Article - Real Property

§1–101.

(a) In this article the following words have the meanings indicated unless otherwise apparent from context.

(b) "County" includes Baltimore City.

(c) "Deed" includes any deed, grant, mortgage, deed of trust, lease, assignment, and release, pertaining to land or property or any interest therein or appurtenant thereto, including an interest in rents and profits from rents.

(d) "Deed of trust" means only a deed of trust which secures a debt or the performance of an obligation, and does not include a voluntary grant unrelated to security purposes.

(e) "Grant" includes conveyance, assignment, and transfer.

(f) "Land" has the same meaning as "property".

(g) "Landlord" means any landlord, including a "lessor".

(h) "Lease" means any oral or written agreement, express or implied, creating a landlord and tenant relationship, including any "sublease" and any further sublease.

(i) "Mortgage" means any mortgage, including a deed in the nature of mortgage.

(j) "Person" includes an individual, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind, or any partnership, firm, association, public or private corporation, or any other entity.

(k) "Property" means real property or any interest therein or appurtenant thereto.

(l) "Purchaser" has the same meaning as buyer or vendee.

(m) "Tenant" means any tenant including a "lessee".

(n) "Vendor" has the same meaning as seller.

§1–102.

Unless otherwise expressly provided, whenever this article states that a fact is presumed, the presumption is rebuttable.

§1–103.

Unless otherwise expressly provided, any obligation imposed on or right granted to any person automatically is binding on or inures to the benefit of his assigns,

successors, heirs, legatees, and personal representatives. However, this section is not to be construed to create or confer any rights of assignment where none would exist otherwise.

§1–104.

Any person may vary, by agreement, the effect of any provision in this article, except (1) as provided in this article, (2) the agreement may not affect the rights of persons not parties to or otherwise bound by the agreement, and (3) as provided by § 1-103 of this title.

§2–101.

The word "grant", the phrase "bargain and sell", in a deed, or any other words purporting to transfer the whole estate of the grantor, passes to the grantee the whole interest and estate of the grantor in the land mentioned in the deed unless a limitation or reservation shows, by implication or otherwise, a different intent.

§2–102.

Any person seized of an estate tail, in possession, reversion, or remainder, in any land, tenement, or hereditament may grant and sell it in the form of a grant as if he were seized of an estate in fee simple and the grant is good and available, to all intents and purposes, against every person whom the grantor might debar by any mode of common recovery, or by any other means.

§2–103.

Every valid assignment of a mortgage is sufficient to grant to the assignee every right which the assignor possessed under the mortgage at the time of the assignment.

§2–104.

If the words "the said ... covenants" are used in a deed, the words are presumed to have the same effect as if the covenant were expressed to be by the covenantor for himself and as if made with the grantee in the deed.

§2–105.

A covenant by the grantor in a deed "that he will warrant generally the property hereby granted" has the same effect as if the grantor had covenanted that he will warrant forever the property to the grantee against every lawful claim and demand of any person.

§2–106.

A covenant by a grantor in a deed "that he will warrant specially the property hereby granted" has the same effect as if the grantor had covenanted that he will

warrant forever and defend the property to the grantee against any lawful claim and demand of the grantor and every person claiming or to claim by, through, or under him.

§2–107.

A covenant by the grantor in a deed "that he is seized of the land hereby granted" has the same effect as if the grantor had covenanted that the grantor, at the time of the execution and delivery of the deed, is and stands lawfully seized of the land.

§2–108.

A covenant by the grantor in a deed "that he has the right to grant the land" has the same effect as if the grantor had covenanted that he has good right, full power, and absolute authority to grant the land to the grantee in the deed, in the manner in which the land is granted, or intended to be, by the deed, according to its true intent.

§2–109.

A covenant by the grantor in a deed that the grantee "shall quietly enjoy the land" has the same effect as if he had covenanted that the grantee at any time thereafter might peaceably and quietly enter on, and have, hold, and enjoy the land granted by the deed, or intended to be granted, with all the rights, privileges, and appurtenances belonging to it, and to receive the rents and profits for his use and benefit, without any eviction, interruption, suit, claim, or demand by the grantor and free from any claim or demand by any other person.

§2–110.

A covenant by the grantor in a deed "that he has done no act to encumber the land" has the same effect as if he had covenanted that he had not done, executed, or knowingly suffered any act or deed whereby the land granted, or intended to be, or any part of it, is or will be charged, affected, or encumbered in title, estate, or otherwise.

§2–111.

A covenant by the grantor in a deed, "that the land is free and clear of all encumbrances" has the same effect as if he had covenanted that neither he nor his predecessors in his chain of title had done, executed, or knowingly suffered any act or deed whereby the land granted, or intended to be granted, or any part of it, are or will be charged, affected, or encumbered in title, estate, or otherwise.

§2–112.

A covenant by a grantor in a deed "that he will execute further assurances of the land as may be requisite" has the same effect as if the grantor had covenanted that he at any time on any reasonable request, at the expense of the grantee, will do any further act and execute any further instrument to perfect the grant and assure to the

grantee the lands granted, or intended to be granted, as shall be reasonably required by the grantee or his attorney.

§2–113.

Unless a contrary intent is expressly indicated in the deed, the words "die without issue", or "die without leaving issue", or other words in a deed which may imply either a lack or a failure of issue of a person in his lifetime, or at the time of his death, or an indefinite failure of his issue, mean a lack or a failure of issue in the lifetime, or at the time of the death of the person, and not an indefinite failure of his issue.

§2–114.

(a) Except as otherwise provided, any deed, will, or other instrument that grants land binding on any street or highway, or that includes any street or highway as 1 or more of the lines thereof, shall be construed to pass to the devisee, donee, or grantee all the right, title, and interest of the devisor, donor, or grantor (hereinafter referred to as the transferor) in the street or highway for that portion on which it binds.

(b) If the transferor owns other land on the opposite side of the street or highway, the deed, will, or other instrument shall be construed to pass the right, title, and interest of the transferor only to the center of that portion of the street or highway upon which the 2 or more tracts coextensively bind.

(c) The provisions of subsections (a) and (b) of this section do not apply if the transferor in express terms in the writing by which the devise, gift, or grant is made, either reserves to the transferor or grants to the transferee all the right, title, and interest to the street or highway.

§2–115.

There is no implied covenant or warranty by the grantor as to title or possession in any grant of land or of any interest or estate in land. However, in a lease, unless the lease provides otherwise, there is an implied covenant by the lessor that the lessee shall quietly enjoy the land.

§2–116.

(a) If a grant, deed, covenant, or bequest of any land or personal property is to a trustee whose title is nominal only and who has no express power of disposition or management of the property, and is to be held for a beneficiary expressly designated in it, the grant, deed, covenant, or bequest is void as to the trustee, and is a direct grant, deed, covenant, or bequest to the beneficiary.

(b) If a trust is created by grant, deed, covenant, or bequest of any land or personal property in which the trustee has duties other than nominal to perform at the inception of or during the term of the trust, but later because of the death of a life tenant or other occurrence the trust terminates or there remains only nominal duties

to perform, the legal estate in the corpus of the trust then vests in the beneficiaries of the trust, even though the instrument creating the trust specifically requires a grant of the legal estate, unless the trustee is required to make partition or division by the terms of the creating instrument.

(c) This section is not applicable to any deed of trust given as security for the payment of a debt or the performance of an obligation.

(d) Notwithstanding the repeal of the British Statute of Uses, executory interests and powers of appointment are valid in the State, subject to the rule against perpetuities as modified by §§ 11–102 and 11–102.1 of the Estates and Trusts Article.

§2–117.

No deed, will, or other written instrument which affects land or personal property, creates an estate in joint tenancy, unless the deed, will, or other written instrument expressly provides that the property granted is to be held in joint tenancy.

§2–118.

(a) Any restriction prohibiting or limiting the use of water or land areas, or any improvement or appurtenance thereto, for any of the purposes listed in subsection (b) of this section whether drafted in the form of an easement, covenant, restriction, or condition, creates an incorporeal property interest in the water or land areas, or the improvement or appurtenance thereto, so restricted, which is enforceable in both law and equity in the same manner as an easement or servitude with respect to the water or land areas, or the improvement or appurtenance thereto, if the restriction is executed in compliance with the requirements of this article for the execution of deeds or the Estates and Trusts Article for the execution of wills.

(b) A restriction as provided in subsection (a) of this section may be for any of the following purposes:

(1) Construction, placement, preservation, maintenance in a particular condition, alteration, removal, or decoration of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

(2) Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or other materials;

(3) Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in a manner as to affect the surface or otherwise alter the topography of the area;

(4) Removal or destruction of trees, shrubs, or other vegetation;

(5) Surface use except for purposes of preserving the water or land areas, or the improvement or appurtenance thereto;

(6) Activities affecting drainage, flood control, water conservation, erosion control, soil conservation, or fish or wildlife habitat preservation;

(7) Preservation of exposure of solar energy devices; or

(8) Other acts or uses having any relation to the preservation of water or land areas or the improvement or appurtenance thereto.

(c) If the restriction is not granted for the benefit of any dominant tract of land, it is enforceable with respect to the servient land, both at law and in equity, as an easement in gross, and as such it is inheritable and assignable.

(d) A restriction provided for by this section may be extinguished or released, in whole or in part, in the same manner as other easements.

(e) If any grant, reservation, dedication, devise, or gift of any nature which clearly indicates the maker's intention to subject any interest or estate in property to public use for the preservation of agricultural, historic, or environmental qualities fails to specify a grantee, donee, legatee, or beneficiary to receive the same or specifies a grantee, donee, legatee, or beneficiary who is not legally capable of taking the interest or estate, it passes to the Maryland Agricultural Land Preservation Foundation, the Maryland Historical Trust, or the Maryland Environmental Trust in any proceedings under §§ 14-301 and 14-302 of the Estates and Trusts Article.

§2–119.

(a) (1) In this section the following words have the meanings indicated.

(2) "Restriction on use" includes any covenant, restriction, or condition contained in:

(i) A deed;

(ii) A declaration;

(iii) A contract;

(iv) The bylaws or rules of a condominium or homeowners association;

(v) A security instrument; or

(vi) Any other instrument affecting:

1. The transfer or sale of real property; or

2. Any other interest in real property.

(3) "Solar collector system" means a solar collector or other solar energy

device, the primary purpose of which is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating, space cooling, or water heating.

(4) "Solar easement" means an interest in land that:

(i) Is conveyed or assigned in perpetuity; and

(ii) Limits the use of the land to preserve the receipt of sunlight across the land for the use of a property owner's solar collector system.

(b) (1) A restriction on use regarding land use may not impose or act to impose unreasonable limitations on the installation of a solar collector system on the roof or exterior walls of improvements, provided that the property owner owns or has the right to exclusive use of the roof or exterior walls.

(2) For purposes of paragraph (1) of this subsection, an unreasonable limitation includes a limitation that:

(i) Significantly increases the cost of the solar collector system; or

(ii) Significantly decreases the efficiency of the solar collector system.

(c) (1) A property owner who has installed or intends to install a solar collector system may negotiate to obtain a solar easement in writing.

(2) Any written instrument creating a solar easement shall include:

(i) A description of the dimensions of the solar easement expressed in measurable terms, including vertical or horizontal angles measured in degrees or the hours of the day on specified dates when direct sunlight to a specified surface of a solar collector system may not be obstructed;

(ii) The restrictions placed on vegetation, structures, and other objects that would impair the passage of sunlight through the solar easement; and

(iii) The terms under which the solar easement may be revised or terminated.

(3) A written instrument creating a solar easement shall be recorded in the land records of the county where the property is located.

(d) This section does not apply to a restriction on use on historic property that is listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

§2–120.

(a) Under this title, it is not a material fact or a latent defect relating to property

offered for sale or lease that:

(1) An owner or occupant of the property is, was, or is suspected to be:

(i) Infected with human immunodeficiency virus; or

(ii) Diagnosed with acquired immunodeficiency syndrome; or

(2) A homicide, suicide, accidental death, natural death, or felony occurred on the property.

(b) An owner or seller of real property or the owner's or seller's agent shall be immune from civil liability or criminal penalty for failure to disclose a fact contained in subsection (a) of this section.

§2–121.

(a) In this section, "family child care home" means a unit:

(1) Registered under Title 5, Subtitle 5 of the Family Law Article; and

(2) In which the family child care provider or one or more of the children cared for resides.

(b) This section does not apply to a recorded covenant or restriction affecting property that is:

(1) Governed by the provisions of Title 11B of this article;

(2) Part of a condominium regime governed by Title 11 of this article; or

(3) Part of a cooperative housing corporation.

(c) (1) A recorded covenant or restriction in a deed that prohibits or restricts commercial or business activity in general, but does not expressly apply to family child care homes, may not be construed to prohibit or restrict the establishment or operation of family child care homes.

(2) The operation of a family child care home shall be considered a residential activity for purposes of construing a covenant or restriction described in paragraph (1) of this subsection.

(d) The provisions of this section do not apply to:

(1) A building containing more than four dwelling units located on one parcel of property or at one location;

(2) A covenant or restriction imposed in connection with a loan made or purchased by the Community Development Administration under Title 4, Subtitle 2 of

the Housing and Community Development Article; or

(3) A lease.

§2–122.

(a) (1) In this section, "trust" means an express inter vivos or testamentary trust.

(2) "Trust" includes the following instruments or funding arrangements in the nature of a trust:

(i) A profit sharing plan;

(ii) A retirement plan;

(iii) A liquidating or liquidation plan; and

(iv) An unincorporated foundation.

(3) "Trust" does not include:

(i) A real estate investment trust as defined in § 8–101 of the Corporations and Associations Article;

(ii) A statutory trust as defined in § 12–101 of the Corporations and Associations Article; or

(iii) A trust, formed under the law of another state or a foreign country, that authorizes a trust to take, hold, and dispose of title to property in the name of the trust.

(b) (1) A grant of property by deed to a grantee designated in the deed as a trust has the same effect as if the grantor had granted the property to the trustee or trustees appointed and acting for the trust on the effective date of the deed.

(2) If executed by the trustee or trustees appointed and acting for the trust on the effective date of the deed, a grant of property by deed from a grantor designated in the deed as a trust has the same effect as if the grantee had received the property from the trustee or trustees appointed and acting for the trust on the effective date of the deed.

(c) (1) A grant of property by deed to a grantee designated in the deed as an estate of a decedent, including the estate of a nonresident decedent, has the same effect as if the grantor had granted the property to:

(i) The personal representative or personal representatives appointed by a register of wills or orphans' court in the State for the estate and acting as the personal representative on the effective date of the deed; or

(ii) A foreign personal representative exercising the powers of the office for the estate of a nonresident decedent on the effective date of the deed.

(2) If executed by the person or persons indicated in item (i) or (ii) of this paragraph as applicable, a grant of property by deed from a grantor designated in the deed as an estate of a decedent, including the estate of a nonresident decedent, has the same effect as if the grantee had received the property from:

(i) The personal representative or personal representatives appointed by a register of wills or orphans' court in the State for the estate and acting as the personal representative on the effective date of the deed; or

(ii) A foreign personal representative exercising the powers of the office for the estate of a nonresident decedent on the effective date of the deed.

§2–123.

(a) In this section, "instrument" means a deed, grant, or other written instrument other than a will as defined in § 4-414 of the Estates and Trusts Article.

(b) This section does not limit the right of an individual to provide for distribution of property by will.

(c) (1) Unless an instrument executed on or after June 1, 1947, clearly indicates otherwise, "child", "descendant", "heir", "issue", or any equivalent term in the instrument includes an adoptee whether the instrument was executed before or after a court entered an order for adoption.

(2) Unless an instrument executed on or before May 31, 1947, clearly indicates otherwise, "child", "descendant", "heir", "issue", or any equivalent term in the instrument includes an adoptee if, on or after January 1, 1945, a court entered an interlocutory order for adoption or, if none, a final order for adoption.

§3–101.

(a) Except as otherwise provided in this section, no estate of inheritance or freehold, declaration or limitation of use, estate above seven years, or deed may pass or take effect unless the deed granting it is executed and recorded.

(b) Subsection (a) of this section does not limit any other method of transferring or creating an estate, declaration, or limitation which is permitted by the law of the State except to the extent required by law.

(c) The recording requirement of subsection (a) of this section does not apply to any lease for an initial term not exceeding seven years if each renewal term under the lease (i) is for seven years or less, and (ii) by the provisions of the lease, may be effected or prevented by a party to the lease or his assigns.

(d) If a lease required to be executed and recorded under the provisions of subsection (a) of this section is executed but not recorded, the lease is valid and fully effective both at law and in equity (i) between the original parties to the lease and their personal representatives, (ii) against their creditors, and (iii) against and for the benefit of any other person who claims by, through, or under an original party and who acquires the interest claimed with actual notice of the lease or at a time when the tenant, or anyone claiming by, through, or under the tenant, is in such actual occupancy as to give reasonable notice to the person.

(e) In lieu of recording a lease as prescribed above, a memorandum of the lease, executed by every person who is a party to the lease, may be recorded with like effect. A memorandum of lease thus entitled to be recorded shall contain at least the following information with respect to the lease: (1) the name of the lessor and the name of the lessee; (2) any addresses of the parties set forth in the lease; (3) a reference to the lease, with its date of execution; (4) a description of the leased premises in the form contained in the lease; (5) the term of the lease, with the date of commencement and the date of termination of the term; and (6) if there is a right of extension or renewal, the maximum period for which or date to which it may be renewed, and any date on which the right of extension or renewal is exercisable. If any date is unknown, then the memorandum of lease shall contain the formula from which the date is to be computed. When a memorandum of lease is presented for recording, the lease also shall be submitted to the recording office for the purpose of examination to determine whether or not the lease or the memorandum authorized by this section is subject to any transfer or other tax or requires any recording stamp. The clerk shall stamp the lease when submitted so that it may be identified as the instrument presented to the clerk at the time of recording the memorandum, and the clerk shall collect any required tax.

