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BCLI Report no. 27—Report on the Builders Lien Act and the Pipeline Problem

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A variety of provincial statutes create a “right of entry” that authorizes certain kinds of activity on private land, usually activity associated with the extraction of natural resources. The construction of a pipeline over private land is a familiar example of the exercise of a right of entry and gives rise to problems in connection with the *Builders Lien Act*. This report discusses one such problem that arises occasionally in connection with Act.

When pipelines are constructed across private land, the private landowner has no right to refuse a pipeline right-of-way. The landowner will normally have a claim for some kind of compensation but has no right to resist the exercise of the right of entry. If the pipeline contractor fails to pay the workers, subcontractors, or suppliers, they can file a legal claim against the property, called a lien, which can prevent the property from being sold unless the lien is paid off.

Once a lien is filed, removing it can be a difficult and time-consuming process. Until the landowner is able to remove the lien, the land is tied up and the ability of the owner to deal with or dispose of it is extremely limited. These liens can cause real hardship such as lost sale of the property or a potential withdrawal of credit. This appears unfair since the landowner is presumably disinterested in the pipeline construction and may well have even been opposed to it.

This report recommends that no liens should arise for work carried out under a right of entry against the registered owner of the land. The report also provides a summary procedure for removing liens of this kind that may have been improperly filed.