Dear Stewart Partners,

In this week's mid-week update, we feature guidance on expiration of mechanic's liens and judgment liens on title by lapse of time in Connecticut. In addition, we are highlighting a recent New Hampshire Supreme Court decision relative to tax takings and a town's failure to comply with notice required under the Due Process Clause of the 14th Amendment. We are also including information on a Stewart Special Alert issued for property in Durham, Connecticut.

Lastly, as a reminder, Stewart is a sponsor of the Massachusetts Real Estate Bar Association's New Lawyers Summer Cocktail Reception. This end of summer event will take place on August 27 at Lord Hobo in Boston. We hope to see you there.

Connecticut Underwriting Update: Expiration of Mechanic's Liens and Judgment Liens by Lapse of Time By: David M. Piechota, Esq., Underwriting Counsel, Connecticut

Title examiners frequently encounter recorded mechanic's liens and judgment liens that remain unreleased on the land records years after they were originally recorded. When reviewing these matters, it is important to understand that Connecticut law provides specific time limitations for enforcing such liens and, in certain circumstances, extinguishes them automatically upon expiration of those statutory periods.

This article reviews the applicable statutes governing mechanic's liens and judgment liens and highlights the effect of expiration on title and marketability.

Mechanic's Liens

Recorded mechanic's liens are governed by Connecticut General Statutes § 49-39. Under the statute, a mechanic's lien remains valid for **one year from the date it is recorded**, unless the lien claimant commences a foreclosure action and records a notice of lis pendens on the applicable land records within the statutory period.

If the lienholder fails to timely commence a foreclosure action and record the required lis pendens, the lien is rendered invalid and discharged by operation of law.

Connecticut General Statutes § 49-40a further provides that:

"Any mechanic's lien which has expired because of failure to comply with the time limitations of section 49-39 is automatically extinguished and the continued existence of the lien unreleased of record in no way affects the record owner's title nor the marketability of the same."

As a result, an expired mechanic's lien that remains on the land records does not constitute a title defect and does not impair the marketability of title. No release or discharge is required to eliminate its effect.

Judgment Liens

Judgment liens are governed by Connecticut General Statutes § 52-380a. Once a judgment lien certificate is properly recorded, the lien attaches to the judgment debtor's interest in the described real property.

The statute establishes distinct expiration periods:

- **Twenty years** from the date the judgment was rendered for most judgment liens.
- **Ten years** from the date the judgment was rendered for judgment liens arising from small claims actions.

A judgment lien may continue beyond its statutory term only if the lienholder commences a foreclosure action and records a notice of lis pendens before the expiration of the applicable period.

Connecticut General Statutes § 52-380c provides:

"Any judgment lien which has expired for failure to comply with the time limitations of section 52-380a is automatically extinguished and the continued existence of the lien unreleased of record in no way affects the record owner's title nor the marketability of the same."

Accordingly, an expired judgment lien that remains unreleased on the land records does not affect title or marketability and is deemed extinguished by operation of law.

Underwriting Considerations

When a title search reveals an unreleased mechanic's lien or judgment lien, policy issuing agents should review the land records to determine:

1. The date judgment was rendered, and the date the lien was recorded.
2. Whether the applicable statutory enforcement period has expired.
3. Whether a foreclosure action was commenced within the statutory period.
4. Whether a notice of lis pendens was timely recorded in connection with the foreclosure action.

Absent a timely foreclosure action and recorded lis pendens, the lien will generally be considered extinguished pursuant to Connecticut law, notwithstanding its continued appearance on the land records.

Practical Takeaways

- Mechanic's liens generally expire **one year after recording** unless foreclosed and supported by a timely recorded lis pendens.

- Most judgment liens expire **twenty years after the judgment date**, while judgment liens arising from small claims judgments expire after **ten years**.
- Expired mechanic's liens and judgment liens are **automatically extinguished by operation of law**.
- The continued presence of an expired lien on the land records **does not affect title or marketability**.
- Policy issuing Agents should nevertheless confirm that no timely foreclosure action and corresponding lis pendens were filed before disregarding an aged lien.

Connecticut's statutes provide valuable certainty when evaluating older liens appearing in the chain of title. A careful review of the applicable judgment dates, recording dates and any related foreclosure activity will enable title professionals to distinguish enforceable liens from those that have been extinguished by lapse of time.

As always, if you have questions regarding the underwriting treatment of mechanic's liens, judgment liens, or related title matters, please contact your Stewart Underwriting Counsel.