(f) (1) In this subsection, "option" includes any agreement or contract creating:

(i) An option with respect to the purchase, lease, or grant of property; or

(ii) A right of first refusal, a right of first offer, or similar right, with respect to the purchase, lease, or grant of property.

(2) In lieu of recording an option as prescribed above, a memorandum of the option, executed by each person who is a party to the option, may be recorded with like effect.

(3) A memorandum of option thus entitled to be recorded shall contain at least the following information with respect to the option:

(i) The name of the parties to the option;

(ii) Any addresses of the parties set forth in the option;

(iii) A reference to the option, with its date of execution;

(iv) A description of the property affected by the option in the form contained in the option;

(v) The nature of the right or interest created;

(vi) If stated, the term of the option, with the date of commencement and the date of termination of the term; and

(vii) If there is a right of extension or renewal, the maximum period for which or date to which it may be renewed, and any date on which the right of extension or renewal is exercisable.

(4) If any date is unknown, then the memorandum of option shall contain the formula, if any, from which the date is to be computed.

§3–102.

(a) (1) Any other instrument affecting property, including any contract for the grant of property, or any subordination agreement establishing priorities between interests in property may be recorded.

(2) The following instruments also may be recorded:

(i) Any notice of deferred property footage assessment for street construction;

(ii) Any boundary survey plat signed and sealed by a professional land surveyor or property line surveyor licensed in the State;

(iii) Any assumption agreement by which a person agrees to assume the liability of a debt or other obligation secured by a mortgage or deed of trust;

(iv) Any release of personal liability of a borrower or guarantor under a mortgage or under a note or other obligation secured by a deed of trust;

(v) A ground rent redemption certificate or a ground rent extinguishment certificate issued under § 8–110 of this article; or

(vi) An affordable housing land trust agreement executed under Title 14, Subtitle 5 of this article with any transfer of property for which an affordable housing land trust has a reversionary interest.

(3) The recording of any instrument constitutes constructive notice from the date of recording.

(b) This section may not be construed to authorize the recording of a subdivision plat without any prior review and approval otherwise required by law.

§3–103.

The proper jurisdiction for recording all deeds or other instruments referred to in §§ 3-101 and 3-102 is as follows:

(1) In the county where the land affected by the deed or instrument lies; or

(2) If the land lies in more than one county, in all of such counties.

§3–104.

(a) (1) The Clerk of the Circuit Court may record an instrument that effects a change of ownership if the instrument is:

(i) Endorsed with the certificate of the collector of taxes of the county in which the property is assessed, required under subsection (b) of this section;

(ii) 1. Accompanied by a complete intake sheet; or

2. Endorsed by the assessment office for the county as provided in subsection (g)(8) of this section; and

(iii) Accompanied by a copy of the instrument, and any survey, for submission to the Department of Assessments and Taxation.

(2) The Supervisor of Assessments shall transfer ownership of property in the assessment records, effective as of the date of recordation, upon receipt from the Clerk of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey submitted under paragraph (1) of this subsection.

(b) (1) Except as provided in subsection (c) of this section, property may not be transferred on the assessment books or records until:

(i) All public taxes, assessments, and charges currently due and owed on the property have been paid to the treasurer, tax collector, or director of finance of the county in which the property is assessed; and

(ii) All taxes on personal property in the county due by the transferor have been paid when all land owned by him in the county is being transferred.

(2) The certificate of the collecting agent designated by law, showing that all taxes, assessments, and charges have been paid, shall be endorsed on the deed, and the endorsement shall be sufficient authority for transfer on the assessment books.

(3) Except as provided in subsection (c) of this section, in Cecil, Charles, Dorchester, Harford, Howard, Kent, Queen Anne's, Somerset, and St. Mary's counties no property may be transferred on the assessment books or records until (1) all public

taxes, assessments, any charges due a municipal corporation, and charges due on the property have been paid as required by law, and (2) all taxes on personal property in the county due by the transferor have been paid when all land owned by him in the county and municipal corporation is being transferred. The certificate of the collecting agent and municipal corporation designated by law showing that all taxes, assessments, and charges have been paid, shall be endorsed on the deed and the endorsement shall be sufficient authority for transfer on the assessment books.

(c) (1) (i) The requirements for prepayment of personal property taxes in subsection (b) of this section do not apply to grants of land made:

1. By or on behalf of any mortgagee, lien creditor, trustee of a deed of trust, judgment creditor, trustee in bankruptcy or receiver, and any other court–appointed officer in an insolvency or liquidation proceeding; or

2. By a deed in lieu of foreclosure to any holder of a mortgage or deed of trust or to the holder's assignee or designee.

(ii) Notwithstanding any other provision of law, and except as provided in subparagraph (iii) of this paragraph, after the recordation of a deed or other instrument that effects a grant of land described in subparagraph (i) of this paragraph, the land shall be free and clear of, and unencumbered by, any lien or claim of lien for any unpaid taxes on personal property.

(iii) Subparagraph (ii) of this paragraph does not apply to:

1. Any lien for unpaid taxes on personal property that attached to the land by recording and indexing a notice as provided in § 14–804(b) of the Tax – Property Article prior to the recording of the mortgage, lien, deed of trust, or other encumbrance giving rise to the grant of land described in subparagraph (i) of this paragraph; or

2. Unpaid taxes on personal property owed by the transferee or subsequent owner of the land after a grant of land described in subparagraph (i) of this paragraph.

(iv) This paragraph does not affect the rights of the personal property tax lienholder to make a claim to any surplus proceeds from a judicial sale of land resulting in a grant of land described in subparagraph (i) of this paragraph.

(2) Subsection (b) of this section does not apply in Charles, St. Mary's, Dorchester, Harford, Howard, Kent, Prince George's, Worcester, Carroll, Montgomery, Frederick and Washington counties to any deed executed as a mere conduit or for convenience in holding and passing title, known popularly as a straw deed or, as provided in § 4–108 of this article, a deed making a direct grant in lieu of a straw deed, or to a deed which is a supplementary instrument merely confirming, correcting, or modifying a previously recorded deed, if there is no actual consideration paid or to be paid for the execution of the supplementary instrument.

(3) Subsection (b) of this section does not apply in Baltimore City and Anne Arundel, Baltimore, Carroll, Frederick, St. Mary's, or Washington counties to any deed transferring property to the county when the controller or treasurer of the county has certified that the conveyance does not impair the security for any public taxes, assessments, and charges due on the remaining property of the grantor.

(4) (i) Property may be transferred on the assessment books or records in July, August, or September if instead of paying the taxes required under subsection (b)(1) of this section on a property transfer by assumption, a lender or the attorney handling the transfer of title files with the county treasurer, tax collector, or director of finance of the county in which the property is assessed a statement that certifies that the lender maintains a real estate tax escrow account.

(ii) Upon receipt of the statement required in subparagraph (i) of this paragraph, the county treasurer, tax collector, or director of finance shall endorse on the deed an appropriate certification and the endorsement shall be sufficient authority for transfer on the assessment books.

(5) At the time of transfer of real property subject to a semiannual payment schedule for the payment of property taxes, only those semiannual payments that are due for the current taxable year under § 10–204.3 of the Tax – Property Article must be paid prior to the transfer of the property.

(d) Every deed or other instrument offered for recordation shall have the name of each person typed or printed directly above or below the signature of the person. If a typed or printed name is not provided as required in this subsection, the clerk shall make reasonable efforts to determine the correct name under which the deed or other instrument shall be indexed.

(e) (1) Any printed deed or other instrument offered for recordation shall be printed in not less than eight–point type and in black letters and be on white paper of sufficient weight and thickness to be clearly readable. If the deed or other instrument is wholly typewritten or typewritten on a printed form, the typewriting shall be in black letters, in not less than elite type and upon white paper of sufficient weight or thickness as to be clearly readable. The foregoing provisions do not apply to manuscript covers or backs customarily used on documents offered for recordation. The recording charge for any instrument not conforming to these requirements shall be treble the normal charge. In any clerk's office where the deeds or other instruments are photostated or microfilmed, no instrument on which a rider has been placed or attached in a manner obscuring, hiding, or covering any other part of the instrument may be offered or received for record. No instrument not otherwise readily subject to photostating or microfilming may be offered or received for record until treble the normal recording charge is paid to the clerk and unless an affidavit, black type on white paper, is attached and made a part of the document stating the kind of instrument, the date, the parties to the transaction, description of the property, and all other pertinent data. After any document has been recorded in one county, a certified copy of the recorded document may be recorded in any other county.

(2) A certified copy of any document from a state, commonwealth, territory, or possession of the United States, or the District of Columbia that would otherwise be recordable under Maryland law may be recorded in this State, if the document contains:

(i) An original certification made by the clerk or other governmental official having responsibility for the certification or authentication of recorded documents in the jurisdiction where the document is recorded; and

(ii) An indication of the recording reference and court or other public registry where the original document is recorded.

(f) (1) No deed, mortgage, or deed of trust may be recorded unless it bears the certification of an attorney at law that the instrument has been prepared by an attorney or under an attorney's supervision, or a certification that the instrument was prepared by one of the parties named in the instrument.

(2) Every deed recorded in Prince George's County shall contain a reference to the election district in which the property described in the deed is located.

(3) Every deed or other instrument recorded in Talbot County shall have written, typed, or printed on its back, to be readily visible when folded for filing in the appropriate drawer or file, the name of every party to the deed or other instrument and the nature or character of the instrument.

(4) No deed granting property lying within the boundaries of any sanitary district operated by the County Commissioners of Worcester County may be accepted by the Clerk of the Circuit Court for recording unless the deed is marked by the county to indicate that every assessment or charge currently due and owed to the county with respect to the property described in the deed has been paid.

(5) In Frederick County, if the property to be transferred is a subdivision, which is being dissected from a larger tract of land, then every public tax, assessment, and charge due on the larger tract shall be paid before the property is transferred on the assessment books or land records. Notwithstanding any other provision of this section, in Frederick County the certificate of the Treasurer and the appropriate municipal tax collector, if the property is within an incorporated town or city, showing that every tax has been paid shall be endorsed on the deed. The endorsement is sufficient authority for transfer on the assessment books or land records.

(6) Every deed granting a right–of–way or other easement to a public utility, public agency, or a department or agency of the State shall contain an accurate and definite description as well as a reference to the liber and folio where the servient land was granted and a recitation of the grantors, grantees, and the date of the reference deed.

(g) (1) This subsection does not apply to:

(i) An assignment of a mortgage or if presented for recordation, an assignment of a deed of trust;

(ii) A release of a deed of trust or mortgage;

(iii) A substitution of trustees on a deed of trust;

(iv) A power of attorney; or

(v) A financing statement or an amendment, continuation, release, or termination of a financing statement recorded in land records.

(2) Except as provided in paragraph (1) of this subsection, each deed or other instrument affecting property and presented for recordation shall be:

(i) Accompanied by a complete intake sheet, on the form that the Administrative Office of the Courts provides; or

(ii) Endorsed as provided under paragraph (8) of this subsection.

(3) A complete intake sheet shall:

(i) Describe the property by at least one of the following property identifiers:

1. The property tax account identification number, if any, or in Montgomery County, any parcel identifier required under § 3–501 of this title, if different from the tax account number;

2. The street address, if any;

3. If the property is a lot within a subdivided tract, the lot and block designation, or in Baltimore City, the current land record block number;

4. If the property is part of a tract that has been subdivided informally and there is neither an assigned tax account identification number for the parcel nor a lot and block designation, then the street address, if any, or the amount of acreage; or

5. If the property consists of multiple parcels, the designation "various lots of ground" or the abbreviation "VAR. L.O.G.";

(ii) Name each grantor, donor, mortgagor, and assignor and each grantee, donee, mortgagee, and assignee;

(iii) State the type of instrument;

(iv) State the amount of consideration payable, including the amount of any mortgage or deed of trust indebtedness assumed, or the principal amount of debt

secured;

(v) State the amount of recording charges due, including the land records surcharge and any transfer and recordation taxes;

(vi) Identify, by citation or explanation, each claimed exemption from recording taxes;

(vii) For an instrument effecting a change in ownership, state a tax bill mailing address; and

(viii) Indicate the person to whom the instrument is to be returned.

(4) An intake sheet may request any other information that the Administrative Office of the Courts considers necessary in expediting transfers of property or recording and indexing of instruments.

(5) A clerk may not charge any fee for recording an intake sheet.

(6) A clerk may not refuse to record an instrument that does not effect a change of ownership on the assessment books solely because it is not accompanied by an intake sheet.

(7) A clerk may refuse to record a deed or instrument that effects a change of ownership on the assessment rolls if the instrument is not accompanied by a complete intake sheet or endorsed as transferred on the assessment books by the assessment office for the county where the property is located.

(8) (i) If a deed or other instrument that effects a change in ownership is submitted for transfer on the assessment books without an intake sheet, the person offering the deed or other instrument shall mail or deliver to the person having charge of the assessment books the information required on the intake sheet.

(ii) When property is transferred on the assessment books under this paragraph:

1. The transfer shall be to the grantee or assignee named in the deed or other instrument; and

2. The person recording the transfer shall evidence the fact of the transfer on the deed or other instrument.

(iii) An endorsement under this paragraph is sufficient to authorize the recording of the deed or other instrument by the clerk of the appropriate court.

(9) A clerk may not record an instrument that effects a real property lease dealing in natural gas and oil unless the instrument is accompanied by a complete intake sheet.

(10) (i) An intake sheet shall be recorded immediately after the instrument it accompanies.

(ii) The intake sheet is not part of the instrument and does not constitute constructive notice as to the contents of the instrument.

(iii) The lack of an intake sheet does not affect the validity of any conveyance, lien, or lien priority based on recordation of an instrument.

§3–104.1.

(a) In this section, "residential property" means real property improved by four or fewer single family dwelling units that are designed principally and are intended for human habitation.

(b) When recorded, a mortgage, deed of trust, or any other instrument securing a mortgage loan on residential property shall contain:

(1) (i) The name and Maryland mortgage originator license number of the mortgage originator that originated the loan secured by the instrument; or

(ii) An affidavit by the person that originated the mortgage loan secured by the instrument that the individual who originated the loan is exempt from the licensing requirement under Title 11, Subtitle 6 of the Financial Institutions Article; and

(2) (i) The name and Maryland mortgage lender license number of the mortgage lender that made the loan secured by the instrument; or

(ii) An affidavit by the lender that made the mortgage loan secured by the instrument that the lender is exempt from the licensing requirement under Title 11, Subtitle 5 of the Financial Institutions Article.

(c) The Commissioner of Financial Regulation shall adopt regulations to implement the provisions of this section, including:

(1) Minimum requirements for the inclusion of licensing information when a mortgage, deed of trust, or other instrument securing a mortgage loan on residential property is recorded; and

(2) Consequences, including penalties, for the failure to include licensing information when a mortgage, deed of trust, or other instrument securing a mortgage loan on residential property is recorded.

§3–105.

(a) A mortgage or deed of trust may be released validly by any procedure enumerated in this section or § 3–105.2 of this subtitle.

(b) A release may be endorsed on the original mortgage or deed of trust by the mortgagee or his assignee, the trustee or his successor under a deed of trust, or by the holder of the debt or obligation secured by the deed of trust. The mortgage or the deed of trust, with the endorsed release, then shall be filed in the office in which the mortgage or deed of trust is recorded. The clerk shall record the release photographically, with an attachment or rider affixed to it containing the names of the parties as they appear on the original mortgage or deed of trust, together with a reference to the book and page number where the mortgage or deed of trust is recorded.

(c) At the option of the clerk of the court in whose office the book form of recording is used, the release may be written by the mortgagee, or his assignee, or the trustee, or his successor under a deed of trust, on the record in the office where the mortgage or deed of trust is recorded and attested by the clerk of the court. At the time of recording any mortgage or deed of trust, the clerk of the court in whose office the book form of recording is used shall leave a blank space at the foot of the mortgage or deed of trust for the purpose of entering such release.

(d) (1) When the debt secured by a deed of trust is paid fully or satisfied, and any bond, note, or other evidence of the total indebtedness is marked "paid" or "canceled" by the holder or his agent, it may be received by the clerk and indexed and recorded as any other instrument in the nature of a release. The marked note has the same effect as a release of the property for which it is the security, as if a release were executed by the named trustees, if there is attached to or endorsed on the note an affidavit of the holder, the party making satisfaction, or an agent of either of them, that it has been paid or satisfied, and specifically setting forth the land record reference where the original deed of trust is recorded.

(2) When the debt secured by a mortgage is paid fully or satisfied, and the original mortgage is marked "paid" or "canceled" by the mortgagee or his agent, it may be received by the clerk and indexed and recorded as any other instrument in the nature of a release. The marked mortgage has the same effect as a release of the property for which it is the security, as if a release were executed by the mortgagee, if there is attached to or endorsed on the mortgage an affidavit of the mortgagee, the mortgagor, the party making satisfaction, or the agent of any of them, that it has been paid or satisfied, and specifically setting forth the land record reference where the mortgage is recorded.

(3) When the debt secured by a mortgage or deed of trust is paid fully or satisfied, and the canceled check evidencing final payment or, if the canceled check is unavailable, a copy of the canceled check accompanied by a certificate from the institution on which the check was drawn stating that the copy is a true and genuine image of the original check is presented, it may be received by the clerk and indexed and recorded as any other instrument in the nature of a release. The canceled check or copy accompanied by the certificate has the same effect as a release of the property for which the mortgage or deed of trust is the security, as if a release were executed by the mortgagee or named trustees, if:

(i) The party making satisfaction of the mortgage or deed of trust has:

1. Allowed at least a 60–day waiting period, from the date the mortgage or deed of trust is paid fully or is satisfied, for the party satisfied to provide a release suitable for recording;

2. Sent the party satisfied a copy of this section and a notice that, unless a release is provided within 30 days, the party making satisfaction will obtain a release by utilizing the provisions of this paragraph; and

3. Following the mailing of the notice required under item 2 of this item, allowed an additional waiting period of at least 30 days for the party satisfied to provide a release suitable for recording; and

(ii) The canceled check or copy accompanied by the certificate contains the name of the party whose debt is being satisfied, the debt account number, if any, and words indicating that the check is intended as payment in full of the debt being satisfied; and

(iii) There is attached to the canceled check or copy accompanied by the certificate an affidavit made by a member of the Maryland Bar that the mortgage or deed of trust has been satisfied, that the notice required under item (i) of this paragraph has been sent, and specifically setting forth the land record reference where the original mortgage or deed of trust is recorded.

