

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 768 (Delegate Kach) (Bv Request)

Economic Matters

Mechanics' Liens - Notice to Purchaser

This bill provides that filing a petition, in accordance with the current law relating to the filing of claims, constitutes notice to a purchaser of real property of the possibility of a lien being perfected, even if equitable title has passed to the purchaser.

The bill applies prospectively.

Fiscal Summary

State Effect: None. The bill is not expected to significantly increase the caseload of the District Court.

Local Effect: None. The bill is not expected to significantly increase the caseload of the circuit courts.

Small Business Effect: Potential meaningful. Under Himmighoefer v. Medallion Indus., Inc. (1985), where there were conflicting claims to property between a bona fide purchaser for value and a mechanics' lienor, a purchaser who acquires equitable title prior to the filing of a petition for a mechanics' lien prevails. Conversely, this bill would permit a mechanics' lien to be entered against the property when a purchaser acquires equitable title before a petition is filed for a mechanics' lien.

Information Sources: Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 10, 1999

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