



Contact:  
Tim Gallen/Andrew Neilly  
Gallen.Neilly  
(925) 930-9848  
tim@gallen.com/andrew@gallen.com

## **Governor Signs Signs SB 424**

### **New Law Will Help Ensure Bills Get Paid**

**Sacramento, July 26, 2011** – The American Council of Engineering Companies of California (ACEC California) is pleased that Governor Jerry Brown has signed into law SB 424, authored by Senator Michael Rubio (D-Bakersfield). The bill creates a more effective tool with which engineering and surveying firms can obtain payment for professional services already rendered.

Said Paul Meyer, Executive Director of ACEC California, “The economic recession has been very hard on design firms, but firms still need to make payroll and pay their bills. SB 424 creates a valuable tool for helping firms maintain cash flow.”

Continued Meyer, “SB 424 will be useful for many small firms. The average engineering or surveying firm in California only has about 20 employees.”

“We wish to thank both Senator Rubio for doing a fine job communicating with his legislative colleagues about the need for SB 424 and Governor Brown for recognizing the value of the bill and signing it into law,” Meyer concluded.

SB 424 provides design firms a way to convert design professional liens into mechanics liens. Otherwise under current pre-SB 424 law design professional liens just automatically disappear once actual construction begins on a project.

In general, liens are well established in California law and basically say to landowners that before they can sell their property with its improvements they need to pay the people who provided those improvements.

Governor Brown signed the bill on July 26, 2011. The bill will take effect on July 1, 2012.

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**About ACEC California:**

ACEC California is a 60-year-old, nonprofit association of engineering and land surveying firms. The association represents over 1,100 engineering firms and approximately 23,000 professionals statewide. Its members provide civil, structural, geotechnical, electrical and mechanical engineering, land surveying, environmental and construction management services for all types of public works, residential, commercial and industrial projects.