

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 488 (Senator Hooper)

Judicial Proceedings

Electricians, Plumbers, and Home Improvement Contractors - Mechanics' Liens

This bill authorizes licensed electricians, plumbers, and home improvement contractors to establish a mechanics' lien on a building regardless of its value, if the owner of the building fails to pay the cost of a repair to the building in accordance with the terms of an applicable contract and the cost of the repair is \$2,000 or more. Under current law, a building is subject to a mechanics' lien for repairs only if the cost of work and material equals at least 15% of the building's value.

Fiscal Summary

State Effect: None. The bill would not affect State operations or finances.

Local Effect: None.

Small Business Effect: Potential meaningful. The bill would positively affect electricians, plumbers, and home improvement contractors, most of whom operate as sole practitioners or small business persons, by expanding their rights to establish mechanics' liens. On the other hand, a small business that fails to pay the cost of a repair greater than \$2,000 would be subject to a mechanics' lien.

Information Sources: Department of Labor, Licensing, and Regulation; Attorney General's Office

Fiscal Note History: First Reader - February 16, 1999

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