



U.S. Virgin Islands

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Statutory Outline

TITLE 28. PROPERTY.

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Subchapter I. General Provisions.

§251. Definitions

Whenever used in this chapter, unless the context otherwise requires:

(a) "**Claimant**" means any person having a lien or right to a lien upon real estate under this chapter and includes his successor in interest.

(b) "**Contract price**" means the amount agreed upon by the contracting parties for performing services and furnishing materials covered by the contract, increased or diminished, as the case may be, by the price of any extras or change orders, or by any amounts attributable to altered specifications, defects in workmanship or materials or any other breaches of the contract. No liquidated damages between the owner and a prime contractor shall diminish the contract price as to any other lienor. If no price is agreed upon by the contracting parties "**contract price**" means a reasonable price for all labor, services or materials covered by the contract, with any increases and diminutions, as above provided.

(c) "**Furnish materials**" means (1) supply materials which are:

(A) incorporated in the improvement including normal wastage in construction operations; or

(B) specially fabricated for incorporation in the improvements and not readily resaleable in the ordinary course of the fabricator's business even though not actually incorporated in the improvements; or

(C) used for the construction or for the operation of machinery or equipment used in the construction and not remaining in the improvement, subject to diminution by the salvage value of such materials; and

(2) also includes supplying tools, appliances, or machinery used on the particular improvement to the extent of the reasonable rental value for the period of actual use and any reasonable periods of non-use taken into account in the rental contract. The delivery of materials to the site of the improvement, whether or not by the claimant, creates a presumption that the materials were used in the improvement.

(d) "**Owner**" means the owner of any interest in the real estate being improved.

(e) "**Perform or furnish**" when used in connection with the word "**services**" or "**materials**" means performance or furnishing by the claimant or by another for him.

(f) "**Services**" does not include financing or activities in connection with financing.

§252. Real estate improvement contract; "prime contractor"; "subcontractor"; "subsubcontractor"

(a) A "**real estate improvement contract**" means an agreement to perform services, or to

furnish materials for the purpose of producing a change in the physical condition of land or of a structure including:

- (1) alteration of the surface by excavation, fill, change in grade, or change in a shoreline, beach, stream, salt pond, impounding reservoir, marsh, watercourse, watergut or waterway;
- (2) construction or installation on, above, or below the surface of land;
- (3) demolition, repair, remodeling, or removal of a structure previously constructed or installed;
- (4) seeding, sodding, or other landscaping operation; and
- (5) preparation of plans, surveys, architectural or engineering plan or drawings for any change in the physical condition of land or structures.

(b) A person who has entered into a real estate improvement contract is:

- (1) a "**prime contractor**" if he has contracted with the owner,
- (2) a "**subcontractor**" if he has contracted with a prime contractor, or
- (3) a "**subsubcontractor**" if he has contracted with a subcontractor.

(c) A contract for the mining or removal of coral, minerals, soil, sod, or things growing on land or other similar contracts in which the activity is primarily for the purpose of realizing upon the disposal or removal of the objects removed is not a "**real estate improvement contract**".

Subchapter II. Existence and Priority of Liens.

§253. Existence of a construction lien

Except as provided in section 254 of this title, even though the owner has not made an agreement giving a real estate security interest, a prime contractor, subcontractor or subsubcontractor, upon compliance with section 264 of this title has to the extent provided in this chapter a lien to secure payment of the contract price on the contracting owner's real estate which is being improved. He also has a lien on an interest in the real estate being improved of any owner, other than the contracting owner, who, in writing, has either requested that the improvement be made or agreed specifically that his interest may be bound by the lien.

§254. Exclusion from lien

Notwithstanding section 253 of this title, a person making an improvement pursuant to a real estate improvement contract with the Government of the United States Virgin Islands is not entitled to a lien under this chapter.

