

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 26

(Delegate Holmes)

Environmental Matters

Judicial Proceedings

Real Property - Mechanic's Lien - Land Surveying and Engineering

This bill authorizes the establishment of a mechanic's lien on land and its improvements for the payment of all debts for land surveying or engineering services, regardless of whether a building has been erected, repaired, rebuilt, or improved on the land. The bill caps the lean to the extent of 15% of the assessed value of the land and its improvements, if any, after the services have been performed.

Fiscal Summary

State Effect: General and special fund revenues from recordation fees and surcharges would increase minimally for mechanics' liens recorded under the bill. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: No provision authorizes a mechanic's lien if a building has not been erected, repaired, rebuilt, or improved. A building erected or repaired, rebuilt, or improved to the extent of 15% of its value is subject to the establishment of a lien for the payment of all debts contracted for work done and for materials furnished, including the drilling and installation of wells to supply water; the construction or installation of any swimming pool or fencing; the sodding, seeding, or planting of shrubbery or other nursery products; the grading, filling, landscaping, and paving of the premises; building

or landscape architectural services, engineering services, or land surveying services; and the leasing of equipment for use about the building or premises.

In order to establish a mechanic's lien, a person must file proceedings in the circuit court for the county where the land or any part of it is located within 180 days after the work has been finished or the materials furnished. The petition must at least state the name and address of the petitioner, the name and address of the owner, specified information about the work done or the materials furnished, a description of the land, and if the petitioner was a subcontractor, facts showing that the required notice was sent to the owner.

Background: Chapter 198 of 2006 added building or landscape architectural services, engineering services, and land surveying services to the mechanic's lien statute.

State Revenues: The recordation fee for real property instruments such as liens is \$20 for an instrument of nine or fewer pages in length or for an instrument involving solely a principal residence. The recordation fee is \$75 for other instruments of 10 or more pages in length. In addition, each recordable instrument is subject to a surcharge of \$20, which is deposited in the Circuit Court Real Property Records Improvement Fund. The number of liens recorded under the bill cannot be accurately estimated; however, it is assumed that the number recorded would be minimal. It is further assumed that any lien recorded under the bill would be nine or fewer pages. Therefore, general and special fund revenues would each increase by \$20 for each lien recorded under the bill.

Additional Information

Prior Introductions: A similar bill, HB 1182 of 2007, passed the House, but no action was taken by the Senate Judicial Proceedings Committee.

Cross File: None.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2008
mcp/jr Revised - House Third Reader - March 18, 2008

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