(4) When the debt secured by a mortgage or deed of trust is fully paid or satisfied and the holder or the agent of the holder of the mortgage or deed of trust note or other obligation secured by the deed of trust, or the trustee or successor trustee under the deed of trust, executes and acknowledges a certificate of satisfaction substantially in the form specified under § 4–203(d) of this article, containing the name of the debtor, holder, the authorized agent of the holder, or the trustee or successor trustee under the deed of trust, the date, and the land record recording reference of the instrument to be released, it may be received by the clerk and indexed and recorded as any other instrument in the nature of a release. The certificate of satisfaction shall have the same effect as a release executed by the holder of a mortgage or the named trustee under a deed of trust.

(5) When the holder of a mortgage or deed of trust note or other obligation secured by the deed of trust has agreed to release certain property from the lien of the mortgage or deed of trust and the holder or the agent of the holder of the mortgage or deed of trust note or other obligation secured by the deed of trust, or the trustee or successor trustee under the deed of trust executes and acknowledges a certificate of partial satisfaction or partial release substantially in the form specified under § 4–203(e) of this article, containing the name of the debtor, holder, the authorized agent of the holder, or the trustee or successor trustee under the deed of trust, the date, the land record recording reference of the instrument to be partially released, and a

description of the real property being released, it may be received by the clerk and indexed and recorded as any other instrument in the nature of a partial release. The certificate of partial satisfaction or partial release shall have the same effect as a partial release executed by the holder of a mortgage, the holder of the debt secured by a deed of trust, or the named trustee under a deed of trust.

(e) A release of a mortgage or deed of trust may be made on a separate instrument if it states that the mortgagee, holder of the debt or obligation secured by the deed of trust, trustee, or assignee releases the mortgage or deed of trust and states the names of the parties to the mortgage or deed of trust and the date and recording reference of the mortgage or deed of trust to be released. In addition, any form of release that satisfies the requirements of a deed and is recorded as required by this article is sufficient.

(f) (1) A holder of a debt secured by a mortgage or deed of trust, or a successor of a holder, may release part of the collateral securing the mortgage or deed of trust by executing and acknowledging a partial release on an instrument separate from the mortgage or deed of trust.

(2) A partial release shall:

(i) Be executed and acknowledged;

(ii) Contain the names of the parties to the mortgage or deed of trust, the date, and the land record recording reference of the instrument subject to the partial release; and

(iii) Otherwise satisfy the requirements of a valid deed.

(3) The clerk of the court shall accept, index, and record, as a partial release, an instrument that complies with and is filed under this section.

(4) Unless otherwise stated in an instrument recorded among the land records, a trustee under a deed of trust may execute, acknowledge, and deliver partial releases.

(g) If a full or partial release of a mortgage or deed of trust is recorded other than at the foot of the recorded mortgage or deed of trust, the clerk shall place a reference to the book and page number or other place where the release is recorded on the recorded mortgage or deed of trust.

(h) Unless otherwise expressly provided in the release, a full or partial release that is recorded for a mortgage or deed of trust that is re–recorded, amended, modified, or otherwise altered or affected by a supplemental instrument and which cites the released mortgage or deed of trust by reference to only the original recorded mortgage, deed of trust, or supplemental instrument to the original mortgage or deed of trust, shall be effective as a full or partial release of the original mortgage or deed of trust and all supplemental instruments to the original mortgage or deed of trust.

(i) Unless otherwise expressly provided in the release, a full or partial release that is recorded for a mortgage or deed of trust, or for any re–recording, amendment, modification, or supplemental instrument to the mortgage or deed of trust shall terminate or partially release any related financing statements, but only to the extent that the financing statements describe fixtures that are part of the collateral described in the full or partial release.

§3–105.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Borrower" means an individual who is mortgagor or grantor on a mortgage or deed of trust and whose loan was for personal, household, or family purposes or for a commercial purpose not in excess of $75,000.

(3) (i) "Holder" means the person to whom a loan secured by a mortgage or deed of trust is owed or that person's designee.

(ii) "Holder" does not include a responsible person.

(4) "Loan" means all indebtedness and other obligations of a borrower secured by a mortgage or deed of trust.

(5) "Mortgage or deed of trust" means a mortgage, deed of trust, security agreement, or other lien secured by a borrower's principal dwelling.

(6) (i) "Responsible person" means a person other than the holder or the holder's designee who has undertaken responsibility for filing a release of a mortgage or deed of trust with the governmental agency charged with recording the release.

(ii) "Responsible person" includes:

1. The person responsible for the disbursement of funds in connection with the grant of title to the property; and

2. An attorney or other person responsible for preparing the HUD–1 settlement statement required under the federal Real Estate Settlement Procedures Act.

(b) (1) Except as provided in paragraph (2) of this subsection, this section does not apply to a mortgage or deed of trust given to secure or guaranty a commercial loan as defined in § 12–101 of the Commercial Law Article.

(2) This section applies to a mortgage or deed of trust given by an individual to secure a commercial loan to that individual if the commercial loan was not in excess of $75,000 and was secured by the borrower's principal dwelling.

(c) Within a reasonable time after a loan secured by an existing mortgage or

deed of trust has been paid in full and there is no further commitment by the holder to make an advance or by the borrower to incur an obligation secured by that mortgage or deed of trust, the holder shall:

(1) (i) Indelibly mark with the word "paid" or "canceled" and return to the borrower each agreement, note, or other evidence of the loan secured by that mortgage or deed of trust; or

(ii) Furnish the borrower with a written statement that identifies the loan secured by that mortgage or deed of trust and states that the loan has been paid in full; and

(2) Release any recorded mortgage or deed of trust securing the loan.

(d) The release shall be:

(1) In writing; and

(2) Prepared at the expense of the holder.

(e) (1) If the holder does not record the release or provide the release to a responsible person for recording within 45 days after a loan secured by an existing mortgage or deed of trust has been paid in full and there has been no further commitment by the holder to make an advance or by the borrower to incur an obligation secured by the mortgage or deed of trust, the holder shall furnish the borrower with:

(i) The release in a recordable form; and

(ii) A notice disclosing the location where the release should be recorded and the estimated amount of any fee required to be paid to a governmental entity in order to record the release.

(2) If the holder records the release, the holder shall furnish the borrower with a copy of the release.

(f) (1) A fee for the recording of a release may be collected by the holder from the borrower subject to this subsection.

(2) If a fee is collected for the recording of a release:

(i) The release shall be recorded by the holder; and

(ii) Any portion of the fee not paid to a governmental entity for recording the release that exceeds $15 shall be refunded to the borrower.

(3) A fee authorized under this subsection is not interest with respect to any loan.

(4) If a fee is not collected for the recording of a release, the holder is not obligated to record the release.

(g) (1) This subsection does not apply to:

(i) A licensee under Title 11, Subtitle 5 of the Financial Institutions Article; or

(ii) An entity described in § 11–502(b)(1) or (b)(10) of the Financial Institutions Article.

(2) Except as provided in paragraph (1) of this subsection, if the borrower is the prevailing party in an action to require the delivery of the release, the holder is liable for the delivery of a release and for all costs and expenses in connection with the bringing of the action, including reasonable attorney's fees.

§3–105.2.

(a) In this section, "lien instrument" means:

(1) A lien created under the Maryland Contract Lien Act;

(2) An instrument creating or authorizing the creation of a lien in favor of a homeowners' association, a condominium council of unit owners, a property owners association, or a community association;

(3) A security agreement; or

(4) A vendor's lien.

(b) A mortgage, deed of trust, or lien instrument may be released validly in accordance with this section.

(c) When the debt secured by a mortgage, deed of trust, or lien instrument is paid fully or satisfied by a settlement agent licensed by the Maryland Insurance Administration as a title insurance producer under Title 10, Subtitle 1 of the Insurance Article, a title insurer, or a lawyer admitted to the Maryland Bar, and the party satisfied fails to provide a release suitable for recording, the settlement agent, title insurer, or lawyer may prepare and record a statutory release affidavit that:

(1) May be received by the clerk and indexed and recorded as any other instrument in the nature of a release or certificate of satisfaction; and

(2) Has the same effect as a release of the property for which the mortgage, deed of trust, or lien instrument is the security, as if a release were executed by the mortgagee, named trustees, or secured party.

(d) Before the settlement agent, title insurer, or lawyer may record a statutory

release affidavit under this section, that person shall:

(1) Allow at least a 60–day waiting period from the date the mortgage, deed of trust, or lien instrument is paid fully or satisfied for the party satisfied to provide a release suitable for recording;

(2) Send by certified mail, with or without a return receipt, to the party satisfied:

(i) A copy of this section;

(ii) A copy of the proposed statutory release affidavit that the person intends to record; and

(iii) A notice that unless a release suitable for recording is provided within 30 days, the person will obtain a release in accordance with the provisions of this section;

(3) After the mailing of the notice under item (2) of this subsection, allow an additional waiting period of at least 30 days for the party satisfied to provide a release suitable for recording.

(e) A statutory release affidavit recorded under this section shall:

(1) Be in substantially the following form:

"Statutory Release Affidavit

I hereby declare or affirm, under the penalties of perjury, that:

(1) On (insert date), I caused to be paid off the debt secured by the mortgage, deed of trust, or lien instrument, found in Liber/Book _____, at Folio/Page _____, in the land records of _____ County/Baltimore City, Maryland.

(2) I obtained a written payoff statement from the person to whom the debt was owed or the person's agent, the funds paid to the person or the person's agent were sufficient to pay off the debt in full, and, as authorized by the obligor on the account, I instructed the person or the person's agent to close the account.

(3) On (insert date), I sent the notice required under § 3–105.2(d)(2) of the Real Property Article to the person satisfied by certified mail.

(4) The person satisfied has failed to provide a release suitable for recording.

(5) I am:

___ A settlement agent who holds a title insurance producer license in good

standing from the Maryland Insurance Administration;

___ An officer of a title insurer; or

___ A member of the Maryland Bar.

(6) The payoff of the debt was accomplished by:

___ The original check, written on an escrow account controlled by the undersigned individual, which is attached to this affidavit and incorporated by reference;

___ A check, written on an escrow account controlled by the undersigned individual, a check facsimile of which is attached to this affidavit and incorporated by reference, and which has been certified as a true copy of the original check by the issuing bank; or

___ A wire transfer, the wire transfer remittance advice for which contains the information required under § 3–105.2(e)(2)(iii)2 of the Real Property Article and is attached to this affidavit and incorporated by reference.

_____
(signature)

_____
(printed or typed name)

_____
(date)"
; and

(2) Be accompanied by:

(i) The canceled check evidencing final payment, which shall contain the name of the party whose debt is being satisfied, the debt account number, if any, and words indicating that the check is intended as payment in full of the debt being satisfied;

(ii) If the canceled check is unavailable, a check facsimile, as defined in § 5–513 of the Financial Institutions Article, that contains the information required under item (i) of this item, accompanied by a certification from an authorized agent of the institution on which the check was drawn stating the check facsimile is a true and genuine image of the original check; or

(iii) If the debt securing the mortgage, deed of trust, or lien instrument was paid off by a wire transfer, the wire transfer remittance advice, which shall:

1. Be accompanied by a certification from an authorized agent of the institution from which the wire transfer was initiated stating that the document is a true and genuine image of the original wire transfer confirmation order issued by the institution; and

2. Contain the name of the person for whom the payoff was made, the name of the institution that was paid the money, a truncated version of the number of the account from which the funds were transferred, a truncated version of the number of the account to which the funds were transferred, the Federal Reserve Bank's reference numbers for the wire transfer, the loan number for the note that was paid off, the amount of the payoff made by the wire transfer, and the date and time of the wire transfer.

§3–106.

The clerk of the court shall record photographically any assignment of a mortgage with an attachment or rider affixed to it containing the names of the parties as they appear on the original mortgage and a reference to the book number and page number where the mortgage is recorded.

§3–107.

When recording a deed or other instrument retaining a vendor's lien, the clerk shall leave a blank space at the foot of the document for the purpose of entering assignments and releases.

§3–108.

(a) (1) Except as provided in paragraph (2) of this subsection, the provisions of this section are in addition to any other provisions of the Code, pertaining to recordation of subdivision plats.

(2) The provisions of this section do not apply in Queen Anne's County.

(b) If the owner of land in the State subdivides his land for commercial, industrial, or residential use to be comprised of streets, avenues, lanes, or alleys and lots, and desires, for the purpose of description and identification, to record a plat of the subdivision among the land records of the county where the land lies, the clerk of the court shall accept and record the plat as prescribed in this section. The clerk may not accept the plat for record until the owner of land complies with the requirements prescribed in this section.

(c) (1) In this subsection, "coordinate" means a number which determines the position of any point in a north or south and an east or west direction in relation to any other point in the same coordinate system.

(2) The plat shall be legible, drawn accurately and to scale and shall be submitted for recordation using black ink on transparent mylar, or linen or black–line

photo process comparable to original quality that will conform to archival standards. The State Highway Administration may substitute microfilm aperture cards showing property or rights–of–way to be acquired or granted. Microfilm aperture cards must meet archival standards for permanent records.

(3) The plat shall contain the courses and distances of all lines drawn on the plat.

(4) With respect to all curved lines, the plat shall show the length of all radii, arcs, and tangents and the courses and distances of all chords.

(5) The plat shall contain a north arrow which represents and designates either true or magnetic meridian as of a date specified on the plat or shall be referenced to a recognized coordinate system within the county.

(6) All courses shown on the plat shall be calculated from the plat meridian.

(7) No distance on the plat may be marked "more or less" except on lines which begin, terminate, or bind on a marsh, stream, or any body of water.

(8) The plat shall show the position by coordinates of not less than four markers set in convenient places within the subdivision in a manner so that the position of one marker is visible from the position of one other marker. From these markers, commonly called "traverse points", every corner and line can be readily calculated and marked on the ground. These markers shall comply with standards that the State Board for Professional Land Surveyors sets by regulation under § 15–208 of the Business Occupations and Professions Article.

(9) A certificate stating that the requirement of this subsection, as far as it concerns the making of the plat and setting of the markers, shall be put on the plat and signed by the owner of the land shown on the plat to the best of his knowledge and by the professional land surveyor or property line surveyor preparing it.

(d) Three linen copies of the plat shall be mailed or delivered to the clerk. The fee is $5 for each set of plats, except that a fee is not required for plats or microfilm aperture cards showing property or rights–of–way to be acquired or granted by the State Highway Administration.

(e) Each plat shall be signed and sealed by a professional land surveyor or property line surveyor licensed in the State.

(f) (1) In Worcester County, if an unrecorded plat exists showing a subdivision, from which any lot has been granted, and the owner of the subdivision, or any part of it, proposes to resubdivide it in a manner different from the unrecorded plat, a copy of the unrecorded plat shall be recorded as required by this section and in addition to any other plat required by this section. If no unrecorded plat exists, the owner shall record an affidavit to this fact.

(2) In Worcester County, if a recorded plat exists showing a subdivision, and the owner of the subdivision, or any part of it, proposes to resubdivide it in a manner different from the recorded plat, another plat shall be recorded. This plat shall indicate clearly the lines, designation of blocks and block numbers, lots and lot numbers, streets, alleys, rights–of–way, and all other easements or pertinent data of the original recorded plat, with the proposed resubdivision plat superimposed on it. The proposed resubdivision plat shall indicate clearly the lines, designation of blocks and block numbers, lots and lot numbers, streets, alleys, rights–of–way, and all other easements and pertinent data. This plat shall be recorded in addition to any other plats required by this section.

(3) In Worcester County, if the owner of two or more contiguous tracts of land proposes to combine the tracts and subdivide them, the owner shall have recorded a plat to be known as a perimeter plat as provided in this section and in addition to any other plat required by this paragraph. The perimeter plat shall show clearly the lines of the original tracts, include a title reference to each tract, and have a plat showing the proposed subdivision of the entire tract superimposed on it. If less than the entire tract is subdivided, at any one time, each subsequent subdivision plat likewise shall be superimposed on a perimeter plat which also shall show clearly all prior subdivisions made pursuant to this subsection.

(4) Notwithstanding the provisions of subsections (b), (c), and (d) of this section and in addition to the requirements of paragraphs (1), (2), and (3) of this subsection, if the subdivided lands are, in whole or in part, within the corporate limits of an incorporated municipality, the plat may not be accepted for record by the Clerk of the Circuit Court of Worcester County until it first has been submitted to and approved by the governing body of the municipality where the land is located, and the approval of the municipality has been indicated plainly on the plat.

(g) In Cecil County, if an unrecorded plat exists showing a subdivision created prior to June 1, 1945, from which any lot has been granted and to which reference has been made in a deed now of record, the owner of the subdivision or any lot, or any interested party may have recorded a copy of the unrecorded plat in a separate plat book to be maintained by the Clerk of the Circuit Court for Cecil County. Reference to the plat is not by itself a "description of the property sufficient to identify it with reasonable certainty" within the meaning of § 4–101 of this article. The person presenting the plat for recording shall pay to the Clerk a fee of $1 for each plat so offered. No other provision of this section applies to the recording of any plat in Cecil County.

(h) (1) In Garrett County the size of the sheet (plat) shall be 11 by 17 inches, 18 by 24 inches, or 24 by 36 inches, including a one and one–half inch margin for binding along the left edge. When more than one sheet is required, an index sheet of the same size shall be submitted showing the entire subdivision drawn to scale.