§255. Limitation of lien for materials supplied

(a) A lien for supplying materials arises only if they are furnished with the intent, evidenced by the contract of sale, the delivery order, or by the claimant's delivery to the site, that they be used in the construction or incorporated in the improvement on the particular real estate against which the lien is asserted.

(b) If separate lots, parcels or tracts of real estate are being improved under a single notice of commencement (see section 262 of this title) and the real estate improvement contract does not specifically apportion the materials among the lots, parcels or tracts, an intent, evidenced in a manner specified in subsection (a), that the materials be used generally on the separate lots, parcels or tracts is sufficient to enable the supplier to secure a lien against all lots, parcels or tracts on which the materials were actually used or in which they were incorporated. Delivery by the claimant to any one of the separate lots, parcels or tracts shall be sufficient delivery under subsection (a) to give a lien on all the lots, parcels, or tracts. Delivery to any one of the separate lots, parcels or tracts, whether or not by the claimant, creates a presumption that the materials

were used in the construction or incorporated into all the separate lots, parcels or tracts being improved in the same percentages of claimant's claim as the cost to the owner of the improvements on each separate lot, parcel or tract bears to the total cost to the owner of all improvements being made under the single notice of commencement, and the claimant has a lien on each separate lot, parcel or tract for that percentage of his claim unless the owner or other adverse party accounts for all materials for which the claim is asserted, showing the particular lots, parcels or tracts into which they were incorporated or in connection with which they were used.

§256. Amount of lien; notice of claim of lien

(a) The amount secured by the lien of a prime contractor is the unpaid part of the prime contract price less the aggregate amount secured by the liens of all subcontractors and subcontractors.

(b) Except as modified by subsection (c) and by section 258 of this title, the lien of a subcontractor is for the lesser of:

- (1) the amount unpaid under his contract, or
- (2) the part of the contract price

(A) remaining unpaid under the prime contract at the time the owner receives notification under section 256(e) of this title of the subcontractor's right to claim a lien, and

(B) any additional part of the prime contract price paid prior to filing of a notice of commencement under section 262 of this title.

(c) The lien of a subcontractor is reduced by the amounts owed by him to his subcontractor if the subcontractor has claimed a lien for the amounts.

(d) Except as modified by section 258 of this title, the lien of a subcontractor is for the amount unpaid under his contract, but not more than the lesser of:

- (1) the part of the contract price

(i) remaining unpaid under the prime contract at the time the owner receives notification of the subcontractor's right to claim a lien, and

(ii) any additional part of the prime contract price paid prior to filing of a notice of commencement, or

(2) the part of the contract price remaining unpaid under the subcontract at the time the prime contractor received notification of the subcontractor's right to claim a lien.

(e) The notification to the owner or the prime contractor of a right to claim a lien may be given at any time after a subcontractor or subcontractor has entered into the contract pursuant to which his lien may arise. To be effective under subsections (b) and (d) the notice must be in writing and must be either delivered personally to or sent by registered or certified mail to the last known address of the person specified in the notice of commencement (see section 262 of this title) and must contain

- (1) the name of the claimant,

(2) the name of the person with whom he contracted,

(3) a general description of the services and materials provided or to be provided

(4) the amount unpaid, whether or not due, to the claimant for the services or materials (if no amount is fixed by the contract, a good faith estimate of the amount shall be made),

(5) a statement that any payments to the prime contractor after the receipt of the notification will not reduce the amount of the claimant's lien; and, if the claimant is a subcontractor, a statement that any payments to the subcontractor after the notification has been received by both the owner and the prime contractor will not reduce the amount of the claimant's lien.

§257. Notice to owner

A notice given to the owner who made the contract for the improvement is also effective against any other owner against whom the person giving notice can acquire a lien under this chapter.

