
By: **Delegates Vallario and Valderrama**
Introduced and read first time: February 22, 2002
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Attorney's Lien - Settlements**

3 FOR the purpose of providing that an attorney has a lien on certain settlements that
4 extends to certain attorney's fees and compensation under certain
5 circumstances; providing for the priority, with certain exceptions, of an
6 attorney's lien; providing for the application of this Act; and generally relating to
7 an attorney's lien for attorney's fees and compensation under certain
8 circumstances.

9 BY repealing and reenacting, with amendments,
10 Article - Business Occupations and Professions
11 Section 10-501
12 Annotated Code of Maryland
13 (2000 Replacement Volume and 2001 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Business Occupations and Professions**

17 10-501.

18 (a) Subject to subsection (b) of this section, an attorney at law has a lien on:

19 (1) [an] A CAUSE OF action or proceeding of a client of the attorney at
20 law from the time the CAUSE OF action ARISES or THE proceeding begins; and

21 (2) a [judgment] SETTLEMENT, JUDGMENT, or award that a client
22 receives as a result of legal services that the attorney at law performs.

23 (b) A lien under this section attaches only if, and to the extent that, under a
24 specific agreement between an attorney at law and a client, the client owes the
25 attorney at law a fee or other compensation for legal services that produced the
26 [judgment] SETTLEMENT, JUDGMENT, or award.

27 (c) A lien under this section is subordinate only to:

1 (1) a prior lien for wages due to an employee of the client for work
2 related to the [judgment] SETTLEMENT, JUDGMENT, or award; or

3 (2) a lien for taxes that the client owes the State.

4 (d) An attorney at law may retain property subject to a lien under this section
5 and bring an action for execution under the lien only in accordance with rules that the
6 Court of Appeals adopts.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
8 construed to apply only to any agreement between an attorney at law and a client of
9 the attorney at law that exists on or after the effective date of this Act.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2002.