(2) This subsection does not apply to single lot plats suitable for recording in the same manner as other land record instruments.

(i) (1) A plat filed in the land records of Wicomico County shall measure 18 by 24 inches or 24 by 36 inches, including a 1 1/2 inch margin along the left edge. If more than one sheet is required, an index sheet of the same size shall be submitted showing the entire subdivision drawn to scale.

(2) This subsection does not apply to single lot plats suitable for recording in the same manner as other land record instruments, or to plats dated prior to July 1, 1977.

(j) (1) Notwithstanding any other provision of this section, in Caroline County, any interested person may record a copy of a plat if:

(i) It is signed and dated prior to January 1, 1970;

(ii) The general location of the property can be determined by reference to the plat; and

(iii) The person offering the plat for recording appends a verified statement that it is the original plat, to the best of the offerer's knowledge, information and belief.

(2) The recording of plats under this subsection shall not be construed as the creation or establishment of a subdivision or compliance with any other rules or regulations applicable to subdivisions.

(k) (1) A plat filed in the land records of Dorchester County shall measure 18 by 24 inches or 24 by 36 inches, including a 1 1/2 inch margin along the left edge. If more than one sheet is required, an index sheet of the same size shall be submitted showing the entire subdivision drawn to scale.

(2) This subsection does not apply to single lot plats suitable for recording in the same manner as other land record instruments, or to plats dated prior to July 1, 1987.

(l) In Charles County, a deed conveying a parcel of land containing more than 20 acres of unimproved land is not required to be accompanied by a survey plat.

(m) In Calvert County, the Clerk of Court may not accept and record a plat that creates a new lot or that combines two or more subdivision lots to create one or more new lots unless the County Treasurer has certified on the plat that all taxes, assessments, and charges against the existing lots have been paid.

(n) This section does not apply in Allegany, Harford, Montgomery, Prince George's, and Talbot counties, except to the extent any of these counties is expressly mentioned in this section.

§3–108.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Appendix plat" means a plat of a single lot or parcel of land that:

(i) Is produced on a single page not larger than 8.5 inches by 14 inches;

(ii) Is presented for recordation as part of a deed or other instrument; and

(iii) Does not require subdivision approval.

(3) (i) "Plat" includes any diagram that purports to represent the boundaries of any land.

(ii) "Plat" does not include a plat or microfilm aperture card that:

1. Meets archival standards for permanent records; and

2. Depicts property or rights–of–way to be acquired or granted by the State Highway Administration.

(4) "Subdivision approval" means approval required under subdivision regulations adopted in Queen Anne's County in accordance with Title 5 of the Land Use Article.

(b) The provisions of this section apply only in Queen Anne's County.

(c) The Clerk of the Circuit Court for Queen Anne's County may not accept for record any plat that does not comply with the provisions of this section.

(d) (1) The provisions of this subsection do not apply to appendix plats.

(2) A person who is recording a plat shall deliver a set of 3 copies of each page of the plat at the time of recordation.

(3) Each copy of a page of a plat shall conform to all of the provisions of this section.

(4) The fee for recording each set of plats is $25.

(5) In accordance with the provisions of § 3-304 of this title, the Clerk of the Circuit Court of Queen Anne's County shall maintain and distribute any plat that the Clerk records.

(e) (1) Except for the provisions relating to legibility and scale, the provisions of this subsection do not apply to appendix plats.

(2) Each page of a plat shall:

(i) Be legible;

(ii) Be drawn to a stated scale;

(iii) Be 18 inches by 24 inches in size, including a one and one-half inch unused margin for binding along the left edge of the page; and

(iv) Be prepared in black ink on transparent mylar or by another process comparable to original quality that conforms to the archival standards established by the Maryland Hall of Records.

(3) A plat consisting of more than 1 page shall include an index page that includes and delineates each area shown on all other pages.

(f) A person who is recording a plat shall submit, along with the plat, a written certificate that is signed by:

(1) A person authorized to certify subdivision approval under regulations concerning subdivisions adopted by the county or a municipal corporation under Title 5 of the Land Use Article, and which states that:

(i) Subdivision approval has been given; or

(ii) Subdivision approval is not required; or

(2) Each owner of the property, and which states that the plat does not require subdivision approval.

(g) A certificate under subsection (f) of this section shall:

(1) Be in writing; and

(2) Contain the actual signature of the person who makes the certificate.

(h) A person who willfully executes or presents for recordation a plat that contains a certificate required by subsection (f) of this section and that is false is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $500 or imprisonment not exceeding 6 months or both.

§3–109.

Plats showing property or rights-of-way acquired or conveyed by the State Roads Commission and the State Highway Administration shall be filed with the State Archives and electronically recorded, as provided in § 9-1011 of the State Government Article.

§3–109.1.

(a) (1) In Frederick, Carroll, and Talbot counties, the clerk of the circuit court for the respective county shall receive, index, and file in a substantial loose–leaf, linen–backed, or other durable–backed book, copies of plats showing property or rights–of–way to be acquired or conveyed by the board of county commissioners or the governing body of that county.

(2) Each plat may not be greater in size than 22 inches by 36 inches.

(b) When filed and indexed under subsection (a) of this section, a plat constitutes a part of the land records of the county.

§3–110.

(a) The clerk of the court of any county may not refuse to accept for recording any deed or other recordable instrument delivered by mail, or not in person, if the deed or other recordable instrument:

(1) Meets all the requisites for recording;

(2) Is accompanied by correct fees and taxes; and

(3) Is accompanied by a letter from an attorney or party to the instrument requesting or directing its recordation.

(b) This section does not require a clerk to perform any function which he normally would not have to perform if an instrument is delivered in person.

§3–111.

(a) In this section, "personal information" means an individual's:

(1) Social Security number; or

(2) Driver's license number.

(b) On or after June 1, 2010, a person may not include personal information in a deed or other recordable instrument intended for recording.

(c) A person engaged to perform or charged with the duty to record a deed or other recordable instrument that contains personal information may, prior to recording:

(1) Permanently delete the personal information from the deed or other recordable instrument; or

(2) Request that the personal information be masked from the deed or other recordable instrument in accordance with § 8–504 of the State Government Article.

(d) A person is immune from civil liability or criminal penalty if the person:

(1) Inadvertently records a deed or other recordable instrument containing personal information; or

(2) Deletes or masks personal information from a deed or other recordable instrument in accordance with subsection (c) of this section.

(e) If a deed or other recordable instrument that contains personal information is inadvertently recorded, the inclusion of the personal information does not affect the validity of the instrument.

§3–201.

The effective date of a deed is the date of delivery, and the date of delivery is presumed to be the date of the last acknowledgment, if any, or the date stated on the deed, whichever is later. Every deed, when recorded, takes effect from its effective date as against the grantor, his personal representatives, every purchaser with notice of the deed, and every creditor of the grantor with or without notice.

§3–202.

If a grantee under an unrecorded deed is in possession of the land and his possession is inconsistent with the record title, his possession constitutes constructive notice of what an inquiry of the possessor would disclose as to the existence of the unrecorded deed.

§3–203.

Every recorded deed or other instrument takes effect from its effective date as against the grantee of any deed executed and delivered subsequent to the effective date, unless the grantee of the subsequent deed has:

(1) Accepted delivery of the deed or other instrument:

(i) In good faith;

(ii) Without constructive notice under § 3-202; and

(iii) For a good and valuable consideration; and

(2) Recorded the deed first.

§3–204.

An interest created by a deed granting, assigning, or otherwise transferring an interest in rents or profits arising from property is perfected upon recordation as provided in this title:

(1) Regardless of whether, by its terms or otherwise, the grant, assignment, or transfer is operative immediately, or upon the occurrence of a specific event, or under any other circumstances; and

(2) Without the grantee, assignee, or transferee having to make any affirmative demand or take any further affirmative action.

§3–301.

(a) If the person offering a deed or other instrument affecting property for record first pays the recording fees, the clerk of the circuit court of each county shall record every deed and other instrument affecting property in well-bound books to be named "Land Records", if that is the practice in the county, or on microfilm, if that is the practice. The clerk shall endorse on the deed or other instrument the time he receives the document for recording and the endorsement shall show in the Land Records. Any deed or other instrument affecting property which also affects personal property shall be recorded in the same manner in the Land Records only, and not in the "Financing Records".

(b) If an interested party so requests, the "Financing Records" provided for in § 9-402(9) of the Commercial Law Article shall include a notation that the instrument is recorded among the "Land Records". The instrument also shall be indexed in the general alphabetical index provided in § 3-302 of this subtitle. The notation and indexing have the same effect as if the instrument were recorded in full among the "Financing Records".

(c) The clerk may not refuse to accept any deed or other document entitled to be recorded, solely on the grounds that the deed or document contains a strike-through, interlineation, or other corrections. The clerk may refuse to accept for re-recording, a previously recorded deed or document that has been corrected or altered by a strike-through, interlineation, or similar corrective measures, and that has not been re-executed, initialled, or otherwise ratified in writing by the party or parties affected by the correction.

§3–302.

(a) The clerk of the circuit court of each county shall make and maintain a full and complete general alphabetical index of every deed, and other instrument in a well-bound book in his office. The index shall be both in the name of each grantor, donor, mortgagor, and assignor, and each grantee, donee, mortgagee, or assignee. It shall include the book and page of the recordation of every instrument designating these names. The clerk shall index every deed or other instrument retaining a vendor's lien both as a deed and as a vendor's lien, in the same manner as mortgages are indexed.

(b) In every clerk's office where land records are not recorded in book form, the clerk shall index every assignment of a mortgage, deed of trust, and release or partial releases of a deed of trust, whether in long or short form, in the general alphabetical

index, and shall place an entry in the general alphabetical index where the instrument is indexed, on the same horizontal line, indicating the place of record of the original instrument being assigned or released.

(c) The clerk of the circuit court of each county shall date each change or correction made to information in the general alphabetical index on the horizontal line on which the change or correction was made.

(d) If a court of equity decrees a payment of cost or makes some other decree for payment of money by a plaintiff, the clerk immediately shall enter the plaintiff's name in a separate index, known as the index of plaintiffs. Until the plaintiff's name is indexed, no lien under the decree arises against the property of the plaintiff and no right of execution accrues on the decree.

(e) (1) The clerk shall include in the index each property identifier provided on an intake sheet under § 3-104(g) of this title or, if the space available in the index will not accommodate all of the identifiers, then as many as the space allows, giving priority to identifiers in the order in which they are listed in § 3-104(g)(3)(i) of this title.

(2) The clerk shall rely on the instrument that is accompanied by the intake sheet for indexing of grantor's and grantee's names.

§3–303.

The clerk shall make a microfilm picture or other copy of every document he records and transmit the microfilm pictures or copies to the State Archivist at the end of each year. When requested by the State Archivist, the clerk also shall make a microfilm picture or copy of the general index.

§3–304.

The clerk shall fasten securely one copy of each plat described under § 3-108 in a book provided for that purpose or shall record the plat. He promptly shall send one copy of each plat to the supervisor of assessments of the county and one copy, with one half of the filing fee, to the State Archivist, who shall number and file the plat as part of the records of his office and shall notify the clerk of the number given. The Archivist shall mail or deliver, free of cost, to any supervisor of assessments of the State, a copy of the plat on request. Nothing in this section affects any recording fee of the clerk of the court under any local legislation prescribing recording fees for subdivision plats. The clerk and the Archivist shall keep accurate memoranda of the filing fees.

§3–401.

(a) Notices of liens on real property for obligations payable to the United States, and certificates and notices affecting the liens shall be filed in the office of the clerk of the circuit court of the county in which the real property subject to the liens is situated.

(b) Notices of liens on tangible or intangible personal property for obligations

payable to the United States and certificates and notices affecting the liens shall be filed as follows:

(1) If the person against whose interest the lien applies is a corporation or a partnership whose principal executive office is in the State, as these entities are defined in the Internal Revenue Code, in the office of the clerk of the circuit court for the county where the principal executive office is located;

(2) In all other cases in the office of the clerk of the circuit court of the county where the person resides at the time of filing of the notice of lien.

§3–402.

Certification of notice of liens, certificates, or other notices affecting federal liens by the Secretary of the Treasury of the United States, his delegate, or by any official or entity of the United States responsible for filing or certifying of notice of any other lien, entitles them to be filed and no other attestation, certification, or acknowledgement is necessary.

§3–403.

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in subsection (b) of this section is presented to the filing officer, he shall cause the notice to be marked, indexed, and recorded in an alphabetical federal lien index, showing on one line the name and residence of the person named in the notice, the U.S. government serial number of the notice, the date and hour of filing, and the amount of the lien with the interest, penalties, and costs. He shall file and keep all original notices so filed in numerical order in a file, or files, and designated federal lien notices.

(b) If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the filing officer for filing he shall enter the same with date of filing in said federal lien index on the line where notice of the lien so affected is entered, and permanently attach the original certificate of release, nonattachment, discharge or subordination to the original notice of lien.

§3–404.

The fee for filing and indexing each notice of lien or certificate or notice affecting the lien is $3. The office shall bill the district directors of internal revenue or other appropriate federal officials on a monthly basis for fees for documents filed by them.

§3–405.

Sections 3-401 through 3-405 of this subtitle shall be so interpreted and construed as to effectuate their general purpose to make uniform the law of those states which enact them, and may be cited as the Maryland Revised Uniform Federal Lien Registration Act.

§3–501.

(a) (1) The Clerk of the Circuit Court for Montgomery County shall:

(i) Assign to each parcel of real property in the county an individual parcel identifier, numerical or otherwise; and

(ii) Record by parcel identifier in a parcel index any instrument or reference to an instrument presented for recording after June 30, 1981.

(2) Information recorded by parcel identifier in a parcel index shall be the legal record of interests affecting any parcel.

(b) (1) (i) Except as provided by subparagraph (ii) of this paragraph, all interests created after June 30, 1981 that are enforceable against real property, shall be recorded in the land records by serial number (liber or folio, or other number as the Clerk determines) and by parcel identifier.

(ii) The provisions of this subsection do not apply to:

1. Contracts for conveyance of real property;

2. Leases not required to be recorded under § 3-101(c) or (d) of this title;

3. Liens of judgment created by § 11-402 of the Courts and Judicial Proceedings Article, and other actions in law or equity which constitute a claim against or encumbrance upon the property;

4. Liens arising from nonpayment of real property taxes; and

5. Claims of the United States not subjected by federal law to the recording requirements of this State.

(2) An instrument may not be recorded after June 30, 1981 unless it is legible and contains:

(i) The parcel identifier;

(ii) The county tax account number for the parcel, if any, and if it is different from the parcel identifier;

(iii) The record legal description of the boundaries of the parcel;

(iv) The street address of the parcel, if any;

(v) The full name and address of each party to that instrument and the nature of the party's interest; and

(vi) The name of any title insurer insuring the instrument.

(3) An instrument is not rendered invalid by failure to comply with the requirements of this section.

§3–502. IN EFFECT

** CONTINGENCY – IN EFFECT – CHAPTER 234 OF 2007 **

(a) In collaboration with the other members of the oversight committee of the Circuit Court Real Property Records Improvement Fund, the Administrative Office of the Courts may establish a pilot program for the electronic filing of instruments authorized or required by law to be recorded and indexed in the land records.

(b) (1) Maryland Rule 16–307 shall govern the plan for the pilot program and implementation and evaluation of the pilot program.

(2) The pilot program may waive or modify any method, procedure, or clerical or technical requirement for recording or indexing under this title or any other general or local law, except those set forth in the regulations of the Maryland State Archives concerning the care and preservation of permanent records.

(c) Costs of the pilot program shall be paid from the Circuit Court Real Property Records Improvement Fund in accordance with § 13–603 of the Courts Article.

§3–601.

(a) (1) In this subsection, "page" means one side of a leaf not larger than 8 1/2 inches wide by 14 inches long, or any portion of it.

(2) Before recording an instrument among the land or financing records, a clerk shall collect:

(i) $10 for a release 9 pages or less in length;

(ii) $20 for any other instrument 9 pages or less in length;

(iii) Except as provided in item (i) of this paragraph, $20 for an instrument, regardless of length, involving solely a principal residence; and

(iv) $75 for any other instrument 10 pages or more in length.

(3) The recording costs under this subsection shall also apply to instruments required to be recorded in the financing statement records of the State Department of Assessments and Taxation.

(b) (1) A person who submits a written refund claim for recording fees, including any recording surcharge, that have been overpaid to the clerk of a circuit court, is eligible for a refund of the amount overpaid from the clerk that collected the

fees.

(2) A claim for a refund under paragraph (1) of this subsection shall be as required by regulations adopted by the State Court Administrator.

§3–602.

The fee for certification of a copy of any original paper recorded among the land records is $5. A reasonable fee may be charged by the clerk for reproducing a copy of the paper.

§3–603.

The clerk may not charge any county, any municipality, the Maryland-National Capital Park and Planning Commission, or the Washington Suburban Sanitary Commission any fee provided by this subtitle unless the county, municipality, or respective commission first gives its consent. No charge may be made against the Comptroller for any service performed in connection with the recording and indexing of property liens arising under the Maryland income tax or the Maryland sales and use tax laws.

§4–101.

(a) (1) Any deed containing the names of the grantor and grantee, a description of the property sufficient to identify it with reasonable certainty, and the interest or estate intended to be granted, is sufficient, if executed, acknowledged, and, where required, recorded.

(2) Any lease is sufficient even though it is not acknowledged if it otherwise complies with paragraph (1) of this subsection.

(b) If a deed is signed by the grantor in accordance with the requirements of Title 5 of this article, the absence of a seal or attestation does not affect the validity of the deed. A corporate seal is not required for the execution of any deed or other instrument, notwithstanding any provision to the contrary in the corporation's charter, bylaws, or other documents.

(c) The masking of personal information in accordance with § 8–504 of the State Government Article does not affect the validity of a deed or other recordable instrument.

§4–102.

