

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulations  
Department of Labor, Licensing, and Regulation  
(DLS Control No. 14-036)**

---

**Overview and Legal and Fiscal Impact**

These regulations implement Chapters 540 and 541 of 2013, by establishing (1) the content of notice, complaint, and wage lien statement documents referenced in the Act and (2) the process for recording a lien for unpaid wages.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulations of COMAR Affected**

**Department of Labor, Licensing, and Regulation:**

Division of Labor and Industry: Lien for Unpaid Wages: COMAR 09.12.39.01-.05

---

**Legal Analysis**

**Background**

Chapters 540 and 541 of 2013 authorized an employee to establish a lien for unpaid wages, not including commissions, against an employer. The measure authorized the Commissioner of Labor and Industry to seek to establish a lien on behalf of an employee, and required the commissioner to adopt implementing regulations that establish the content of the notice, complaint, and wage lien statement.

Under the new law, an employee must provide written notice to an employer regarding the wages claimed and the property sought for imposition of the lien. An employer may dispute a lien for unpaid wages by filing a complaint in the circuit court within 30 days after the notice is served. A lien for unpaid wages is established if no complaint is filed within 30 days after a notice is served or after a circuit court issues an order to establish a lien for unpaid wages. If an employee does not record a wage lien statement within 180 days after the lien is established, the lien is extinguished without prejudice. A lien is released when a payment is made or a bond is filed for the amount of wages and damages stated in the wage lien statement. A lien for unpaid wages is enforced in the same manner as any other judgment. An action to enforce an order for a lien for unpaid wages must be brought within 12 years following recordation of the lien for unpaid wages.

The Department of Labor, Licensing, and Regulation previously submitted regulations to implement Chapters 540 and 541, which were published in the January 24, 2014 issue of the *Maryland Register*. The regulations proposed here are different from the regulations initially proposed.

## **Summary of Regulations**

Regulation .01 defines terms for the new chapter – Lien for Unpaid Wages. Regulation .02 requires an employee to serve their employer with the Notice to Employer of Intent to Claim Lien for Unpaid Wages on the form provided by the commissioner or on a comparable form, and specifies the information that must be included in the form. The regulation further specifies three methods by which an employee may serve the employer.

Regulation .03 authorizes an employer to dispute a lien for unpaid wages by filing a complaint in the circuit court for the county where the property of the employer is located and specifies certain information that must be contained in the complaint.

Regulation .04 specifies the contents of a Wage Lien Statement – the form that may be recorded by an employee after a lien for unpaid wages has been established. Finally, Regulation .05 authorizes an employee to record the Wage Lien Statement together with proof of service if the employer does not dispute a Notice to Employer of Intent to Claim Lien for Unpaid Wages or if the court orders the establishment of a lien.

## **Legal Issue**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The department cites § 3-1110 of the Labor and Employment Article as legal authority for the regulations. Section 3-1110 requires the commissioner to adopt regulations to establish the content of the notice, complaint, and wage lien statement authorized under Chapters 540 and 541 of 2013 and to adopt regulations to implement the provisions of the subtitle.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

## **Agency Estimate of Projected Fiscal Impact**

The regulations implement provisions of Chapters 540 and 541 of 2013 that allow an employee to establish a lien for unpaid wages against an employer. The department advises that

the regulations have no impact on State or local governments. The Department of Legislative Services concurs, to the extent that any fiscal impact is a result of Chapters 540 and 541 of 2013 rather than these regulations.

### **Impact on Budget**

There is no impact on the State operating or capital budget, as any fiscal impact is a result of Chapters 540 and 541 of 2013 rather than these regulations.

### **Agency Estimate of Projected Small Business Impact**

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

### **Contact Information**

**Legal Analysis:** Lindsay A. Eastwood – (410) 946/(301) 970-5350

**Fiscal Analysis:** Heather N. Ruby – (410) 946/(301) 970-5510