§258. Attachment and priority of lien

- (a) If the claimant records a notice of lien as provided in section 264 of this title, while a notice of commencement is effective, the claimant's lien attaches as of the time the notice of commencement was recorded as provided in section 262 of this title.
- (b) If the claimant records a notice of lien when there is no effective notice of commencement covering the improvement, the claimant's lien attaches at the time he records his notice of lien.
- (c) Except as provided in subsection (d), a construction lien takes priority over a conveyance, security interest, another construction lien, judgment, or other claim against the real estate which was not recorded as provided in chapter 7 of this title or this chapter or perfected as provided in Title 11A.
- (d) All liens which attach as of the time of recording the notice of commencement (subsection a) have equal priority and share the funds available in the same ratio as the ratio of the particular claimant's lien bears to the total of all liens.
- (e) "Funds available" in the case of subcontractors, means the total of:
- (1) sums paid by the owner to the prime contractor prior to recording of a notice of commencement;
 - (2) sums paid by the owner in disregard of any notice of right to claim a lien; and
 - (3) sums unpaid under the prime contract.
- (f) "Funds available" in the case of subsubcontractors, means funds available as defined in subsection (e) but not more than the amount to which their subcontractor is entitled.
- (g) An owner pays in disregard of a notice to claim a lien if he fails, after receipt of notification of a right to claim a lien, to withhold from the prime contractor an amount sufficient to pay the amount of lien of a subcontractor or subsubcontractor provided for in subsections (b), (c) and (d) of section 256 of this title or pays a subcontractor amounts to which the subcontractor is not entitled because of receipt by the owner of notification of a right to claim a lien from subsubcontractors who have contracted with that subcontractor.
- (h) Except as provided in subsection (i), the lien takes priority over subsequent advances made under a prior recorded security interest if the subsequent advances are made after the notice of lien has been recorded.
- (i) Notwithstanding notice that the lien has attached, subsequent advances made under a prior recorded security interest take priority over the lien if the advance
- (1) was made under a "construction security interest", or
 - (2) was applied to payment of the cost of the real estate improvement, or to payment of any lien or encumbrance which is prior to the lien given by this chapter, or to maintenance or preservation of the real estate or of the secured creditor's interest therein.
- (j) A security interest is a "construction security interest" if the instrument recorded to perfect the interest so denominates it, and the debtor incurs the obligation for the purpose of making the improvement, whether or not the proceeds are in fact so used.

§259. Contractor's payment bond; no lien attaches

- (a) No lien shall attach to the real estate in behalf of any claimant other than the prime contractor if the owner or the prime contractor, prior to commencing the improvement under

the contract between the owner and prime contractor, procures from a surety company authorized to do business in the Virgin Islands a payment bond meeting the requirements of this section.

(b) Subject to subsection (c) the bond must obligate the surety company to pay all sums due to subcontractors and subsubcontractors for services and materials supplied to the prime contractor or to a subcontractor pursuant to the contract under which the lien would otherwise arise.

(c) The amount of the payment bond shall be not less than the following percentages of the total contract price payable to the prime contractor;

(1) 50 percent of the contract price up to \$ 1,000,000;

(2) 40 percent of that portion of the contract price above \$ 1,000,000 and up to \$ 5,000,000; and

(3) 35 percent of that portion of the contract price above \$ 5,000,000.

If the total amount payable by the terms of the owner's contract with the prime contractor is indefinite, the payment bond shall be in a sum which the owner and prime contractor in good faith believe is at least one-half of the amount which is or would have been due to the prime contractor if he performs, or would have performed, the contract according to its terms;

Provided, subcontractors and subsubcontractors to whom the payment bond applies may file a notice of lien, but the lien shall be enforceable only against the real estate for an amount which is not covered by the bond. In addition to the requirements of section 264 of this title, the notice of lien under this subsection shall state that a notice of payment bond has been filed and shall give the reference location for the notice of payment bond.

(d) If a bond has been procured pursuant to this section, notice thereof shall be recorded under section 267 of this title.

(e) The person acquiring the bond shall furnish a true copy of any bond procured under this section at cost of reproduction thereof to any claimant on request, and, for refusal to furnish a copy without justifiable cause, shall be liable to the claimant for any damages caused by the refusal or failure.