If a deed contains a covenant by the grantee or a reservation of an incorporeal interest in the property granted by the deed and is signed only by the grantor (deed poll), the acceptance of delivery of the deed by the grantee binds the grantee to the provisions in the deed as effectively as if he had signed the deed as a grantee.

§4–103.

(a) If a deed is executed, acknowledged, and, if required, recorded, the validity of the deed in respect to its execution and delivery by the grantor to the grantee is presumed.

(b) Subsection (a) of this section applies to a lease even though it is not acknowledged.

§4–104.

Neither livery of seisin nor indenting is necessary to the validity of any deed.

§4–105.

No words of inheritance are necessary to create an estate in fee simple or an easement by grant or by reservation. Unless a contrary intention appears by express terms or is necessarily implied, every grant of land passes a fee simple estate, and every grant or reservation of an easement passes or reserves an easement in perpetuity.

§4–106.

(a) No mortgage or deed of trust is valid except as between the parties to it, unless there is contained in, endorsed on, or attached to it an oath or affirmation of the mortgagee or the party secured by a deed of trust that the consideration recited in the mortgage or deed of trust is true and bona fide as set forth.

(b) (1) No purchase-money mortgage or deed of trust involving land, any part of which is located in the State, is valid either as between the parties or as to any third party unless the mortgage or deed of trust contains or has endorsed on, or attached to it at a time prior to recordation, the oath or affirmation of the party secured by the mortgage or deed of trust stating that the actual sum of money advanced at the closing transaction by the secured party was paid over and disbursed by the party secured by the mortgage or deed of trust to either the borrower or the person responsible for disbursement of funds in the closing transaction or their respective agent at a time no later than the execution and delivery of the mortgage or deed of trust by the borrower. However, this subsection does not apply where a mortgage or deed of trust is given to a vendor in a transaction in order to secure payment to him of all or part of the purchase price of the property. The affidavit required by this subsection is required for only that part of the loan that is purchase money and, if the requirements of this subsection are not satisfied, the mortgage or deed of trust is invalid only to the extent of the part of the loan that is purchase money.

(2) The lender may deliver net proceeds, deducting charges, interests, expenses, or advance escrow and charges due from the borrower, if the following conditions are met:

(i) The charges, interests, expenses, and other deductions listed

above have been agreed upon in advance, in writing; and

(ii) The lender provides a schedule of the deductions along with the net proceeds delivered.

(c) Any affidavit required by this section may be made by one of the several mortgagees or parties secured by the deed of trust and has the same effect as if made by all. The affidavit may be made by any trustee named in the deed of trust, by an agent of the trustee, or by an agent of a mortgagee or of a party secured by the deed of trust.

(d) If the affidavit is made by an agent, he shall make affidavit to be contained in, endorsed on, or attached to the mortgage or deed of trust, that he is the agent of the mortgagee or party secured by the deed of trust, or any one of them, or of the trustee. This affidavit is sufficient proof of agency. The president, other officer of a corporation, or the personal representative of the mortgagee or party secured by the deed of trust also may make the affidavits.

(e) This section does not apply to any mortgage or deed of trust where the loan secured is one in which it is lawful to charge any rate of interest under § 12-103(e) of the Commercial Law Article.

§4–107.

(a) Every power of attorney executed by any person authorizing an agent or attorney to sell and grant any property shall be executed in the same manner as a deed and recorded:

(1) Before the day on which the deed executed pursuant to the power of attorney is recorded;

(2) On the same day as the deed executed pursuant to the power of attorney; or

(3) Subject to subsection (b) of this section, after the day on which the deed executed pursuant to the power of attorney is recorded.

(b) A power of attorney may be recorded after the day on which the deed executed pursuant to the power of attorney is recorded, if:

(1) The power of attorney is both dated and acknowledged on or before the effective date of the deed executed pursuant to the power of attorney;

(2) The power of attorney has not been revoked with respect to the period of time up to and including the date of recording of the deed in accordance with the provisions of subsection (c) of this section; and

(3) The deed, or a recorded instrument of writing supplementing the deed contains an affidavit or certification by the agent or attorney in fact named in the power

of attorney, stating substantially, that the agent or attorney in fact did not have, at the time of the execution of the deed pursuant to the power of attorney, actual knowledge of the revocation of the power of attorney, by death of the principal or, if applicable, by the subsequent disability or incompetence of the principal.

(c) Any person executing a deed as agent or attorney for another shall describe himself in and sign the deed as agent or attorney. A power of attorney is deemed to be revoked when the instrument containing the revocation is recorded in the office where the deed should be recorded.

§4–108.

(a) Any interest in property may be granted by one or more persons, as grantors, to themselves alone, or to himself or themselves and any other person, as grantees, in life tenancy, with or without powers, joint tenancy, tenancy in common, or tenancy by the entirety without the use of a straw man as an intermediate grantee-grantor. These grants, regardless of when made, are ratified, confirmed, and declared valid as having created the type of concurrent ownership that the grant purports to grant.

(b) Any interest in property held by a husband and wife in tenancy by the entirety may be granted, (1) by both acting jointly, to themselves, to either of them, individually, or to themselves and any other person, in joint tenancy or tenancy in common; (2) by both acting jointly, to either husband or wife and any other person in joint tenancy or tenancy in common; and (3) by either acting individually to the other in tenancy in severalty, without the use of a straw man as an intermediate grantee-grantor. These grants, regardless of when made, are ratified, confirmed, and declared valid as having created the type of ownership that the grant purports to grant.

§4–109.

(a) If an instrument was recorded before January 1, 1973, any failure of the instrument to comply with the formal requisites listed in this section has no effect, unless the defect was challenged in a judicial proceeding commenced by July 1, 1973.

(b) If an instrument is recorded on or after January 1, 1973, whether or not the instrument is executed on or after that date, any failure to comply with the formal requisites listed in this section has no effect unless it is challenged in a judicial proceeding commenced within six months after it is recorded.

(c) For the purposes of this section, the failures in the formal requisites of an instrument are:

(1) A defective acknowledgment;

(2) A failure to attach any clerk's certificate;

(3) An omission of a notary seal or other seal;

(4) A lack of or improper acknowledgment or affidavit of consideration, agency, or disbursement;

(5) An omission of an attestation; or

(6) A failure to name any trustee in a deed of trust.

§4–110.

Notwithstanding § 5–302 of the Land Use Article or any similar public local law or ordinance, every deed executed or recorded before June 1, 1974, conveying land in a subdivision a plat of which had not been approved by a planning commission is fully valid and effective according to its terms if the deed would have been valid and effective but for § 5–302 of the Land Use Article or a similar public local law or ordinance.

§4–111.

(a) (1) In this section the following words have the meanings indicated.

(2) "Lender" means a person holding an interest in or lien on property pursuant to a mortgage or deed of trust.

(3) "Subordination agreement" means an agreement establishing priorities:

(i) Between or among lenders; or

(ii) Between or among a lender and any other person or persons holding an interest in property.

(b) A lender may subordinate its interest under a mortgage or deed of trust to the interest of another lender or to the property interest of a person, through execution of a subordination agreement on behalf of the subordinating lender by:

(1) As to a lender secured by a mortgage, the mortgagee or assignee; or

(2) As to a lender secured by a deed of trust, the trustee or successor trustee or the holder of the note or other obligation secured by the deed of trust.

(c) This section applies to all subordination agreements existing on or after October 1, 1997.

§4–201.

Every form contained in this subtitle, or a form to like effect, is sufficient for the purpose intended. Any covenant, limitation, restriction, or provision may be added, annexed to, or introduced with any form.

§4–202.

(a) This deed, made this ..... day of ....., in the year ....., by me, (here insert the name of the grantor) witnesseth, that in consideration of, (here insert consideration) I, the said ....., do grant unto (here insert the name of the grantee), all that (here describe the property).

Witness my hand.

(b) This deed, made this ..... day of ....., in the year ....., by me, ..., witnesseth, that in consideration of ..... I, the said ....., do grant unto ....., to hold during his life and no longer.

Witness my hand.

(c) This deed, made this ..... day of ....., in the year ....., by me, ..., witnesseth, that whereas (here insert the consideration for making the deed), I, said ....., do grant unto ....., as trustee, the following property, (here describe the property), in trust for the following purposes (here insert the purposes of the trust, and any covenant that may be agreed upon).

Witness my hand.

(d) This deed, made this ..... day of ....., in the year ....., by me, ..., Sheriff of ..... County, Maryland, witnesseth, that by virtue of an execution issued out of (here insert the style of court), and dated ..... day of ....., in the year ....., in the case of ..... v. ....., I, the said ....., as Sheriff of said county, have sold to ....., the following property, (here describe property). Now, therefore, I, the said ....., do grant unto the said ....., all the right and title of ....., in and to said hereinbefore described property.

Witness my hand.

(e) This deed, made this ..... day of ....., in the year ....., by me, ..., trustee, witnesseth, whereas, by a decree of (here insert style of court), passed on ..... (here insert day of decree), in the case ..... v. ....., I, the said ....., was appointed trustee to sell the land decreed to be sold, and have sold the same to ....., who has fully paid the purchase money therefor. Now, therefore, in consideration of the premises, I, the said ....., do grant unto ..... all the right and title of all the parties to the aforesaid cause, in and to ..... (describe property).

Witness my hand.

(f) This deed, made this ..... day of ....., in the year ....., witnesseth, that we ....., (here insert names of commissioners), commissioners appointed by the Circuit Court for ..... County, to divide the lands of A B, late of ..... County, deceased, in consideration of the sum of ....., have sold, and do hereby grant to C D, all that parcel of land, (here describe the land as described in return of the

commissioners).

Witness my hand.

(g) This deed, made this ..... day of ....., in the year ....., witnesseth, that I, ... personal representative of the Last Will of ....., late of ..... County, deceased, in consideration of the sum of ....., have bargained and sold to ....., all that parcel of land (here describe the land).

Witness my hand.

(h) This mortgage, made this ..... day of ..... by me, ..., witnesseth, that in consideration of the sum of ..... dollars, now due from me, the said ....., to ....., I, the said ....., do grant unto the said ....., (here describe the property); provided, that if I, the said ....., shall pay, on or before the ..... day of ....., to the said ....., the sum of ..... dollars, with the interest thereon from ....., then this mortgage shall be void.

Witness my hand.

(i) This lease, made this ..... day of ....., in the year ....., between ..... and ....., witnesseth, that the said ..... do lease unto the said ....., his personal representatives or assigns (here describe property), for the term of ..... years, beginning on the ..... day of ....., in the year ....., and ending on the ..... day of ....., in the year ....., the said ....., paying therefor the sum of ..... dollars, on the ..... day of ....., in each and every year.

Witness my hand.

§4–203.

(a) "I hereby assign the within mortgage to the assignee, ...

Witness my hand this ..... day of ....."

(b) "I hereby release the above (or within) mortgage (or deed of trust).

Witness my hand this ..... day of ....."

(c) "I hereby certify, under penalties of perjury, that the within (or attached) note(s) are the only original note(s) secured by a deed of trust recorded among the Land Records of ..... in Liber ..... Folio ....., and that I received the said note(s) from (here enter name of holder) after satisfaction of the debt secured thereby.

.....(Affiant)"

(d)

"Certificate of Satisfaction

Know All Men By These Presents:

That ..... does hereby acknowledge that the indebtedness secured by a certain deed of trust/mortgage made by ..... and ..... dated ..... and recorded among the Land Records of ..... County/City, Maryland in Liber ..... No. ....., Folio ..... has been fully paid and discharged, that ..... was, at the time of satisfaction, the holder of the deed of trust note/mortgage, and that the lien of the deed of trust/mortgage is hereby released.

Witness the hands and seals of the holders of the said deed of trust note/mortgage this ..... day of ....., 20.....

In witness whereof, the holder of said deed of trust note/mortgage has caused this instrument to be executed on its behalf by its agent this ..... day of ....., 20.....

Attest:

.... (Seal)

.... (Seal)

State of ....., County of ....., To Wit:

I hereby certify, that on this ..... day of ....., 20...., before me, the subscriber, personally appeared ..... (who acknowledged ...self to be the agent of .....) the holder of the deed of trust note/mortgage referred to above and that ..... executed the aforegoing certificate of satisfaction for the purposes therein contained (by signing the name of ..... as its agent) and that the facts set forth therein are true.

Witness my hand and notarial seal.

.....
Notary Public

My Commission expires: .....”

(e) “Certificate of Partial Satisfaction or Partial Release

Know All Men By These Presents:

That ..... does hereby acknowledge that a certain deed of trust/mortgage made by ..... and ..... dated ..... and recorded among the Land Records of ..... County/City, Maryland in Liber No. ..... Folio ..... has been partially satisfied or partially released by ..... the holder of the deed of trust/mortgage, and that the lien of the deed of trust/mortgage is hereby released as to the following described property.

Description of property released: .....
.....
.....
.....

Reserving, however, the lien of the deed of trust/mortgage on all property described in the deed of trust/mortgage which has not been herein nor heretofore released.

Witness the hands and seals of the holders of the said deed of trust/mortgage or agent or trustee of the holder this ..... day of ..... 20.....

Attest:

.... (Seal)

.... (Seal)

State of ....., County of ....., to wit:

I hereby certify, that on this ..... day of ....., 20...., before me, the subscriber personally appeared ..... (who acknowledged ..... self to be the agent of .....) the holder of the deed of trust/mortgage referred to above and that ..... executed the aforegoing certificate of partial satisfaction or partial release for the purposes therein contained (by signing the name of ..... as its agent) and that the facts set forth therein are true.

Witness my hand and notarial seal.

.....
Notary Public

My Commission expires:
....."

§4–204.

(a) State of Maryland, ... County, to wit: I hereby certify, that on this ....., in the year ...., before the subscriber, (here insert style of the officer taking the acknowledgment), personally appeared (here insert the name of the person making the acknowledgment), and acknowledged the foregoing deed to be his act.

(b) State of ..... County, to wit: I hereby certify, that on this ..... day of ....., in the year ...., before the subscriber, (here insert the official style of the person taking the acknowledgment), personally appeared (here insert the name of the husband), and (here insert name of the married woman making the acknowledgment), his wife, and did each acknowledge the foregoing deed to be their respective act.

(c) State of ..... County, to wit: I hereby certify, that on this ..... day of ....., in the year ...., before the subscriber, (here insert the official style of the officer taking the acknowledgment), personally appeared (here insert the name of the person making the acknowledgment), and acknowledged the foregoing deed to be his act.

Seal of the court

In testimony whereof I have caused the seal of the court to be affixed, (or have affixed my official seal), this ..... day of ....., A.D. .....

§5–101.

Every corporeal estate, leasehold or freehold, or incorporeal interest in land created by parol and not in writing and signed by the party creating it, or his agent lawfully authorized by writing, has the force and effect of an estate or interest at will only, and has no other or greater force or effect, either in law or equity.

§5–102.

Section 5-101 of this title is not applicable to a leasehold estate not exceeding a term of one year.

§5–103.

No corporeal estate, leasehold or freehold, or incorporeal interest in land may be assigned, granted, or surrendered, unless it is in writing signed by the party assigning,

granting, or surrendering it, or his agent lawfully authorized by writing, or by act and operation of law.

§5–104.

No action may be brought on any contract for the sale or disposition of land or of any interest in or concerning land unless the contract on which the action is brought, or some memorandum or note of it, is in writing and signed by the party to be charged or some other person lawfully authorized by him.

§5–105.

Except as provided in § 5-107 of this title, every declaration of trust, or amendment to it, respecting land shall be manifested and proved by a writing signed by the party who by law is enabled to declare the trust, or by his last will in writing, or else it is void.

§5–106.

Every assignment of any beneficial interest in a trust, the assets of which wholly or partially consist of land, is void unless the assignment is:

(1) In writing signed by the assignor or his agent lawfully authorized by writing; or

(2) By his last will in writing.

§5–107.

This title is not applicable where any grant is made of any interest in land by which a trust arises or results by implication or construction of law, or where a trust is transferred or extinguished by operation of law.

§5–108.

Nothing in this title may be construed as negating any additional requirement of this article for the effective granting of estates or interests in land.

§6–101.

(a) This section does not apply to an affordable housing land trust agreement executed under Title 14, Subtitle 5 of this article.

(b) This section is effective on July 1, 1969, with respect to (1) inter vivos instruments taking effect on or after that date, (2) wills of persons who die on or after that date, and (3) appointments by inter vivos instruments or wills made on or after that date under powers created before that date.

(c) If the specified contingency of a special limitation creating a possibility of reverter or of a condition subsequent creating a right of entry for condition broken does

not occur within 30 years of the effective date of the instrument creating the possibility or condition, the possibility or condition no longer is valid thereafter.

§6–102.

(a) The provisions of this section apply to all possibilities of reverter and rights of entry on estates of fee simple, existing before July 1, 1969.

(b) A special limitation or a condition subsequent, which restricts a fee–simple estate, and the possibility of reverter or right of entry for condition broken thereby created is not valid, unless within the time specified in subsection (e) of this section, a notice of intention to preserve the possibility of reverter or right of entry is recorded. The extinguishment occurs at the end of the period in which the notice or renewal notice may be recorded and an estate in fee simple determinable or fee simple subject to a condition subsequent then becomes a fee simple absolute. No disability or lack of knowledge of any kind prevents the extinguishment of the interest if no notice of intention to preserve is filed within the time specified in subsection (e) of this section.

(c) Any person having a possibility of reverter or right of entry may record among the land records of the county where the land is located a notice of intention to preserve the entire possibility of reverter or right of entry, if duly acknowledged by the person. The notice may be recorded by the person claiming to be the owner of the interest, or by any other person acting on his behalf if the claimant is under a disability, or otherwise unable to assert a claim on his own behalf.

(d) (1) To be effective and to be entitled to be recorded, the notice shall contain an accurate and full description of all land affected by the notice. The description shall be set forth in particular terms and not by general inclusions. However, if the claim is founded on a recorded instrument, then the description in the notice may be the same as that contained in the recorded instrument. The notice also shall contain the name of any record owner of the land at the time the notice is filed and the terms of the special limitation or condition subsequent from which the possibility of reverter or right of entry arises.

