

Approved May 18, 1995.

CHAPTER 436

(Senate Bill 68)

AN ACT concerning

Money Held in Trust for Subcontractors — Trustees
Real Property — Construction Industry — Trust Relationships

FOR the purpose of providing that an officer, director, or managing agent who has actual control of money held in trust by a contractor or subcontractor for certain subcontractors is a trustee for the purpose of paying the money to the subcontractors who are entitled to it; limiting the range type of employees of a contractor or subcontractor who are personally liable for certain actions with respect to money held in trust; limiting the range of employees of a contractor or subcontractor to which a certain evidentiary rule in a certain civil action for fraud applies repealing a provision of law that makes intent to defraud an element of a cause of action against certain persons who retain or use certain money held in trust for certain purposes; repealing a provision of law making the use by certain persons of certain money held in trust for certain purposes prima facie evidence of intent to defraud in certain actions; and generally relating to money held in trust by a contractor or subcontractor for certain subcontractors of a contractor or subcontractor who has direction over or control of money held in trust by the contractor or subcontractor for certain subcontractors is a trustee for the purposes of paying the money to the subcontractors who are entitled to it; clarifying which individuals are personally liable for damages; altering the standard by which certain persons who retain or use certain money held in trust may be personally liable to certain persons under certain circumstances; repealing a certain rule of evidence regarding intent to defraud in certain actions; defining a certain term; and generally relating to trust relationships in the construction industry.

BY repealing and reenacting, with amendments,
Article — Real Property
Section 9-201 through 9-203 and 9-202
Annotated Code of Maryland
(1988 Replacement Volume and 1994 Supplement)

BY repealing
Article — Real Property
Section 9-203
Annotated Code of Maryland
(1988 Replacement Volume and 1994 Supplement)

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