(f) No claimant may recover under the surety bonds provided in this section unless he

(1) within 60 days after completion of his performance, gives the surety and the contractor notice of the amount due, and

(2) institutes suit against the surety within one year after the completion of his performance.

(g) A subcontractor or subsubcontractor having a claim under the bond has a direct right of action against the surety.

(h) The obligation of a surety under this section shall not be affected by any change or modification of the contract between the prime contractor and the owner but the total liability of the surety shall not be greater than the penal sum of the bond.

§260. Substitution of surety bond; release of lien

(a) If the owner of property, or the owner of any interest therein, sought to be charged with a claim of lien, or any original contractor or subcontractor disputes the correctness or validity of any claim of lien, he may record in the office of the recorder in which the notice of lien was recorded, either before or after the commencement of an action to enforce such claim of lien, a notice of a bond executed by a corporation authorized to issue surety bonds in the Virgin Islands, in a penal sum equal to 1 1/2 times the amount of the claim or 1 1/2 times the amount presumptively allocated under section 255 of this title to the parcel or parcels of real property sought to be released, which bond shall be conditioned for the payment of any sum which the claimant may recover on the claim together with his costs of suit in the action, if he recovers

therein. Upon the recording of such bond the real property described in such bond is released from the lien and from any action brought to foreclose such lien. The principal upon such bond may be either the owner of the property or the owner of any interest therein, or any original contractor, subcontractor, or subsubcontractor affected by such claim of lien. The person procuring the bond shall mail a copy of the bond by registered or certified mail to the claimant of the lien sought to be released.

(b) Release of the real estate from the lien under this section does not otherwise affect the rights of the claimant and he may proceed to establish his claim under this chapter and, upon determination that he is entitled to a lien, the court shall order the surety company to pay the sums found to be due.

Subchapter III. Recording of Liens.

§261. Place of recording; what constitutes recording; recording fee

(a) All documents authorized or required to be recorded by this chapter shall be recorded as provided for by law, in the office of the recorder in the district in which the real estate improvement is to be undertaken.

(b) In addition to the other requirements imposed on him by law, the recording officer shall:

(1) index each notice of commencement and notice of lien in the tract index and in the name of the owner and the claimant; and

(2) note the recording of any other document entitled to recording under this chapter at the index entry for the notice of lien and notice of commencement to which it relates.

(c) Any recorded document substantially complying with the applicable provisions of this chapter is effective even though it contains minor errors which are not seriously misleading.

(d) Recording fees shall be as provided in section 133 of this title.

§262. Recording notice of commencement; notice of termination

(a) A notice of commencement of real estate improvements signed by the owner may be recorded.

(b) The notice of commencement shall be denominated "notice of commencement" and shall state:

(1) the real estate being improved, with a description thereof sufficient for identification;

(2) the name and address of the owner, his interest in the real estate, and the name and address of the fee simple title holder, if other than the owner filing the notice of commencement;

(3) the name and address of the person to whom notifications concerning construction liens may be given.

(c) Except as provided in subsection (e), a notice of commencement continues effective for a period of five years from the date it is recorded.

(d) A notice of commencement is effective as to all improvements made on real estate whether or not they were contemplated at the time of the recording.

(e) The owner may terminate the period of effectiveness of a notice of commencement by filing a notice of termination which contains:

(1) the same information as the notice of commencement;

(2) the recording office document reference number and date of the notice of commencement; and

(3) a statement of the date as of which the notice of commencement is terminated, which date may not be earlier than 30 days after the notice of termination is filed. The notice of

termination may apply to all or any portion of the real estate subject to the notice of commencement.

(f) The notice of termination is effective to terminate the notice of commencement at the later of [sic] 30 days after filing of the notice of commencement or the date stated in the notice of termination as the date on which the notice of commencement is terminated.

