

subordinate only to a perfected security interest; and altering the distribution of the proceeds of a lien sale to provide that a lien takes precedence over security interests.

BY repealing and reenacting, with amendments,

Article - Commercial Law
Section 16-205(b) and 16-207(e)
Annotated Code of Maryland
(1975 Volume and 1981 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland read(s) as follows:

Article - Commercial Law

16-205.

(b) A boat lien or motor vehicle lien is subordinate only to a security interest perfected as required by law, EXCEPT WHEN IN THE CASE OF A MOTOR VEHICLE LIEN WHEN A VEHICLE IS SOLD PURSUANT TO § 16-207 OF THIS ARTICLE.

16-207.

(e) (1) The proceeds of [the sale] A SALE UNDER THIS SECTION shall be applied, in the following order, to:

~~(i) -- THE AMOUNT OF THE LIEN CLAIM;~~

(I) THE EXPENSES OF GIVING NOTICE AND HOLDING THE SALE, INCLUDING REASONABLE ATTORNEY'S FEES;

holder; [(i)] (II) Storage fees of the third party

~~[(ii)] [(iii)] The expenses of giving notice and holding the sale, including reasonable attorney's fee;~~

(III) THE AMOUNT OF THE LIEN CLAIMED;

interest; and [(iii)] (IV) A purchase money security

of record who shall divide the remaining balance equally if there are insufficient funds to completely satisfy their respective interests, but not to exceed the amount of a security interest[; and

(v) The amount of the lien claim].