(2) Every notice which is duly acknowledged shall be accepted for recording among the land records on payment of the same fees as are charged for the recording of deeds.

(3) The notice shall be indexed as "Notice of Reverter or Right of Entry":

(i) In the grantee indices of deeds under the name of every person on whose behalf the notice is executed and recorded;

(ii) In the grantor indices of deeds under the name of every record owner of the possessory estates in the land to be affected against whom the claim is to be preserved at the time of the filing; and

(iii) In any block or property location index in any county which

maintains such an index.

(e) (1) If a possibility of reverter or right of entry was created before July 1, 1899 and initial notice was not recorded before July 1, 1972, the possibility of reverter or right of entry created no longer is valid. If initial notice was recorded before July 1, 1972, then a renewal notice and further renewal notices may be recorded.

(2) If the date when the possibility of reverter or right of entry was created was between July 1, 1899 and June 30, 1969, inclusive, the initial notice shall be recorded not less than 70 years nor more than 73 years after the date of its creation. If it is not so recorded it is no longer valid.

(3) A renewal notice shall be recorded after the expiration of 27 years and before the expiration of 30 years from the date of recording of the initial notice, and shall be effective for a period of 30 years from the recording of the renewal notice. In like manner, further renewal notices shall be recorded after the expiration of 27 years and before the expiration of 30 years from the date of recording of the last preceding renewal notice. If it is not so recorded it is no longer valid.

§6–103.

No person may commence an action for the recovery of land, nor make an entry on it, by reason of a breach of a condition subsequent, or by reason of the termination of an estate of fee-simple determinable, unless the action is commenced or entry is made within seven years after breach of the condition or from the time when the fee-simple determinable estate terminates. If a breach of a condition subsequent or termination of a fee-simple determinable estate occurred prior to July 1, 1969, an action may be commenced for the recovery of the land, or an entry may be made on it, by the owner of a right of entry or possibility of reverter by July 1, 1976. Possession of land after breach of a condition subsequent or after termination of an estate of fee-simple determinable is adverse and hostile from the first breach of a condition subsequent or from the occurrence of the event terminating the fee-simple determinable estate.

§6–104.

A possibility of reverter or right of entry for condition broken may be transferred in the same manner as any other interest in property.

§6–105.

The provisions of this title do not apply to grants made at any time by the State or its political subdivisions as long as the possibility of reverter or right of entry owned by the State or its political subdivisions is not transferred.

§7–101.

(a) Every deed which by any other writing appears to have been intended only as security for payment of an indebtedness or performance of an obligation, though

expressed as an absolute grant is considered a mortgage. The person for whose benefit the deed is made may not have any benefit or advantage from the recording of the deed, unless every other writing operating as a defeasance of it, or explanatory of its being intended to have the effect only of a mortgage, also is recorded in the same records at the same time.

(b) Subsection (a) of this section is not applicable to the grant of a security interest in a mortgage by a mortgagee, or one of several mortgagees, or any assignee of his interest in a mortgage as security for payment of an indebtedness or performance of an obligation. Such a transaction is governed by Title 9 of the Maryland Uniform Commercial Code.

(c) Notwithstanding any provision of Title 9 of the Maryland Uniform Commercial Code to the contrary, if a security interest in a mortgage was attached and perfected before July 1, 2001, in accordance with subsection (b) of this section as in effect before July 1, 2001, then the security interest shall continue to be perfected after July 1, 2001, without the need for any additional filing in the land records in the county where the mortgage is recorded, and without the need for any additional filing otherwise required under Title 9 of the Maryland Uniform Commercial Code.

§7–102.

(a) (1) No mortgage or deed of trust may be a lien or charge on any property for any principal sum of money in excess of the aggregate principal sum appearing on the face of the mortgage or deed of trust and expressed to be secured by it, without regard to whether or when advanced or readvanced.

(2) Paragraph (1) of this subsection does not apply to a mortgage or deed of trust to:

(i) Guarantee the party secured against loss from being an obligee of a third party;

(ii) Indemnify the party secured against loss from being an endorser, guarantor, or surety; or

(iii) Secure a guarantee or indemnity agreement.

(b) If after the date of the mortgage or deed of trust, any sum of money is advanced or readvanced, any endorsement or guaranty is made, or the liability under an indemnity agreement arises, priority for such sum of money or for any indemnity arising under the endorsement, or guaranty, or indemnity agreement dates from the date of the mortgage or deed of trust as against the rights of intervening purchasers, mortgagees, trustees under deeds of trust, or lien creditors, regardless of whether the advance, readvance, endorsement, or guaranty was obligatory or voluntary under the terms of the mortgage or deed of trust.

§7–103.

(a) The title to any promissory note, other instrument, or debt secured by a mortgage, both before and after the maturity of the note, other instrument, or debt, conclusively is presumed to be vested in the person holding the record title to the mortgage. If the mortgage is duly released of record, the promissory note, other instrument, or debt secured by the mortgage, both before and after the maturity of the promissory note, other instrument, or debt, conclusively is presumed to be paid as far as any lien on the property granted by the mortgage is concerned.

(b) After an assignment of a mortgage is recorded, any payment made by the original mortgagor to the assignor is effective to reduce or discharge the note or debt, unless the mortgagor has received actual notice of the assignment prior to the payment. This provision also applies to a payment by a transferee of the mortgagor's interest in the mortgaged property except where the assignment of the mortgage is of record at the effective date of the transfer of the mortgagor's interest in the mortgaged property.

§7–104.

If property is sold and granted, and as part of the same transaction the purchaser gives a mortgage or deed of trust to secure total or partial payment of the purchase money, the mortgage or deed of trust shall be preferred to any previous judgment or decree for the payment of money which is obtained against the purchaser if it recites that the sum received is all or part of the purchase money of the property or otherwise recites that it is a purchase money mortgage or deed of trust. This section is applicable regardless of whether the mortgage or deed of trust is given to the vendor of the property or to a third party who advances all or part of the purchase money.

§7–105.

(a) In this section, "individual" means a natural person.

(b) (1) A mortgage or deed of trust may authorize the sale of the property or declare the borrower's assent to the passing of a decree for the sale of the property, on default in a condition on which the mortgage or deed of trust provides that a sale may be made.

(2) A power of sale or assent to decree authorized in a mortgage or deed of trust may be exercised only by an individual.

(3) The individual selling the property under a power of sale need not be named in the mortgage or deed of trust.

(4) An error or omission in a mortgage or deed of trust concerning the designation of the trustee or the individual authorized to exercise a power of sale does not invalidate the instrument or the ability of the mortgagee or beneficiary of the deed of trust to appoint an individual to exercise the power of sale.

(5) If a mortgage or deed of trust allows for the appointment or substitution of a trustee or an individual authorized to exercise a power of sale, the holder of the mortgage or deed of trust may make the appointments or substitutions from time to time.

(c) A sale made pursuant to this section, §§ 7–105.1 through 7–105.8 of this subtitle, or the Maryland Rules, after final ratification by the court and grant of the property to the purchaser on payment of the purchase money, has the same effect as if the sale and grant were made under decree between the proper parties in relation to the mortgage or deed of trust and in the usual course of the court, and operates to pass all the title which the borrower had in the property at the time of the recording of the mortgage or deed of trust.

§7–105.1.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Certified community development financial institution" means a community development financial institution that is certified by the Community Development Financial Institutions Fund in the U.S. Department of the Treasury under 12 U.S.C. § 4701 et seq.

(ii) "Certified community development financial institution" includes any company that controls, is controlled by, or is under common control with a certified community development financial institution.

(3) "Final loss mitigation affidavit" means an affidavit that:

(i) Is made by a person authorized to act on behalf of a secured party of a mortgage or deed of trust on owner–occupied residential property that is the subject of a foreclosure action;

(ii) Certifies the completion of the final determination of loss mitigation analysis in connection with the mortgage or deed of trust; and

(iii) If denied, provides an explanation for the denial of a loan modification or other loss mitigation.

(4) "Foreclosure mediation" means a conference at which the parties in a foreclosure action, their attorneys, additional representatives of the parties, or a combination of those persons appear before an impartial individual to discuss the positions of the parties in an attempt to reach agreement on a loss mitigation program for the mortgagor or grantor.

(5) "Housing counseling services" means assistance provided to mortgagors or grantors by nonprofit and governmental entities that are identified on a list maintained by the Department of Housing and Community Development.

(6) "Loss mitigation analysis" means an evaluation of the facts and circumstances of a loan secured by owner–occupied residential property to determine:

(i) Whether a mortgagor or grantor qualifies for a loan modification; and

(ii) If there will be no loan modification, whether any other loss mitigation program may be made available to the mortgagor or grantor.

(7) "Loss mitigation program" means an option in connection with a loan secured by owner–occupied residential property that:

(i) Avoids foreclosure through loan modification or other changes to existing loan terms that are intended to allow the mortgagor or grantor to stay in the property;

(ii) Avoids foreclosure through a short sale, deed in lieu of foreclosure, or other alternative that is intended to simplify the mortgagor's or grantor's relinquishment of ownership of the property; or

(iii) Lessens the harmful impact of foreclosure on the mortgagor or grantor.

(8) "Owner–occupied residential property" means residential property in which at least one unit is occupied by an individual who:

(i) Has an ownership interest in the property; and

(ii) Uses the property as the individual's primary residence.

(9) "Postfile mediation" means foreclosure mediation that occurs in accordance with subsection (j) of this section after the date on which the order to docket or complaint to foreclose is filed.

(10) "Prefile mediation" means foreclosure mediation that occurs in accordance with subsection (d) of this section before the date on which the order to docket or complaint to foreclose is filed.

(11) "Preliminary loss mitigation affidavit" means an affidavit that:

(i) Is made by a person authorized to act on behalf of a secured party of a mortgage or deed of trust on owner–occupied residential property that is the subject of a foreclosure action;

(ii) Certifies the status of an incomplete loss mitigation analysis in connection with the mortgage or deed of trust; and

(iii) Includes reasons why the loss mitigation analysis is incomplete.

(12) "Residential property" means real property improved by four or fewer single family dwelling units that are designed principally and are intended for human habitation.

(b) (1) Except as provided in paragraph (2) of this subsection, an action to foreclose a mortgage or deed of trust on residential property may not be filed until the later of:

(i) 90 days after a default in a condition on which the mortgage or deed of trust provides that a sale may be made; or

(ii) 45 days after the notice of intent to foreclose required under subsection (c) of this section is sent.

(2) (i) The secured party may petition the circuit court for leave to immediately commence an action to foreclose the mortgage or deed of trust if:

1. The loan secured by the mortgage or deed of trust was obtained by fraud or deception;

2. No payments have ever been made on the loan secured by the mortgage or deed of trust;

3. The property subject to the mortgage or deed of trust has been destroyed; or

4. The default occurred after the stay has been lifted in a bankruptcy proceeding.

(ii) The court may rule on the petition with or without a hearing.

(iii) If the petition is granted, the action may be filed at any time after a default in a condition on which the mortgage or deed of trust provides that a sale may be made and the secured party need not send the written notice of intent to foreclose required under subsection (c) of this section.

(c) (1) Except as provided in subsection (b)(2)(iii) of this section, at least 45 days before the filing of an action to foreclose a mortgage or deed of trust on residential property, the secured party shall send a written notice of intent to foreclose to the mortgagor or grantor and the record owner.

(2) The notice of intent to foreclose shall be sent:

(i) By certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service; and

(ii) By first–class mail.

(3) A copy of the notice of intent to foreclose shall be sent to the Commissioner of Financial Regulation.

(4) The notice of intent to foreclose shall:

(i) Be in the form that the Commissioner of Financial Regulation prescribes by regulation; and

(ii) Contain:

1. The name and telephone number of:

A. The secured party;

B. The mortgage servicer, if applicable; and

C. An agent of the secured party who is authorized to modify the terms of the mortgage loan;

2. The name and license number of the Maryland mortgage lender and mortgage originator, if applicable;

3. The amount required to cure the default and reinstate the loan, including all past due payments, penalties, and fees;

4. A statement recommending that the mortgagor or grantor seek housing counseling services;

5. The telephone number and the Internet address of nonprofit and government resources available to assist mortgagors and grantors facing foreclosure, as identified by the Commissioner of Financial Regulation;

6. An explanation of the Maryland foreclosure process and time line, as prescribed by the Commissioner of Financial Regulation; and

7. Any other information that the Commissioner of Financial Regulation requires by regulation.

(5) For an owner–occupied residential property, the notice of intent to foreclose shall be accompanied by:

(i) A loss mitigation application:

1. For loss mitigation programs that are applicable to the loan secured by the mortgage or deed of trust that is the subject of the foreclosure action; or

2. If the secured party does not have its own loss mitigation application, in the form prescribed by the Commissioner of Financial Regulation;

(ii) Instructions for completing the loss mitigation application and a telephone number to call to confirm receipt of the application;

(iii) A description of the eligibility requirements for the loss mitigation programs offered by the secured party that may be applicable to the loan secured by the mortgage or deed of trust that is the subject of the foreclosure action;

(iv) An envelope addressed to the person responsible for conducting loss mitigation analysis on behalf of the secured party for the loan secured by the mortgage or deed of trust that is the subject of the foreclosure action;

(v) If the secured party offers prefile mediation, a notice in the form that the Commissioner of Financial Regulation prescribes by regulation that states that:

1. The secured party offers prefile mediation;

2. The mortgagor or grantor may elect to participate in prefile mediation;

3. The mortgagor or grantor will not be entitled to postfile mediation if the mortgagor or grantor participates in prefile mediation, except as otherwise provided in a prefile mediation agreement;

4. The mortgagor or grantor is required to participate in housing counseling services as a precondition to prefile mediation; and

5. A fee will be charged for the prefile mediation and the amount of the fee; and

(vi) If the secured party offers prefile mediation, an application to participate in prefile mediation and instructions to complete and submit the application, all in the form that the Commissioner of Financial Regulation prescribes by regulation.

(6) For a property that is not an owner–occupied residential property, the notice of intent to foreclose shall be accompanied by:

(i) A written notice of the determination that the property is not owner–occupied residential property; and

(ii) A telephone number to call to contest that determination.

(d) (1) For owner–occupied residential property, a secured party may offer to participate in prefile mediation with a mortgagor or grantor to whom the secured party has delivered a notice of intent to foreclose.

(2) If offered by a secured party, a mortgagor or grantor may elect to

participate in prefile mediation.

(3) If a mortgagor or grantor elects to participate in prefile mediation, the mortgagor or grantor shall notify the secured party by submitting the application described in subsection (c)(5)(vi) of this section not more than 25 days after the date on which the notice of intent to foreclose is mailed by the secured party.

(4) (i) As a precondition to prefile mediation, a mortgagor or grantor shall participate in housing counseling services.

(ii) The Department of Housing and Community Development shall prescribe the timing and form of certification of participation in housing counseling services.

(5) If a mortgagor or grantor submits an application to participate in prefile mediation to the secured party in accordance with paragraph (3) of this subsection, the secured party shall notify the Office of Administrative Hearings not more than 5 business days after the date on which the secured party receives the application.

(6) The Office of Administrative Hearings shall:

(i) Schedule a prefile mediation session not more than 60 days after the day on which it receives notice by a secured party of an election to participate in prefile mediation; and

(ii) Notify the parties and their attorneys, if any, of the date of the prefile mediation session.

(7) By regulation, the Commissioner of Financial Regulation shall:

(i) Establish the fee for prefile mediation; and

(ii) Prescribe the form and content of the notice about prefile mediation, the application to participate in prefile mediation, and instructions to complete the application.

(8) (i) Notwithstanding subsection (b)(1) of this section, if the secured party and grantor or mortgagor elect to participate in prefile mediation, an order to docket or complaint to foreclose may not be filed until the completion of prefile mediation in accordance with this section.

(ii) The date that prefile mediation is completed is the date that the Office of Administrative Hearings issues the report describing the results of the prefile mediation.

(9) The fee for prefile mediation collected under this subsection shall be distributed to the Housing Counseling and Foreclosure Mediation Fund established

under § 4–507 of the Housing and Community Development Article.

(10) By regulation, the Commissioner of Financial Regulation shall establish a mediation checklist that describes the matters that shall be reviewed and considered in a prefile mediation.

(11) (i) At the commencement of a prefile mediation session, each party shall review the mediation checklist.

(ii) The mediator shall mark each item on the mediation checklist as the item is addressed at the prefile mediation session.

(iii) At the conclusion of a prefile mediation session, each party shall sign the mediation checklist.

(12) If the prefile mediation results in an agreement, the parties shall execute a prefile mediation agreement.

(13) In addition to describing the terms of the agreement among the parties, the prefile mediation agreement shall, in 14 point, bold font:

(i) Designate the person and address to whom the mortgagor or grantor may provide notice of a change of financial circumstances; and

(ii) State that the mortgagor or grantor is not entitled to postfile mediation unless otherwise agreed by the parties.

(14) The Office of Administrative Hearings shall draft the prefile mediation agreement and provide a copy of the executed agreement to the parties and their attorneys, if any.

(15) The Office of Administrative Hearings shall provide a report of results of mediation to the parties and their attorneys, if any.

(16) If a mortgagor or grantor notifies the person designated under paragraph (13) of this subsection of a change of financial circumstances, the designee shall:

(i) Determine whether the change of financial circumstances shall alter the mediation agreement or outcome of the prefile mediation; and

(ii) Notify the mortgagor or grantor of the determination by first–class mail before any additional action is taken with respect to foreclosure.

(17) (i) The parties to the prefile mediation agreement may execute an amended prefile mediation agreement based on a material change of financial circumstances of the mortgagor or grantor.

(ii) The secured party shall provide a copy of the executed amended agreement to the mortgagor or grantor.