§263. Wrongful recording of notice of termination

(a) An owner has an obligation to lien claimants not to record a notice of termination except after stoppage or completion of the work on the improvement or in connection with sale of a completed portion of the real estate being improved.

(b) If an owner improperly records a notice of termination he is personally liable to a lien claimant to the extent that the claimant is unable to realize on a lien because of the improper recording.

§264. Recording notice of lien; recording cancellation of lien

(a) A claimant's lien does not attach and shall not be enforced unless he has, not later than 90 days after his final furnishing of materials or services, recorded a notice of lien.

(b) A notice of lien recorded prior to the time a claimant is entitled to final payment is effective only if

- (1) a portion of the price due him is past due, or
- (2) a notice of commencement is effective as to the real estate at the time of recording.

(c) The notice of lien shall be signed by the claimant and shall state:

- (1) the name and address of the claimant;
- (2) the name and address of the person with whom the claimant contracted;
- (3) the services performed or to be performed or materials furnished or to be furnished for the improvement and the contract price thereof;
- (4) the amount unpaid, whether or not due, to the claimant for the services or materials (if no amount is fixed by the contract a good faith estimate of the amount to be due shall be made);
- (5) the time when the first and last services were performed and materials were furnished or if either event has not yet occurred, an estimate of the time or times;
- (6) the real estate subject to the lien, with a description thereof sufficient for identification;
- (7) the name of the person against whose interest in the real estate a lien is claimed; and
- (8) either a reference to the notice of commencement under which the notice of lien is recorded with the recording office document location reference thereto or a statement of the date when the contract price or a part thereof became due.
- (9) if separate lots, parcels or tracts of real estate are being improved under a single notice of lien, and if the contract specifies how the materials are to be apportioned among the lots, parcels or tracts, the notice of lien shall state the information required in this subsection, and, in addition, shall state how the furnishing of materials is to be apportioned.

(10) the reference location for the payment bond as required by section 259(c) of this title.

(d) Recording of notice of lien is not notice to the owner of any claim of lien and the owner may continue making payments under his contract which reduce his liability to the claimant until he receives notification from the claimant of his right to claim a lien as provided in section 256 of this title.

(e) A claimant shall record a signed statement that a notice of lien shall be cancelled, in full or in part, when the claimant's lien has been fully or partially satisfied by payment of part or all of the contract price by recovery of a judgment either through foreclosure of the lien or through a personal judgment recovered for part or all of the contract price. The cancellation statement

must include the reference location for the notice of lien being fully or partially cancelled, and must be recorded within ten (10) days of the full or partial satisfaction of the lien.

§265. Amendment of notice of lien; notice of extension of credit

(a) Any notice of lien may be amended or credit extended as provided in section 271 of this title by an additional recording at any time during the 90-day period following recording of the notice of lien. An amendment which increases the amount of the claimed lien, or describes different or additional real estate or owners, is effective only from the time of recording of the amendment.

(b) An amendment does not extend the period of effectiveness of a recorded lien except as provided in subsection (a) of this section.

(c) An extension of credit extends the period of effectiveness of a recorded lien as provided in section 271 of this title.

(d) An amendment or notice of extension of credit shall set forth the recording office document location reference and date of recording of the notice of lien being amended or under which credit is being extended and shall state the respects in which the original notice of lien is being amended or that the recording is for the purpose of giving notice of extension of credit. If separate lots, parcels or tracts of real estate are being improved under a single notice of lien, the amendment or notice of extension of credit shall specify which lot, parcel or tract is being affected by the amendment or extension of credit; if the amendment or notice of extension of credit does not so specify, the presumption under section 255(b) of this title shall apply.

§266. Filing assignment of lien

(a) A claimant may assign or record his right under a notice of lien by recording a written statement of assignment signed by him which sets forth the name of the claimant of record, the name and address of the assignee, the person against whom a lien is claimed, the real estate affected with a description thereof sufficient for identification, and the recording office document location reference and date of the recording of the notice of lien.

