

Maryland Lien for Unpaid Wages Law

“MLUWL”

Md. Code, Lab. & Empl. Art., §§ 3-1101 – 3-1110

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§ 3-1101. Definitions.

- (a) In general. -- In this subtitle the following words have the meanings indicated.
- (b) Employer. -- “Employer” includes a person who acts directly or indirectly in the interest of another employer with an employee.
- (c) Lien for unpaid wages. -- “Lien for unpaid wages” means a lien for the amount of wages owed to an employee and penalties authorized under this title or other provisions of law against real or personal property owned by an employer and located in the State.

§ 3-1102. Notice required; contents.

To establish a lien for unpaid wages under § 3-1104 of this subtitle, an employee shall first provide written notice to an employer that:

- (1) is served on the employer within the statute of limitations period under § 5-101 of the Courts Article;
- (2) is personally served in accordance with Maryland Rule 2-121; and
- (3) contains the information required by the Commissioner under § 3-1110 of this subtitle to provide the employer with adequate notice of the wages claimed and the property against which the lien for unpaid wages is sought.

§ 3-1103. Disputed claims.

- (a) Complaint. -- An employer may dispute a lien for unpaid wages by filing a complaint in the circuit court for the county where property of an employer is located.
- (b) Complaint -- Requirements. -- A complaint filed under this section shall:
 - (1) be filed within 30 days after notice is served on the employer; and
 - (2) include:
 - (i) the name of the employer that owes the employee the wages and the name of the employee to whom the wages are owed;
 - (ii) a copy of the notice to establish a lien for unpaid wages served on the employer under § 3-1102 of this subtitle;
 - (iii) a statement of any defense to the lien for unpaid wages; and
 - (iv) an affidavit containing a statement of facts that support any defenses raised.

- (c) Hearing. -- The employer or employee may request an evidentiary hearing.
- (d) Order establishing lien; burden of proof. -- If an employer files a complaint, the circuit court shall determine whether to issue an order establishing a lien for unpaid wages:
 - (1) within 45 days after the date on which the complaint was filed; and
 - (2) based on a preponderance of the evidence in which the employee has the burden of proof to establish the lien for unpaid wages.
- (e) Court costs and attorney's fees. --
 - (1) If a circuit court issues an order to establish a lien for unpaid wages, the employee is entitled to court costs and reasonable attorney's fees.
 - (2) If a circuit court determines the effort to establish a lien for unpaid wages to have been frivolous or made in bad faith, the court may award court costs and reasonable attorney's fees to an employer

§ 3-1104. Establishing lien.

A lien for unpaid wages is established:

- (1) after a circuit court issues an order to establish a lien for unpaid wages; or
- (2) if no complaint disputing the lien for unpaid wages is filed, within 30 days after a notice is served under § 3-1102 of this subtitle.

§ 3-1105. Recordation of lien.

- (a) Following court order. -- If a circuit court orders the establishment of a lien for unpaid wages, the employee may record the lien for unpaid wages by filing a wage lien statement under subsection (c) of this section.
- (b) Following failure to file complaint by employer. -- If the employer fails to file a timely complaint disputing the notice of wage lien, the employee may record the lien for unpaid wages by filing a wage lien statement under subsection (c) of this section along with proof of service in accordance with Maryland Rule 2-126.
- (c) Method of recordation. -- A wage lien statement may be recorded:
 - (1) for a lien against real property, by filing a wage lien statement, in a form prescribed by the Commissioner, with the clerk of the circuit court for the county where any portion of the property is located; and

- (2) for a lien against personal property, by filing a wage lien statement in the same manner, form, and place as a financing statement under Title 9, Subtitle 5 of the Commercial Law Article.
- (d) Failure to record; extinguishment of lien. --
 - (1) If an employee does not record a wage lien statement within 180 days after the lien for unpaid wages is established, a lien for unpaid wages shall be extinguished without prejudice.
 - (2) If payment is made or a bond is filed for the amount of wages and damages stated in the wage lien statement, the recorded lien for unpaid wages shall be released.
- (e) Priority. -- A lien for unpaid wages recorded under this section shall be considered a secured claim that has priority:
 - (1) from the date of the court order establishing the lien for unpaid wages; or
 - (2) if no complaint disputing the lien for unpaid wages is filed, from the date that the employee filed the wage lien statement.
- (f) Recordation as constructive notice of lien. -- Subsequent bona fide purchasers of any property subject to a recorded lien for unpaid wages are deemed to have constructive notice of the lien for unpaid wages from date of recordation of a wage lien statement.

§ 3-1106. Enforcement.

- (a) In general. -- An order for a lien for unpaid wages shall be enforced in the same manner as any other judgment under State law.
- (b) Statute of limitations on action to enforce. -- An action to enforce an order for a lien for unpaid wages shall be brought within 12 years of the date of recordation of a lien for unpaid wages.

§ 3-1107. Contract requiring waiver of right prohibited.

- (a) In general. -- A contract between an employee and an employer may not waive or require the employee to waive the right to seek the establishment of a lien for unpaid wages under this subtitle.
- (b) Contract conditional on payment to employer from third party does not waive right to lien. -- A provision in an executory contract between an employer and an employee that conditions payment of wages to the employee on receipt by the employer of a payment from a property owner or a third party may not abrogate or waive the right of an employee to seek the establishment of a lien for unpaid wages under this subtitle.

- (c) Provision in violation is void. -- A provision of a contract that violates this section is void as against the public policy of the State.

§ 3-1108. Construction of subtitle.

This subtitle may not be construed to prevent an employee from exercising any right or seeking any remedy to which the employee may be otherwise entitled.

§ 3-1109. Commissioner may establish lien.

The Commissioner may seek to establish a lien for unpaid wages on behalf of an employee.

§ 3-1110. Regulations.

The Commissioner shall adopt regulations to:

- (1) establish the content of the notice, complaint, and wage lien statement under this subtitle; and
- (2) implement the provisions of this subtitle.