board Member!



SMACNA OFFICERS

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Ralph J. Meyer Co.

VICE-PRESIDENT
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PAST PRESIDENT
Tom Szymczak
SSM Industries, Inc.

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Schedule of Events

January 18—Health and Welfare Trustees Meeting

January 18-20—Region II Apprentice Contest—Local 12 Training Center

January 29-31—SMACNA National Business Management University Graduate Program—Tempe, AZ

February 25-March 1—SMACNA National Business Management University—Tempe, AZ

March 8—3rd Annual Sheet Metal Industry Night—David L. Lawrence Convention Center

Future Events

May 1-3—National Issues Conference—Washington, DC

June 3-5—SMACNA Council of Chapter Representatives Meeting

June 14-16—SMACNA of Pennsylvania State Convention

August 20—SMACNA Golf Outing—Butler Country Club

JANUARY 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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MARCH 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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11	12	13	14	15	16	17
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CHANGES TO MECHANIC'S LIEN LAW TO HAVE DRAMATIC IMPACT

A new state law that went into effect on January 1, 2007 will likely raise the cost of title insurance in Pennsylvania and make it harder and more expensive for developers and property owners to build their properties. In a landmark amendment made to the decades-old mechanic's lien law, the Pennsylvania legislature has decided that under many circumstances contractors and subcontractors will not be able to contractually waive their rights to a mechanic's lien prior to beginning construction. The new law also expands mechanic's lien rights to parties who never had such rights before and increases the time in which claimants have to file.

Mechanic's liens, also known as contractor's or construction liens, permit a contractor or subcontractor under certain circumstances to make a legal claim against the property of an owner to whom he or she has provided labor, services or materials. Essentially, the property itself acts as a security for unpaid labor and materials spent in improving an owner's property. The new law, declared by some industry observers to be ground-breaking, greatly expands mechanic's lien rights in the Commonwealth.

Before the new law went into effect, contractors routinely waived their rights to file mechanic's liens, often referred to as "No Lien" agreements. Now, however, waiving mechanic's lien rights may be the exception, rather than the rule.

In view of the new amendments, nonresidential building workers will only be able to waive their mechanic's lien rights in consideration for payment of the work, services, materials and/or equipment already provided and, even then only to the extent of payment actually received, unless a payment bond is in place. Residential building workers who have lien rights under the new law, in contrast, may waive their mechanic's lien rights in advance only if the total prime contract price between the owner and the contractor is less than one million dollars or if a payment bond is provided for the construction.

The new legislation - passed unanimously - makes it quite clear that in most cases, Pennsylvania legislators believe that an advance waiver of a claimant's lien rights without a payment bond in place is against public policy and should, therefore, be unlawful.

The new law also expands the categories of parties who are entitled to file a mechanic's lien. Formerly, only a traditional general contractor or his or her first-tier subcontractor is able to file a mechanic's lien. Now, the definition of a "subcontractor" has been expanded to include not only a subcontractor in direct contact with a prime contractor, also known as a first-tier subcontractor, but also a second-tier subcontractor who is in direct contact with a first-tier subcontractor. The new law states that anyone who contracts with either a contractor or first-tier subcontractor can also file a mechanic's lien. This change enables many second-tier subcontractors and material suppliers to file mechanic's liens to secure payment for their labor and/or materials.

The revised mechanic's lien law also extends the time in which a lien claimant has to file a mechanic's lien with the court. The current law requires that any mechanic's lien be filed within four months after completion of the claimant's work. A claimant will now be given six months to file following completion of the work. This revision will give claimants additional time to resolve performance and payment disputes before having to file a formal notice of intent to enter a mechanic's lien and/or the lien itself.

For the most part, it appears that the new legislation favors con-

tractors, subcontractors and materials suppliers. General contractors and first-tier subcontractors, however, may still suffer under the new law, as their subcontractors can now file a lien on properties on which they are working.

Contracts between owners and general contractors usually carry an indemnification against liens, as do subcontracts between general contractors and their first-tier subcontractors. Under the current law, general contractors were not typically concerned about liens because their subcontract required the subcontractor to waive their lien rights, while the second-tier subcontractors and most materials suppliers had no lien rights at all. Those protections are lost under the new legislation. The general contractor's indemnification of the owner against liens now takes on greater significance and will probably require the general contractor, if he or she does not already do so, to obtain interim partial releases of liens from its first-tier and second-tier subcontractors. The same holds true, in part, for first-tier subcontractors in dealing with their own subcontractors.

As previously noted, the new legislation does allow for releases of liens for payment of work, services, materials or equipment already performed, but "only to the extent that such payment is actually received." That language may be a step backwards for general contractors under the *Pennsylvania Contractor and Subcontractor Payment Act*. The *Pennsylvania Contractor and Subcontractor Payment Act* provides that once a general contractor makes payment to his or her subcontractor, "future claims for payment against the contractor by parties owed payment from the subcontractor which has been paid shall be barred."

The inherent contradictions between these two laws suggest that there are certain to be future court cases. But in the short term, the new law will likely make it more difficult for general contractors, building owners and developers.

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SMACNA WELCOMES NEW MEMBERS

Advanced Plumbing & Mechanical, Inc., owners Patricia and John Hodovanich have over forty-four years combined experience in the heating, plumbing and piping fields. Advanced started in 1988 as a residential heating business and grew quickly to focus on small commercial retail new construction and tenant fit-outs, office buildings, nursing homes, hospitals, hotels, car washes, industrial mills, water treatment plants, etc.

RTI Insurance Services, a full-service insurance agency, has been based in Pittsburgh for over 20 years specializing in helping contractors. RTI has an excellent reputation of world-class client service and loyalty and recently has been named one of the INC. 500's fastest-growing private companies in America as well as one of the Pittsburgh Business Times' Top 100 firms in Western Pennsylvania.

RTI offers complete commercial insurance and bonding solutions for contractors. The firm specializes in helping mechanical contractors control and contain workers compensation costs

3RD ANNUAL SHEET METAL INDUSTRY NIGHT TO BE HELD AT DAVID L. LAWRENCE CONVENTION CENTER

It's time once again for local architects and engineers to come join with local contractors at the convention center for an evening of food, beverage and discussion of relevant topics.

We will be holding our 3rd Annual Sheet Metal Industry Night in conjunction with

SMWIA Local 12 on Thursday, March 8th beginning at 5PM. This year, our speaker will be from the Pittsburgh Green Building Alliance. We will be discussing the basic necessities to begin working on green projects, including an overview of sustainability, integrated design and the economics of green building.

Also included will be a discussion of the LEED process, commissioning, and more!

For information, or to register, contact the SMACNA office at 412-922-0130. Information about the event will also be sent out in the mail very soon so keep your eyes open for it!



SMACNA OF WESTERN PENNSYLVANIA

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We're on the web!
www.smacnawpa.org