

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 364

(Senator Gladden)

Judicial Proceedings

Environmental Matters

Real Property - Mechanic's Lien - Certified Interior Design Services

This bill authorizes the establishment of a mechanic's lien for interior design services that pertain to interior construction and are provided by a certified interior designer.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: 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 (1) the drilling and installation of wells to supply water; (2) the construction or installation of any swimming pool or fencing; (3) the sodding, seeding, or planting of shrubbery or other nursery products; (4) the grading, filling, landscaping, and paving of the premises; (5) the provision of building or landscape architectural services, engineering services, or land surveying services; and (6) the leasing of equipment, for use for or about the building or premises.

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: An individual must be certified by the State Board of Certified Interior Designers in the Department of Labor, Licensing, and Regulation before the individual may use the title "certified interior designer" or the term "certified interior design services." (*See Business Occupations and Professions Article § 8-301.*) There are approximately 324 certified interior designers in Maryland.

"Interior design services" are defined as rendering or offering to render services for a fee or other valuable consideration, in the preparation and administration of interior design documents (including drawings, schedules, and specifications) which pertain to the planning and design of interior spaces including furnishings, layouts, fixtures, cabinetry, lighting fixtures, finishes, materials, and interior construction not materially related to or materially affecting the building systems, all of which must comply with applicable laws, codes, regulations, and standards. (*See Business Occupations and Professions Article § 8-101.*) Interior design services not covered under the bill include the selection, location, and specification for the procurement of furniture, equipment, signage, artwork, plants, and decorative draperies.

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 is minimal. It is further assumed that any lien recorded under the bill is nine or fewer pages. Therefore, general and special fund revenues increase by \$20 for each lien recorded under the bill.

Additional Information

Prior Introductions: HB 1247, as amended, passed the House, received a favorable report from the Senate Judicial Proceedings Committee, passed the Senate on second reading, and was special ordered, but no further action was taken.

Cross File: HB 544 (Delegate Hucker, *et al.*) - Environmental Matters.

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 18, 2009
mcp/kdm Revised - Senate Third Reader - March 27, 2009

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