

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 645

(Delegate Beidle, *et al.*)

Environmental Matters

Judicial Proceedings

Maryland Contract Lien Act - Foreclosure of Liens - Time Period

This bill amends the Maryland Contract Lien Act to extend the time during which any action to foreclose a lien may be brought, from 3 to 12 years following recordation of the statement of lien.

Fiscal Summary

State Effect: The bill would not directly affect State finances or operations.

Local Effect: The bill would not directly affect local finances or operations.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: Under the Maryland Contract Lien Act, a person seeking to create a lien as a result of a breach of contract must give written notice, within two years of the breach, to the person against whose property the lien is intended to be imposed. Within 30 days after service of the notice, the person served may file a complaint in circuit court to determine whether probable cause exists to establish a lien. If the court orders a lien or the property owner fails to file a complaint, the person seeking to create a lien may file a statement of lien in the land records. A lien may be enforced and foreclosed by the lien holder in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust on property containing a power or sale or an assent to a decree. An action to foreclose a lien must be brought within three years following recordation of the lien statement. Generally, liens against real property take priority in the order in which they are recorded.

Additional Information

Prior Introductions: A similar bill, HB 1382 of 2007, received a hearing in the House Environmental Matters Committee but was later withdrawn.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2008
mll/jr

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