(b) Recording of the assignment is not notice to the owner and he may continue to deal with the original claimant in respect to the claim until he receives notice of the assignment and a direction that no arrangements or payments may be made without the assignee's consent.

(c) Unless a statement of assignment is recorded, the assignee need not be a party to any action to foreclose a security interest, lien, or other encumbrance.

(d) Unless otherwise provided by law, the failure to record a statement of assignment shall not otherwise affect its validity.

§267. Filing notice of payment bond

(a) If a prime contractor or owner has secured a payment bond under section 259 of this title a notice of surety bond shall be recorded.

(b) The notice shall be signed by the contractor or owner and by the surety company and shall state:

- (1) the real estate being improved with a description thereof sufficient for identification;
- (2) the name and address of the owner and of the prime contractor;
- (3) the name and address of the surety company and the name of a person on whom service of process may be made; and
- (4) a statement that the bond meets the requirements of section 259 of this title; and
- (5) the amount of the payment bond.

§268. Recording notice of a surety bond for release of lien

- (a) The notice of a surety bond recorded as provided in section 260 of this title shall state:
- (1) the real estate being improved with a description thereof sufficient for identification;
 - (2) the name and address of the person in whose behalf the bond was procured;
 - (3) the amount of the bond, the name of the surety company, an address at which claims may be presented to it, the name and address of a person on whom service of process may be made and that it is authorized to do business in this Territory;
 - (4) the name of the claimants, for which the surety bond was procured, the amount of their claims, and the applicable recording office document location references.

§269. Recording notice of commencement of action

- (a) A claimant, after instituting action to enforce a lien, shall record a notice of the commencement of action in the office in which the notice of lien was recorded. The notice shall be signed by the claimant or his attorney and shall refer to the notice of lien under which it is recorded, giving the recording office document location reference and date of recording of the notice of lien, the name of the owner and of the claimant, the amount of lien claimed, and an identifying reference to the action commenced.
- (b) Only from the time of recording such notice shall a purchaser or encumbrancer of the property affected thereby be deemed to have constructive notice of the pendency of the action, and in that event only of its pendency against parties designated by their real names.

§270. Discharge of lien

- (a) A lien provided by this chapter shall be discharged of record by any of the following methods:
- (1) a signed statement of the claimant of record, recorded in the office where the notice of lien is recorded, stating that the lien is satisfied and may be cancelled of record; or
 - (2) by failure to record notice of the commencement of an action to enforce the lien or notice that no cause of action has accrued within the time prescribed in section 271 of this title; or
 - (3) by recording in the office where the notice of lien is recorded the original or certified copy of a judgment or decree of a court of competent jurisdiction showing a final determination of the action adverse to the claimant; or
- (b) A statement under subsection (a)(1) or a judgment under subsection (a)(3) shall set forth the recording office document location reference and date of recording of the notice of lien to which it applies.

Subchapter IV. Enforcement of Lien.

§271. Duration of lien, extension if credit given; maximum time after completion

- (a) No notice of lien provided for in this chapter binds any property for a period of time longer than 90 days after the recording of the notice of lien unless within that time an action to foreclose the lien is commenced in a proper court or unless within that time the claimant has recorded an affidavit, as provided in subsection (b) of this section, that no cause of action has accrued to him under the contract for which he recorded the notice of lien, except that, if credit is given and notice of the fact and terms of such credit is recorded in the office of the recorder subsequent to the recording of such notice of lien and prior to the expiration of such 90-day period, then such lien continues in force until 90 days after the expiration of such credit. In no case shall the lien continue in force longer than one year from the time of completion of the improvement.

