



MEMBER BULLETIN

March 22, 2017

Update on the Reform of the Construction Lien Act

The Government of Ontario has provided an update on its upcoming reform of the Construction Lien Act (CLA), with new or revised legislation (still to be determined) expected to be tabled before the end of the Spring Legislative session in June. [Striking the Balance: Expert Review of Ontario's Construction Lien Act](#) (Report), was delivered to the Ministry of the Attorney General (MAG) in April of 2016. It included 100 recommendations for how to reform the CLA, including:

- 68 recommendations on how to modernize the legislation;
- 10 relating to prompt payment; and,
- 22 relating to adjudication.

Based on the feedback received by MAG in its subsequent stakeholder consultation, the government will propose legislation based on the recommendations in the Report. The legislation will focus on reforming three primary areas in the CLA:

1. Modernizing the lien and holdback process;
2. Introducing rules around prompt payment; and
3. Creating an adjudicative process for resolving disputes.

Not all the recommendations made in the Report will be included in the reform, including the following areas:

- Starting a pilot project for project trust accounts in the public sector;
- Providing for a single property identifier number that would apply to the common elements of condominiums; and
- Removing the provision that allows liens to expire on a lot-by-lot basis.

OSWCA will continue to participate in the stakeholder process as the legislation is developed. If you have any questions about the CLA reform or the legislative process, please contact Patrick at 905-629-7766 ext. 222 or patrick.mcmanus@oswca.org.