(18) To the extent that a notice of intent to foreclose complies with this section and otherwise is valid under the law, a notice of intent to foreclose issued with respect to a property that has been the subject of prefile mediation continues to be valid for 1 year after the date on which the initial prefile mediation agreement is executed by the parties.

(19) Nothing in this subsection shall prohibit a secured party and mortgagor or grantor from engaging in loss mitigation by other means.

(e) An order to docket or a complaint to foreclose a mortgage or deed of trust on residential property shall:

(1) Include:

(i) If applicable, the license number of:

1. The mortgage originator; and

2. The mortgage lender; and

(ii) An affidavit stating:

1. The date on which the default occurred and the nature of the default; and

2. If applicable, that:

A. A notice of intent to foreclose was sent to the mortgagor or grantor in accordance with subsection (c) of this section and the date on which the notice was sent; and

B. At the time the notice of intent to foreclose was sent, the contents of the notice of intent to foreclose were accurate; and

(2) Be accompanied by:

(i) The original or a certified copy of the mortgage or deed of trust;

(ii) A statement of the debt remaining due and payable supported by an affidavit of the plaintiff or the secured party or the agent or attorney of the plaintiff or secured party;

(iii) A copy of the debt instrument accompanied by an affidavit certifying ownership of the debt instrument;

(iv) If applicable, the original or a certified copy of the assignment

of the mortgage for purposes of foreclosure or the deed of appointment of a substitute trustee;

(v) If any defendant is an individual, an affidavit that is in compliance with § 521 of the Servicemembers Civil Relief Act, 50 U.S.C. App. § 501 et seq.;

(vi) If applicable, a copy of the notice of intent to foreclose;

(vii) If the secured party and mortgagor or grantor have elected to participate in prefile mediation, the report of the prefile mediation issued by the Office of Administrative Hearings;

(viii) If the secured party and the mortgagor or grantor have not elected to participate in prefile mediation, a statement that the parties have not elected to participate in prefile mediation;

(ix) In addition to any other filing fees required by law, a filing fee in the amount of $300; and

(x) 1. If the loss mitigation analysis has been completed subject to subsection (g) of this section, a final loss mitigation affidavit in the form prescribed by regulation adopted by the Commissioner of Financial Regulation; and

2. If the loss mitigation analysis has not been completed, a preliminary loss mitigation affidavit in the form prescribed by regulation adopted by the Commissioner of Financial Regulation.

(f) Notwithstanding any other law, the court may not accept a lost note affidavit in lieu of a copy of the debt instrument required under subsection (e)(2)(iii) of this section, unless the affidavit:

(1) Identifies the owner of the debt instrument and states from whom and the date on which the owner acquired ownership;

(2) States why a copy of the debt instrument cannot be produced; and

(3) Describes the good faith efforts made to produce a copy of the debt instrument.

(g) Only for purposes of a final loss mitigation affidavit that is filed with an order to docket or complaint to foreclose, a loss mitigation analysis is not considered complete if the reason for the denial or determination of ineligibility is due to the inability of the secured party to:

(1) Establish communication with the mortgagor or grantor; or

(2) Obtain all documentation and information necessary to conduct the

loss mitigation analysis.

(h) (1) A copy of the order to docket or complaint to foreclose on residential property and all other papers filed with it in the form and sequence as prescribed by regulations adopted by the Commissioner of Financial Regulation, accompanied by the documents required under paragraphs (2), (3), and (4) of this subsection, shall be served on the mortgagor or grantor by:

(i) Personal delivery of the papers to the mortgagor or grantor; or

(ii) Leaving the papers with a resident of suitable age and discretion at the mortgagor's or grantor's dwelling house or usual place of abode.

(2) The service of documents under paragraph (1) of this subsection shall be accompanied by a separate, clearly marked notice, in the form prescribed by regulation adopted by the Commissioner of Financial Regulation, that states:

(i) The significance of the order to docket or a complaint to foreclose;

(ii) The options for the mortgagor or grantor to take, including housing counseling services and financial assistance resources the mortgagor or grantor may consult; and

(iii) In the case of a mortgagor or grantor who has participated in prefile mediation, that the mortgagor or grantor is not entitled to postfile mediation except as otherwise provided in the prefile mediation agreement.

(3) If the order to docket or complaint to foreclose is accompanied by a preliminary loss mitigation affidavit, the service of documents under paragraph (1) of this subsection shall be accompanied by a loss mitigation application form and any other supporting documents as prescribed by regulation adopted by the Commissioner of Financial Regulation.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, if the order to docket or complaint to foreclose is accompanied by a final loss mitigation affidavit and concerns owner–occupied residential property, the service of documents under paragraph (1) of this subsection shall be accompanied by a request for postfile mediation form and any other supporting documents as prescribed by regulation adopted by the Commissioner of Financial Regulation.

(ii) The order to docket or complaint to foreclose may exclude the request for postfile mediation form if:

1. The mortgagor or grantor has participated in prefile mediation and the prefile mediation agreement does not give the mortgagor or grantor the right to participate in postfile mediation; or

2. The property subject to the mortgage or deed of trust is not

owner–occupied.

(5) If at least two good faith efforts to serve the mortgagor or grantor under paragraph (1) of this subsection on different days have not succeeded, the plaintiff may effect service by:

(i) Filing an affidavit with the court describing the good faith efforts to serve the mortgagor or grantor; and

(ii) 1. Mailing a copy of all the documents required to be served under paragraph (1) of this subsection by certified mail, return receipt requested, and first–class mail to the mortgagor's or grantor's last known address and, if different, to the address of the residential property subject to the mortgage or deed of trust; and

2. Posting a copy of all the documents required to be served under paragraph (1) of this subsection in a conspicuous place on the residential property subject to the mortgage or deed of trust.

(6) The individual making service of documents under this subsection shall file proof of service with the court in accordance with the Maryland Rules.

(i) (1) If the order to docket or complaint to foreclose is accompanied by a preliminary loss mitigation affidavit, the secured party, at least 30 days before the date of a foreclosure sale, shall:

(i) File with the court a final loss mitigation affidavit in the form prescribed by regulation adopted by the Commissioner of Financial Regulation; and

(ii) Send to the mortgagor or grantor by first class and by certified mail:

1. A copy of the final loss mitigation affidavit; and

2. A request for postfile mediation form and supporting documents as provided under subsection (h)(4) of this section.

(2) A final loss mitigation affidavit shall be filed under this subsection no earlier than 28 days after the order to docket or complaint to foreclose is served on the mortgagor or grantor.

(j) (1) (i) This paragraph applies to a mortgagor or grantor who:

1. Has not participated in prefile mediation; or

2. Has participated in prefile mediation that resulted in a prefile mediation agreement that gives the mortgagor or grantor the right to participate in postfile mediation.

(ii) In a foreclosure action on owner–occupied residential property, the mortgagor or grantor may file with the court a completed request for postfile mediation not later than:

1. If the final loss mitigation affidavit was delivered along with service of the copy of the order to docket or complaint to foreclose under subsection (h) of this section, 25 days after that service on the mortgagor or grantor; or

2. If the final loss mitigation affidavit was mailed as provided in subsection (i) of this section, 25 days after the mailing of the final loss mitigation affidavit.

(iii) 1. A request for postfile mediation shall be accompanied by a filing fee of $50.

2. The court may reduce or waive the filing fee under subsubparagraph 1 of this subparagraph if the mortgagor or grantor is eligible for a reduction or waiver under the Maryland Legal Services guidelines.

(iv) The mortgagor or grantor shall mail a copy of the request for postfile mediation to the secured party's foreclosure attorney.

(2) (i) The secured party may file a motion to strike the request for postfile mediation in accordance with the Maryland Rules.

(ii) The motion to strike must be accompanied by an affidavit that sets forth the reasons why postfile mediation is not appropriate.

(iii) The secured party shall mail a copy of the motion to strike and the accompanying affidavit to the mortgagor or grantor.

(iv) There is a presumption that a mortgagor or grantor is entitled to postfile mediation with respect to owner–occupied residential property unless:

1. Good cause is shown why postfile mediation is not appropriate; or

2. The mortgagor or grantor participated in prefile mediation and the prefile mediation agreement does not give the mortgagor or grantor the right to participate in postfile mediation.

(3) (i) The mortgagor or grantor may file a response to the motion to strike within 15 days.

(ii) The mortgagor or grantor shall mail a copy of the response to the foreclosure attorney.

(iii) If the court grants the motion to strike, the court shall instruct

the Office of Administrative Hearings to cancel any scheduled postfile mediation.

(k) (1) Within 5 days after receipt of a request for postfile mediation, the court shall transmit the request to the Office of Administrative Hearings for scheduling.

(2) (i) Within 60 days after transmittal of the request for foreclosure mediation, the Office of Administrative Hearings shall conduct a foreclosure mediation.

(ii) For good cause, the Office of Administrative Hearings may extend the time for completing the foreclosure mediation for a period not exceeding 30 days or, if all parties agree, for a longer period of time.

(3) The Office of Administrative Hearings shall send notice of the scheduled foreclosure mediation to the foreclosure attorney, the secured party, and the mortgagor or grantor.

(4) The notice from the Office of Administrative Hearings shall:

(i) Include instructions regarding the documents and information, as required by regulations adopted by the Commissioner of Financial Regulation, that must be provided by each party to the other party and to the mediator; and

(ii) Require the information and documents to be provided no later than 20 days before the scheduled date of the foreclosure mediation.

(l) (1) (i) By regulation, the Commissioner of Financial Regulation shall establish a mediation checklist that describes the matters that shall be reviewed and considered in a postfile mediation.

(ii) At the commencement of a postfile mediation session, each party shall review the mediation checklist.

(iii) The mediator shall mark each item on the mediation checklist as the item is addressed at the postfile mediation session.

(iv) At the conclusion of a postfile mediation session, each party shall sign the mediation checklist.

(2) At a foreclosure mediation:

(i) The mortgagor or grantor shall be present;

(ii) The mortgagor or grantor may be accompanied by a housing counselor and may have legal representation;

(iii) The secured party, or a representative of the secured party, shall be present; and

(iv) Any representative of the secured party must have the authority

to settle the matter or be able to readily contact a person with authority to settle the matter.

(3) At the foreclosure mediation, the parties and the mediator shall address loss mitigation programs that may be applicable to the loan secured by the mortgage or deed of trust that is the subject of the foreclosure action.

(4) The Office of Administrative Hearings shall file a report with the court that states the outcome of the request for foreclosure mediation within the earlier of:

(i) 7 days after a foreclosure mediation is held; or

(ii) The end of the 60–day mediation period specified in subsection (k)(2) of this section, plus any extension granted by the Office of Administrative Hearings.

(5) Except for a request for postponement or a failure to appear, the rules of procedure for contested cases of the Office of Administrative Hearings do not govern a foreclosure mediation conducted by the Office.

(m) (1) If the parties do not reach an agreement at the postfile mediation, or the 60–day mediation period expires without an extension granted by the Office of Administrative Hearings, the foreclosure attorney may schedule the foreclosure sale.

(2) (i) In the case of postfile mediation, subject to subparagraphs (ii), (iii), and (iv) of this paragraph, the mortgagor or grantor may file a motion to stay the foreclosure sale.

(ii) A motion to stay under this paragraph shall be filed within 15 days after:

1. The date the postfile mediation is held; or

2. If no postfile mediation is held, the date the Office of Administrative Hearings files its report with the court.

(iii) A motion to stay under this paragraph must allege specific reasons why loss mitigation should have been granted.

(3) Nothing in this subtitle precludes the mortgagor or grantor from pursuing any other remedy or legal defense available to the mortgagor or grantor.

(n) A foreclosure sale of residential property may not occur until:

(1) If the residential property is not owner–occupied residential property, at least 45 days after service of process is made under subsection (h) of this section;

(2) If the residential property is owner–occupied residential property and

foreclosure mediation is not held, the later of:

(i) At least 45 days after service of process that includes a final loss mitigation affidavit made under subsection (h) of this section; or

(ii) At least 30 days after a final loss mitigation affidavit is mailed under subsection (i) of this section; and

(3) If the residential property is owner–occupied residential property and postfile mediation is requested, at least 15 days after:

(i) The date the postfile mediation is held; or

(ii) If no postfile mediation is held, the date the Office of Administrative Hearings files its report with the court.

(n–1) (1) If a certified community development financial institution makes an offer to a secured party to purchase owner–occupied residential property for the purpose of transferring the property to the immediately preceding mortgagor or grantor, no person may require, as a condition of a sale or transfer of the property to the certified community development financial institution, any affidavit, statement, agreement, or addendum that limits ownership or occupancy of the property by the immediately preceding mortgagor or grantor.

(2) Any affidavit, statement, agreement, or addendum that limits ownership or occupancy of owner–occupied residential property by the immediately preceding mortgagor or grantor:

(i) May not serve as a basis to avoid a sale or transfer of the property to a certified community development financial institution; and

(ii) Is unenforceable against any person named in the affidavit, statement, agreement, or addendum.

(o) Notice of the time, place, and terms of a foreclosure sale shall be published in a newspaper of general circulation in the county where the action is pending at least once a week for 3 successive weeks, the first publication to be not less than 15 days before the sale and the last publication to be not more than 1 week before the sale.

(p) (1) The mortgagor or grantor of residential property has the right to cure the default by paying all past due payments, penalties, and fees and reinstate the loan at any time up to 1 business day before the foreclosure sale occurs.

(2) The secured party or an authorized agent of the secured party shall, on request, provide to the mortgagor or grantor or the mortgagor's or grantor's attorney within a reasonable time the amount necessary to cure the default and reinstate the loan and instructions for delivering the payment.

(q) An action for failure to comply with the provisions of this section shall be brought within 3 years after the date of the order ratifying the sale.

(r) Revenue collected from the filing fees required under subsections (e)(2)(ix) and (j)(1)(iii) of this section shall be distributed to the Housing Counseling and Foreclosure Mediation Fund established under § 4–507 of the Housing and Community Development Article.

(s) The Commissioner of Financial Regulation may adopt additional regulations necessary to carry out the requirements of this section.

§7–105.2.

(a) In this section, "record owner" means the person holding record title to property as of the later of:

(1) 30 days before the day on which a foreclosure sale of the property is actually held; and

(2) The date on which an action to foreclose the mortgage or deed of trust is filed.

(b) In addition to any notice required to be given by provisions of the Annotated Code of Maryland or the Maryland Rules, the person authorized to make a sale in an action to foreclose a mortgage or deed of trust shall give written notice of the proposed sale to the record owner of the property to be sold.

(c) (1) The written notice shall be sent:

(i) By certified mail, postage prepaid, return receipt requested, bearing a postmark from the United States Postal Service, to the record owner; and

(ii) By first–class mail.

(2) The notice shall state the time, place, and terms of the sale and shall be sent not earlier than 30 days and not later than 10 days before the date of sale.

(3) The person giving the notice shall file in the proceedings:

(i) A return receipt; or

(ii) An affidavit that:

1. The provisions of this subsection have been complied with; or

2. The address of the record owner is not reasonably ascertainable.

(4) The person authorized to make a sale in an action to foreclose a mortgage or deed of trust is not required to give notice to a record owner whose address is not reasonably ascertainable.

(d) In the event of postponement of sale, which may be done in the discretion of the trustee, no new or additional notice need be given pursuant to this section.

(e) The right of a record owner to file an action for the failure of the person authorized to make a sale in an action to foreclose a mortgage or deed of trust to comply with the provisions of this section shall expire 3 years after the date of the order ratifying the foreclosure sale.

§7–105.3.

(a) In this section, "holder of a subordinate interest" includes any condominium council of unit owners or homeowners association that has filed a request for notice of sale under subsection (c) of this section.

(b) The person authorized to make a sale in an action to foreclose a mortgage or deed of trust shall give written notice of any proposed foreclosure sale to the holder of any subordinate mortgage, deed of trust, or other subordinate interest, including a judgment, in accordance with § 7–105.2 of this subtitle and the requirements of Maryland Rule 14–210.

(c) (1) The land records office of each county shall maintain a current listing of recorded requests for notice of sale by holders of subordinate mortgages, deeds of trust, or other subordinate interests.

(2) The holder of a subordinate mortgage, deed of trust, or other subordinate interest may file a request for notice under this subsection.

(3) Each request for notice of sale shall:

(i) Be recorded in a separate docket or book which shall be indexed under the name of the holder of the superior mortgage or deed of trust and under the book and page numbers where the superior mortgage or deed of trust is recorded;

(ii) Identify the property in which the subordinate interest is held;

(iii) State the name and address of the holder of the subordinate interest; and

(iv) Identify the superior mortgage or deed of trust by stating:

1. The names of the original parties to the superior mortgage or deed of trust;

2. The date the superior mortgage or deed of trust was

recorded; and

3. The office, docket or book, and page where the superior mortgage or deed of trust is recorded.

(4) (i) Except as provided in subparagraph (ii) of this paragraph, failure of a holder of a subordinate mortgage, deed of trust, or other subordinate interest to record a request for notice under this subsection does not affect the duty of a holder of a superior interest to provide notice as required under this section.

(ii) A holder of a superior interest does not have a duty to provide notice to a condominium council of unit owners or homeowners association that has not filed a request for notice under this subsection.

(d) The person giving notice under this section shall file in the action:

(1) The return receipt from the notice; or

(2) An affidavit that:

(i) The notice provisions of this section have been complied with; or

(ii) The address of the holder of the subordinate interest is not reasonably ascertainable.

