

SENATE BILL 396

N1

3lr1361
CF 3lr2546

By: **Senator Zirkin**

Introduced and read first time: January 28, 2013

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Use of Coercion, Threat, or Intimidation – Contracts Void**

3 FOR the purpose of prohibiting a person from coercing, threatening, or intimidating a
4 property owner in a certain manner to induce that property owner to enter into
5 a certain contract; establishing that a contract entered into in violation of this
6 Act is void; establishing that, if a person violates this Act, certain contracts
7 entered into for the same project are also void; authorizing a property owner to
8 bring a certain action in a certain circuit court; authorizing the court, if it finds
9 that a person has violated this Act, to award damages not exceeding a certain
10 amount and order the person to pay certain costs and attorney's fees; defining a
11 certain term; providing for the application of this Act; providing that existing
12 obligations or contract rights may not be impaired by this Act; and generally
13 relating to certain contracts entered into through coercion, threat, or
14 intimidation.

15 BY adding to

16 Article – Real Property

17 Section 10–711

18 Annotated Code of Maryland

19 (2010 Replacement Volume and 2012 Supplement)

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

22 **Article – Real Property**

23 **10–711.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) (1) IN THIS SECTION, “COERCE, THREATEN, OR INTIMIDATE”**
2 **MEANS TO COMPEL OR ATTEMPT TO COMPEL ANOTHER BY THREAT OF**
3 **CONDEMNATION OR OTHER ADVERSE CONSEQUENCES.**

4 **(2) “COERCE, THREATEN, OR INTIMIDATE” INCLUDES ANY**
5 **DISCUSSION OF CONDEMNATION OR OF INSTITUTING A CONDEMNATION**
6 **PROCEEDING AGAINST A PERSON’S PROPERTY.**

7 **(B) THIS SECTION APPLIES ONLY TO A CONTRACT ENTERED INTO WITH:**

8 **(1) A PRIVATE COMPANY REGULATED UNDER THE NATURAL GAS**
9 **ACT; OR**

10 **(2) A PUBLIC SERVICE COMPANY, AS DEFINED IN § 1-101 OF THE**
11 **PUBLIC UTILITIES ARTICLE.**

12 **(C) A PERSON MAY NOT COERCE, THREATEN, OR INTIMIDATE A**
13 **PROPERTY OWNER TO INDUCE THE PROPERTY OWNER TO ENTER INTO A**
14 **CONTRACT TO SELL PROPERTY OR GRANT AN EASEMENT ON A PROPERTY.**

15 **(D) A CONTRACT ENTERED INTO IN VIOLATION OF SUBSECTION (C) OF**
16 **THIS SECTION IS VOID.**

17 **(E) IF A PERSON VIOLATES SUBSECTION (C) OF THIS SECTION, ANY**
18 **OTHER CONTRACT FOR THE SALE OF PROPERTY OR FOR GRANTING AN**
19 **EASEMENT ON PROPERTY ENTERED INTO FOR THE SAME PROJECT AS THE**
20 **PROJECT FOR WHICH THE VOID CONTRACT WAS ENTERED INTO IS ALSO VOID.**

21 **(F) A PROPERTY OWNER THAT HAS ENTERED INTO A CONTRACT WITH A**
22 **PERSON IN VIOLATION OF THIS SECTION MAY BRING AN ACTION TO VOID THE**
23 **CONTRACT IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PROPERTY**
24 **IS LOCATED.**

25 **(G) IF THE COURT FINDS THAT A PERSON HAS VIOLATED SUBSECTION**
26 **(C) OF THIS SECTION, THE COURT MAY:**

27 **(1) AWARD DAMAGES TO THE PROPERTY OWNER NOT EXCEEDING**
28 **THREE TIMES THE COMPENSATION OFFERED IN THE CONTRACT; AND**

29 **(2) ORDER THE PERSON TO PAY ALL COURT COSTS AND**
30 **REASONABLE ATTORNEY’S FEES OF THE PROPERTY OWNER.**

31 **SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing**
32 **obligation or contract right may not be impaired in any way by this Act.**

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2013.