

HOUSE BILL 1077

C2, N1

7lr2910

By: **Delegate Malone**

Introduced and read first time: February 8, 2017

Assigned to: Judiciary

A BILL ENTITLED

1 AN ACT concerning

2 **Attorney's Liens – Settlement Providing for Conveyance of Real Property –**
3 **Enforcement**

4 FOR the purpose of authorizing a court order establishing an attorney's lien that attaches
5 to a settlement providing only for the conveyance of real property to be recorded in
6 the land records of a certain county; authorizing a certain attorney's lien to be
7 enforced and foreclosed in the same manner and subject to the same requirements
8 as the foreclosure of certain mortgages or deeds of trust under certain circumstances;
9 and generally relating to the enforcement of attorney's liens.

10 BY repealing and reenacting, with amendments,
11 Article – Business Occupations and Professions
12 Section 10–501
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2016 Supplement)

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

17 **Article – Business Occupations and Professions**

18 10–501.

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

20 (1) a cause of action or proceeding of a client of the attorney at law from
21 the time the cause of action arises or the proceeding begins; and

22 (2) a settlement, judgment, or award that a client receives as a result of
23 legal services that the attorney at law performs.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

(1) a prior lien for wages due to an employee of the client for work related to the settlement, judgment, or award; or

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

(d) (1) An attorney at law may retain property subject to a lien under this section and bring an action for execution under the lien only in accordance with rules that the Court of Appeals adopts.

(2) IF A COURT ORDER ESTABLISHES A LIEN UNDER THIS SECTION THAT ATTACHES TO A SETTLEMENT PROVIDING ONLY FOR THE CONVEYANCE OF REAL PROPERTY:

(I) THE ORDER MAY BE RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED; AND

(II) THE LIEN MAY BE ENFORCED AND FORECLOSED BY THE ATTORNEY AT LAW IN THE SAME MANNER AND SUBJECT TO THE SAME REQUIREMENTS AS THE FORECLOSURE OF MORTGAGES OR DEEDS OF TRUST ON PROPERTY IN THIS STATE CONTAINING A POWER OF SALE OR AN ASSENT TO A DECREE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.