New Hampshire Supreme Court Expands the Due Diligence Efforts Taken by Municipalities when Notifying Property Owners

By: Michelle Radie-Coffin, Esq. New Hampshire State Counsel

In Manutsom v. Town of Hollis, 2026 NH 27, the New Hampshire Supreme Court was presented with the question of whether the town's efforts to notify the property owner of a 2016 tax lien, 2016 tax deed, and 2018 tax lien satisfied the Due Process Clause of the Fourteenth Amendment. The facts, as summarized from the court's decision, are as follows:

The plaintiff, Wisarat Manutsom, as Trustee of the Farley Road Realty Trust, owned property in Hollis. In 2008, Manutsom notified the town of her travels abroad and provided them with her email address as well as the names and contact information of two individuals who were authorized to act on her behalf with regard to the property's taxes. In addition, the town's records also reflect an email from the owner in 2017 whereby she notified the town of an updated address to send future notices.

Over the years, The Town of Hollis sent various tax notices by certified mail concerning unpaid property taxes. Several certified mail notices were returned as undeliverable. After unpaid 2016 taxes, the town executed a tax deed, transferring title to itself in 2019 pursuant to RSA 80:76, I. After the tax collector deeded the property to the town, notices were sent to the owner explaining that the town had taken the property by tax deed as well as informing her that she could repurchase the property at any time within the three-year repurchase period (April 18, 2022) in accordance with RSA 80:89.

From April 2022 to March 2023, the town and the plaintiff exchanged multiple emails related to the auctioning and sale of the property. In April 2024, the town entered into an agreement to sell the property to a third party. In May 2024, the plaintiff offered to pay the full amount due in taxes and penalties in exchange for the reconveyance, but the town rejected her offer.

Subsequently, the plaintiff sued the town in superior court alleging that the town's notice of the 2016 tax lien and the 2016 tax deed violated her federal due process rights. The plaintiff also alleged that notice of the 2018 tax lien was deficient. In ruling for the town, the superior court found the town's notice efforts reasonable given the plaintiff's prior communications with the town, and the use of the addresses reflected in the town's records. The court also concluded that due process did not require the town to take additional steps after the certified mail was returned as undeliverable. The plaintiff appealed.

The NH Supreme Court relied heavily on the principle from *Jones v. Flowers, 547 U.S. 220* (2006) that when government officials learn that notice has failed, they must take additional reasonable steps to provide notice before depriving a person of property. On the issue of the 2016 tax deed notice, the Court reasoned that the certified mail notice of the impending tax deed was returned undelivered and the town knew the owner traveled frequently and possessed a working email address that had been previously used. The Court thus concluded that because email was an available and practical means of communication, the town should have attempted to provide notice through that method before taking the property and in so failing to take that additional step, due process was violated.

On the issue of the 2016 tax lien notice, the Court similarly concluded that the town's notice efforts were inadequate because the town relied on an address that had repeatedly failed to reach the owner, thus the town had knowledge of the ineffectiveness of the prior mailings and should have taken additional steps to reach the owner. As to the 2018 tax lien notice, the Court determined that the town's methods of notice were reasonably calculated to inform the owner and the letters' return did not make the attempts inadequate and therefore the constitutional standard was satisfied. Ultimately, the Court reversed the superior court decision on the 2016 tax deed and the 2016 tax lien and affirmed on the 2018 tax lien.

Key takeaway:

When a municipality knows that a mailed notice has failed, due process may require it to use other readily available methods of communication, including email, before imposing a tax deed that divests an owner of property rights. The case signals that New Hampshire courts will closely examine whether a municipality took reasonable follow-up steps after learning that certified mail was undelivered. In other words, a notice can be constitutionally deficient even when the town followed statutory mailing procedures if it knew its notices had not reached the property owner. A town's notice obligation changes when, before a tax lien or deed is imposed, it learns that its chosen method of notice has failed, and reasonable alternatives remain available. Subsequent notice during a repurchase period, or the owner's general knowledge that taxes are unpaid, does not cure the failure of pre-deprivation notice that the town already knew was unsuccessful.

Another important aspect highlighted in the court's decision is the implication as to the use of modern communication methods such as email. The Court effectively recognized that constitutional due process analysis must adapt to modern communication practices. Where email has been regularly used between the parties and is likely to reach the owner, it may be unreasonable not to use it.

Additional scrutiny must be applied to all transactions involving sales out of tax deeds. Generally, we look to strict compliance with the statutory notice procedures involved in the taking process; however as we have learned from this case, that practice may not be enough if your research of a municipality's records shows undelivered notices at any point in the taking process. Whenever title is derived from a New Hampshire tax deed, determine whether the municipality received returned mail or otherwise knew that notice efforts had failed. If so, investigate whether additional reasonable notice methods were available and utilized before the tax deed issued. As with all tax titles, please continue to seek underwriter guidance and do not hesitate to reach out if you have any questions about this case which can be read here.

Stewart Special Alert – 288 Main Street, Durham, Connecticut 06422

Stewart recently issued Special Alert SA2026176 regarding the property at 288 Main Street, Durham, CT 06422, and the names William G. Butterly III and William Butterly. Issuing offices are instructed not to accept any orders, issue any commitments or preliminary reports, or close any transactions involving the property or the named persons without clearance from Stewart Legal Services.

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