(b) A claimant may record in the office in which the lien was recorded an affidavit which states that no cause of action has accrued to him under the contract for which he recorded the notice of lien. The affidavit shall refer to the notice of lien concerned, giving the recording office document location reference and date of recording of the notice of lien, the name of the owner and of the claimant, and shall state the date when a cause of action shall accrue to the claimant. If no exact date is known, the affidavit shall give a good faith estimate of the date. If no exact date is known, the affidavit shall be effective for only 90 days, and a new affidavit must be filed. The new affidavit must state all information required in this section. If separate lots, parcels or tracts of real estate are being improved under a single notice of lien, an affidavit under this section must specify the information according to lot, parcel or tract.

(c) As against any purchaser or encumbrancer for value and in good faith whose rights are acquired subsequent to the expiration of the 90-day period following the recording of the claim of lien, no giving of credit shall be effective unless evidenced by a notice recorded in the office of the recorder prior to the acquisition of the rights of such purchaser or encumbrancer.

§272. Suit to enforce lien

(a) If the action to foreclose the lien is not brought to trial within two years after the commencement thereof, the court may in its discretion dismiss the same for want of prosecution.

(b) In all cases the dismissal of an action to foreclose the lien (unless it is expressly stated that the same is without prejudice) or a judgment rendered therein that no lien exists shall be equivalent to the cancellation and removal from the record of such lien.

(c) In addition to any other costs allowed by law, the court in an action to foreclose a lien must also allow as costs the money paid for verifying and recording the lien, such costs to be allowed each claimant whose lien is established, whether he be plaintiff or defendant.

(d) Whenever on the sale of the property subject to any liens provided for in this chapter, under a judgment of foreclosure of such lien, there is a deficiency of proceeds, judgment for the deficiency may be entered against any party personally liable therefor in like manner and with like effect as in an action for the foreclosure of a mortgage.

§273. Personal actions; credit for money collected

Notwithstanding section 531 of this title, nothing contained in this title shall be construed to impair or affect the right of any claimant to maintain a personal action to recover his debt against the person liable therefor either in a separate action or in the action to foreclose his lien, nor any right he may have to the issuance of a writ of attachment or execution. The judgment, if any, obtained by the plaintiff in such personal action shall not impair or merge any lien held by the plaintiff under this chapter, but any money collected on such judgment shall be credited on the amount of such lien.

§274. Defense by contractor at own expense; withholding and deducting funds due contractor; recovery of judgment and costs by owner

In all cases where a claim of lien is recorded for labor, services, equipment, or materials furnished to any contractor, he shall defend any action brought thereon at his own expense, and during the pendency of such action the owner may withhold from the original contractor the amount of money for which the claim of lien is recorded. In case of judgment in such action against the owner or his property upon the lien, the owner shall be entitled to deduct from any amount then or thereafter due from him to the original contractor the amount of such judgment and costs. If the amount of such judgment and costs exceeds the amount due from

him to the original contractor, or if he has settled with the original contractor in full, he shall be entitled to recover back from the original contractor, or the sureties on any bond given by him for the faithful performance of his contract, any amount of such judgment and costs in excess of the contract price, and for which the original contractor was originally the party liable.

§275. Wrongful conduct under this chapter; remedies

(a) If the owner or any claimant shall, in bad faith deprive or attempt to deprive any owner, claimant or other person of benefits to which he is entitled under this chapter by giving or recording false affidavits, invoices, statements, or in any other manner,

(1) any person injured thereby is entitled to recover any damage caused to him, and

(2) the court may issue temporary and permanent injunctions, whether or not irreparable damage has been or will be done.

(b) If a claimant in bad faith overstates the amount for which he is entitled to a lien, or fails to record a statement of cancellation as required by section 264(e) of this title the court may

(1) declare his lien void;

(2) award the owner or any other person injured thereby actual damages suffered; and

(3) award the owner punitive damages in an amount not exceeding the difference between the amount claimed as a lien and the amount which the claimant was actually entitled to claim as a lien.

(c) Damages awarded under this section may include the costs of securing cancellation of the lien of record, including reasonable attorney's fees and court costs.

§276. Form of documents

The Office of the Lieutenant Governor shall prescribe the form of all documents which this chapter requires or permits to be recorded.

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