

SENATE BILL 695

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SB 820/00 - JPR

2003 Regular Session
3lr2336
CF 3lr2457

By: **Senators DeGrange and Middleton**
Introduced and read first time: February 18, 2003
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Mechanics' Liens - Notice to Purchaser**

3 FOR the purpose of clarifying that the filing of a certain petition constitutes notice to
4 a purchaser of real property of the possibility of a mechanics' lien being
5 perfected, even if equitable title has passed to the purchaser; prohibiting the
6 filing of a certain petition concerning a mechanics' lien from affecting a bona
7 fide purchaser for value; providing for the application of this Act; and generally
8 relating to the notice requirements for mechanics' liens.

9 BY repealing and reenacting, with amendments,
10 Article - Real Property
11 Section 9-102
12 Annotated Code of Maryland
13 (1996 Replacement Volume and 2002 Supplement)

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

16 **Article - Real Property**

17 9-102.

18 (a) Every building erected and every building repaired, rebuilt, or improved to
19 the extent of 15 percent of its value is subject to establishment of a lien in accordance
20 with this subtitle for the payment of all debts, without regard to the amount,
21 contracted for work done for or about the building and for materials furnished for or
22 about the building, including the drilling and installation of wells to supply water, the
23 construction or installation of any swimming pool or fencing, the sodding, seeding or
24 planting in or about the premises of any shrubs, trees, plants, flowers or nursery
25 products, the grading, filling, landscaping, and paving of the premises, and the
26 leasing of equipment, with or without an operator, for use for or about the building or
27 premises.

28 (b) If the owner of land or the owner's agent contracts for the installation of
29 waterlines, sanitary sewers, storm drains, or streets to service all lots in a

1 development of the owner's land, each lot and its improvements, if any, are subject, on
2 a basis pro rata to the number of lots being developed, to the establishment of a lien
3 as provided in subsection (a) of this section for all debts for work and material in
4 connection with the installation.

5 (c) Any machine, wharf, or bridge erected, constructed, or repaired within the
6 State may be subjected to a lien in the same manner as a building is subjected to a
7 lien in accordance with this subtitle.

8 (d) However, a building or the land on which the building is erected may not
9 be subjected to a lien under this subtitle if, prior to the establishment of a lien in
10 accordance with this subtitle, legal title has been granted to a bona fide purchaser for
11 value.

12 (e) (1) The filing of a petition under § 9-105 OF THIS SUBTITLE shall
13 constitute notice to a purchaser of the possibility of a lien being perfected under this
14 subtitle.

15 (2) THE FILING OF A PETITION UNDER § 9-105 OF THIS SUBTITLE PRIOR
16 TO THE PASSAGE OF LEGAL TITLE AND AT LEAST 30 DAYS PRIOR TO THE
17 RECORDATION OF THE DEED TRANSFERRING LEGAL TITLE CONSTITUTES NOTICE TO
18 A PURCHASER AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION EVEN IF
19 EQUITABLE TITLE HAS PASSED TO THE PURCHASER.

20 (3) NOTHING CONTAINED IN THIS SUBSECTION MAY BE CONSTRUED TO
21 AFFECT THE RIGHTS OF A BONA FIDE PURCHASER FOR VALUE WITHOUT
22 KNOWLEDGE OF A CLAIM OR A PRIOR RECORDED DEED OF TRUST, MORTGAGE, OR
23 OTHER SECURITY INTEREST.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
25 construed only prospectively and may not be applied or interpreted to have any effect
26 on or application to any petitions for mechanics' liens filed before the effective date of
27 this Act.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2003.