(e) The person authorized to make a sale in an action to foreclose a mortgage or deed of trust is not required to give notice to the holder of a subordinate mortgage, deed of trust, or other subordinate interest if:

(1) The existence of the mortgage, deed of trust, or other subordinate interest is not reasonably ascertainable;

(2) The identity or address of the holder of the mortgage, deed of trust, or other subordinate interest is not reasonably ascertainable;

(3) With respect to a recorded or filed subordinate mortgage, deed of trust, or other recorded or filed subordinate interest, the recordation or filing occurred after the later of:

(i) 30 days before the day on which the foreclosure sale was actually held; and

(ii) The date the action to foreclose the mortgage or deed of trust was filed;

(4) With respect to an unrecorded or unfiled subordinate mortgage, deed of trust, or other unrecorded or unfiled subordinate interest, the subordinate interest was created after the later of:

(i) 30 days before the day on which the foreclosure sale was actually held; and

(ii) The date the action to foreclose the mortgage or deed of trust was filed; or

(5) With respect to a condominium council of unit owners or homeowners association, the condominium council of unit owners or homeowners association has not filed a request for notice under subsection (c) of this section.

(f) The right of a holder of a subordinate mortgage, deed of trust, or other subordinate interest to file an action for the failure of the person authorized to make a sale in an action to foreclose a mortgage or deed of trust to comply with the provisions of this section shall expire 3 years after the date of the order ratifying the foreclosure sale.

§7–105.4.

(a) Absent a provision to the contrary in a mortgage or note secured by a deed of trust, in the enumerated counties, the interest provided in a mortgage or note secured by a deed of trust is payable for the time period provided in subsection (b) of this section or until the audit of the sale is ratified, whichever occurs first.

(b) Under subsection (a) of this section, the time period following sale is:

(1) 60 days in Calvert, Cecil, Frederick, Garrett, Kent, Queen Anne's, Talbot, Caroline, Charles, and St. Mary's counties; and

(2) 180 days in Worcester County.

§7–105.5.

No title to property acquired at sale of property subject to a mortgage or deed of trust is invalid by reason of the fact that the property was purchased by the secured party, his assignee, or representative, or for his account.

§7–105.6.

(a) Except as provided in subsection (b) of this section, any purchaser at a foreclosure sale of a mortgage or deed of trust has the same rights and remedies against the tenants of the mortgagor or grantor as the mortgagor or grantor had, and the tenants have the same rights and remedies against the purchaser as they would have had against the mortgagor or grantor on the date the mortgage or deed of trust was recorded.

(b) (1) For purposes of this subsection, a lease or tenancy shall be considered "bona fide" only if:

(i) The mortgagor or grantor or the child, spouse, or parent of the mortgagor or grantor under the contract is not the tenant;

(ii) The lease or tenancy was the result of an arm's length transaction; and

(iii) The lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property or the unit's rent is reduced or subsidized due to a federal, State, or local subsidy.

(2) In the case of a foreclosure on any residential property, an immediate successor in interest who has acquired legal title to the property under the foreclosure shall assume the interest subject to:

(i) The provision by the successor in interest of a notice to vacate to any bona fide tenant at least 90 days before the effective date of the notice; and

(ii) The rights of any bona fide tenant as of the date of transfer of legal title under the foreclosure:

1. Except as provided in paragraph (3) of this subsection, under a bona fide lease entered into before the transfer of legal title, to occupy the premises until the end of the remaining term of the lease; or

2. Without a lease or with a lease terminable at will under State law, subject to the receipt by the tenant of the notice required under item (i) of this paragraph.

(3) Subject to the receipt by the tenant of the notice to vacate under paragraph (2)(i) of this subsection, a successor in interest may terminate a lease effective on the date of the sale of the residential property to a purchaser who will occupy the property as the purchaser's primary residence.

(4) The notice required under paragraph (2)(i) of this subsection shall:

(i) Be in writing;

(ii) Be sent by first–class and certified mail, return receipt requested;

(iii) State the date on which the notice is being given;

(iv) State the date on which the termination of the tenancy is effective; and

(v) State whether the basis for termination of the tenancy is:

1. Expiration of the term of the lease;

2. Sale of the property to a purchaser who will occupy the

property as the purchaser's primary residence; or

3. Termination of a month–to–month or other terminable–at–will tenancy.

(5) This section does not affect the requirements for termination of any federal– or State–subsidized tenancy or of any State or local law that provides longer time periods or additional protection for tenants.

(c) (1) If the required advertisement of sale so discloses, a foreclosure sale shall be made subject to one or more of the tenancies entered into subsequent to the recording of the mortgage or deed of trust or otherwise subordinated thereto.

(2) Any lease so continuing is unaffected by the sale, except the purchaser shall become the landlord, as of the date of the sale, on ratification of the sale.

§7–105.7.

(a) Except as provided in this section, unless the mortgage or deed of trust provides otherwise, if any property is encumbered by a mortgage or deed of trust, annual crops planted or cultivated by any debtor or those claiming under him do not pass with the property at any sale under or by virtue of the mortgage or deed of trust, but the crops remain the property of the debtor or those claiming under him.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, after the sale, the debtor or those claiming under him and the purchaser or those claiming under him may agree on a reasonable rental of the part of the property occupied by the crops.

(2) This rental is a lien on the crops and continues until paid in favor of the purchaser or those claiming under him, and neither the crops nor any part of them may be removed until after payment.

(3) If the parties are unable to agree on the rental, any party in interest may apply to the court having jurisdiction over the sale or the confirmation of it for the appointment of disinterested appraisers to determine the rental, whose award shall be final.

(c) (1) In addition to any other remedy, the purchaser or those claiming under him, on ascertainment of the rent, may distrain for the rent or any part of it remaining due, as in the case of landlord and tenant.

(2) No provision of this section is intended to interfere with the right of the purchaser or those claiming under him to have possession of the property, except as to the part occupied by the crop, with necessary ingress or egress.

§7–105.8.

The entry of an order for resale on default by a purchaser at a sale under §§ 7–105 through 7–105.7 of this subtitle and Title 14 of the Maryland Rules:

(1) Does not affect the prior ratification of the sale and does not restore to the mortgagor or former record owner any right or remedy that was extinguished by the prior sale and its ratification; and

(2) Extinguishes all interest of the defaulting purchaser in the real property being foreclosed and in the proceeds of the resale.

§7–105.9.

(a) (1) In this section the following words have the meanings indicated.

(2) "Bona fide tenant" means a tenant under a lease or tenancy described in § 7–105.6(b)(1) of this subtitle.

(3) "Residential property" has the meaning stated in § 7–105.1 of this subtitle.

(b) (1) In addition to any other notice required to be given by this Code or the Maryland Rules, the person authorized to make a sale in an action to foreclose a mortgage or deed of trust on residential property shall send, at the same time as the notice required under § 7–105.1(h)(2) of this subtitle, a written notice addressed to "all occupants" at the address of the residential property in substantially the following form:

"IMPORTANT NOTICE

A foreclosure action has been filed against the property located at (insert address) in the circuit court for (insert name of county). This notice is being sent to you as a person who lives in this property.

A foreclosure sale of the property may occur at any time after 45 days from the date of this notice.

Most renters have the right to continue renting the property after it is sold at foreclosure. The foreclosure sale purchaser becomes the new landlord.

Most renters with a lease for a specific period of time have the right to continue renting the property until the end of the lease term. Most month–to–month renters have the right to continue renting the property for 90 days after receiving a written notice to vacate from the new owner.

You should get legal advice to determine if you have these rights.

Below you will find the name, address, and telephone number of the person authorized to sell the property. You may contact this person to notify him or her that you are a tenant at the property and to find out more about the sale. For further information, you may review the file in the office of the clerk of the circuit court. You also may contact the Maryland Department of Housing and Community Development, at (insert telephone number), or consult the Department's website, (insert website address), for assistance.

Person authorized to sell the property:

_____
Name

_____
Address

_____
Telephone

_____
Date of this notice".

(2) The written notice required by this subsection shall be:

(i) A separate document;

(ii) Printed in at least 12 point type; and

(iii) Sent by first–class mail.

(3) The outside of the envelope containing the written notice required by this subsection shall state, on the address side, in bold, capitalized letters in at least 12 point type, the following: "IMPORTANT NOTICE TO ALL OCCUPANTS: FORECLOSURE INFORMATION ENCLOSED. OPEN IMMEDIATELY.".

(c) (1) In addition to any other notice required to be given by this Code or the Maryland Rules, the person authorized to make a sale in an action to foreclose a mortgage or deed of trust on residential property shall send a written notice of the sale not earlier than 30 days and not later than 10 days before the date of sale addressed to "all occupants" at the address of the residential property in substantially the following form:

"NOTICE OF IMPENDING FORECLOSURE SALE

A foreclosure action has been filed against the property located at (insert address) in the circuit court for (insert name of county). This notice is being sent to you as a person who lives in this property.

A foreclosure sale of the property is scheduled to occur as follows:

Date: _____

Time: _____

Place:_____

Most renters have the right to continue renting the property after it is sold at foreclosure. The foreclosure sale purchaser becomes the new landlord.

Most renters with a lease for a specific period of time have the right to continue renting the property until the end of the lease term. Most month–to–month renters have the right to continue renting the property for 90 days after receiving a written notice to vacate from the new owner.

You should get legal advice to determine if you have these rights.

Below you will find the name, address, and telephone number of the person authorized to sell the property. You may contact this person to notify him or her that you are a tenant at the property and to find out more about the sale. For further information, you may review the file in the office of the clerk of the circuit court. You also may contact the Maryland Department of Housing and Community Development, at (insert telephone number), or consult the Department's website, (insert website address), for assistance.

Person authorized to sell the property:

_____
Name

_____
Address

_____
Telephone

_____
Date of this notice".

(2) The written notice required by this subsection shall be:

(i) A separate document;

(ii) Printed in at least 12 point type; and

(iii) Sent by first–class mail.

(3) The outside of the envelope containing the written notice required

by this subsection shall state, on the address side, in bold, capitalized letters in at least 12 point type, the following: "IMPORTANT NOTICE TO ALL OCCUPANTS: FORECLOSURE INFORMATION ENCLOSED. OPEN IMMEDIATELY.".

(d) (1) In addition to any other notice required to be given by this Code or the Maryland Rules, the person who purchases residential property in a foreclosure sale shall send, after the entry of a judgment awarding possession and before any attempt to execute the writ of possession, a written notice addressed to "all occupants" at the address of the residential property in substantially the following form:

"IMPORTANT EVICTION NOTICE

The circuit court for (insert name of county) has entered a judgment awarding possession of the property located at (insert address). YOU COULD BE EVICTED FROM THE PROPERTY ON ANY DAY AFTER (insert first date after which eviction could legally occur under State and local law).

Below you will find the name, address, and telephone number of the person who purchased the property or the purchaser's agent. You may contact this person to find out more about the court order. For further information, you may review the file in the office of the clerk of the circuit court. You may want to consult an attorney to determine your rights. You also may contact the Maryland Department of Housing and Community Development, at (insert telephone number), or consult the Department's website, (insert website address), for assistance.

Purchaser of the property or purchaser's agent:

_____
Name

_____
Address

_____
Telephone

_____
Date of this notice".

(2) The written notice required by this subsection shall be:

(i) A separate document;

(ii) Printed in at least 12 point type; and

(iii) Sent by first–class mail.

(3) The outside of the envelope containing the written notice required by

this subsection shall state, on the address side, in bold, capitalized letters in at least 12 point type, the following: "IMPORTANT NOTICE TO ALL OCCUPANTS: EVICTION INFORMATION ENCLOSED. OPEN IMMEDIATELY.".

(e) The person giving a notice required by this section shall file in the foreclosure proceeding after each notice is sent an affidavit of compliance with the provisions of this section.

(f) In the event of postponement of the sale, which may be done in the discretion of the person authorized to make the sale, no new or additional notice need be given pursuant to this section.

§7–105.10.

(a) (1) In this section the following words have the meanings indicated.

(2) "Bona fide tenant" means a tenant under a lease or tenancy described in § 7–105.6(b)(1) of this subtitle.

(3) "Foreclosure sale purchaser" means any purchaser at a foreclosure sale of a mortgage or deed of trust on residential property.

(4) "Residential property" has the meaning stated in § 7–105.1(a)(12) of this subtitle.

(b) A foreclosure sale purchaser may not exercise any right to collect rent payments from a bona fide tenant in possession of a residential property unless the purchaser:

(1) Conducts a reasonable inquiry as required under Maryland Rule 14–102 into:

(i) The occupancy status of the residential property; and

(ii) Whether any individual in possession of the residential property is a bona fide tenant; and

(2) Serves on each bona fide tenant, by first–class mail with a certificate of mailing a notice that:

(i) Contains the name, address, and phone number of the purchaser or the agent of the purchaser who is responsible for managing and maintaining the residential property; and

(ii) States that rent payments must be directed to the purchaser or the agent identified in item (i) of this item.

(c) (1) Except as provided in paragraph (2) of this subsection, a foreclosure

sale purchaser waives any claim to rent payments from a bona fide tenant in possession of a residential property for any period of time before the purchaser satisfies the requirements under subsection (b) of this section.

(2) A foreclosure sale purchaser does not waive any claim to rent due and payable for use of the residential property for the 15 days immediately prior to the date that the purchaser satisfied the requirements under subsection (b) of this section.

§7–105.11.

(a) (1) In this section the following words have the meanings indicated.

(2) "Certificate of property unfit for human habitation" means:

(i) In Baltimore City, a certificate of substantial repair; or

(ii) A certificate for residential property issued by a unit of a county or municipal corporation indicating that the county or municipal corporation has determined that the residential property is unfit for human habitation.

(3) "Certificate of vacancy" means a certificate for a residential property issued by a unit of a county or municipal corporation indicating that the residential property is vacant.

(b) This section applies only to a county or municipal corporation that issues a certificate of vacancy or a certificate of property unfit for human habitation.

(c) If a mortgage or deed of trust on residential property is in default, a person with a secured interest in the residential property may request that a county or municipal corporation issue a certificate of vacancy or a certificate of property unfit for human habitation.

(d) (1) The county or municipal corporation shall issue to a secured party a certificate of vacancy for a residential property if the county or municipal corporation determines that the residential property is vacant.

(2) The county or municipal corporation shall issue to a secured party a certificate of property unfit for human habitation for a residential property if the county or municipal corporation determines in accordance with requirements of local, county, or State housing codes, that the residential property is unfit for human habitation.

(3) A certificate of vacancy or certificate of property unfit for human habitation issued under this subsection is valid for 60 days after the date the certificate is issued.

(4) A county or municipal corporation may charge a fee not exceeding $100 to a secured party to issue a certificate of vacancy or a certificate of property unfit for human habitation.

(e) Except as provided in subsection (f) of this section, if a certificate of vacancy or certificate of property unfit for human habitation is valid at the time of filing an order to docket or complaint to foreclose, § 7–105.1 of this subtitle does not apply to an action to foreclose a mortgage or deed of trust on the property for which the certificate was issued.

(f) (1) The record owner or occupant of a property may challenge the certificate of vacancy or certificate of property unfit for human habitation under this section by notifying the circuit court of the challenge.

(2) A secured party filing an order to docket or complaint to foreclose based on a certificate of vacancy or a certificate of property unfit for human habitation under this section shall serve the foreclosure documents in accordance with § 7–105.1(h)(1) of this subtitle along with a description of the procedure to challenge the certificate and the form to be used to make the challenge.

(3) If a challenge under paragraph (1) of this subsection is upheld, the secured party shall comply with the requirements of § 7–105.1 of this subtitle.

(g) A county or municipal corporation may establish procedures governing the issuance of a certificate of vacancy or certificate of property unfit for human habitation under this section.

§7–105.12.

(a) (1) In this section the following words have the meanings indicated.

(2) "Instrument of writing" has the meaning stated in § 12–101 of the Tax – Property Article.

(3) (i) "Residential property" means real property improved by a dwelling unit that is designed principally and is intended for human habitation.

(ii) "Residential property" includes:

1. A residential condominium unit; and

2. A unit in a cooperative project, as defined in § 5–6B–01 of the Corporations and Associations Article.

(4) "Tax" has the meaning stated in § 14–801 of the Tax – Property Article.

(b) Except as provided in subsection (c) of this section, if residential property is purchased at a sale in an action to foreclose a mortgage or deed of trust on the residential property, the purchaser shall provide a copy of the court order ratifying the foreclosure sale to the supervisor of assessments for the county in which the residential property is located by the later of:

(1) 60 days after the entry of the court order ratifying the foreclosure sale; or

(2) If a motion is filed under Maryland Rule 2–535 before the expiration of the time period set forth in item (1) of this subsection, 30 days after the entry of a court order that resolves the motion without nullifying the ratification order.

(c) Subsection (b) of this section does not apply if:

(1) An instrument of writing transferring the residential property has been recorded in the land records of the county in which the residential property is located before the expiration of the time period set forth in subsection (b) of this section; or

(2) The foreclosure sale is subject to:

(i) A pending appeal of the ratification order;

(ii) A bankruptcy stay; or

(iii) An unexpired right of redemption in favor of the United States or any agency or department of the United States.

(d) The supervisor of assessments shall provide a receipt to the person providing a copy of the ratification order.

(e) If a copy of the ratification order is not provided to the supervisor of assessments as required under subsection (b) of this section, any reduction in property tax received by the residential property because of its status as an owner–occupied principal residence from the date of the entry of the ratification order until the earlier of the receipt by the supervisor of assessments of a copy of the ratification order or the recordation in the land records of an instrument of writing transferring the property to a third party shall remain due and collectable as a property tax under Title 14 of the Tax – Property Article.

§7–105.13.

(a) (1) In this section the following words have the meanings indicated.

(2) "Owner–occupied residential property" has the meaning stated in § 7–105.1 of this subtitle.

(3) "Residential property" has the meaning stated in § 7–105.1 of this subtitle.

(b) This section applies to residential property that was owner–occupied residential property at the time an order to docket or complaint to foreclose was filed.

(c) After the final ratification of the auditor's report following a sale made in accordance with §§ 7–105.1 through 7–105.8 of this subtitle or the Maryland Rules, a secured party or an appropriate party in interest may file a motion for a deficiency judgment if the proceeds of the sale, after deducting all costs and expenses allowed by the court, are insufficient to satisfy the debt and accrued interest.

(d) A motion for deficiency judgment under this section shall be filed within 3 years after the final ratification of the auditor's report.

(e) The secured party or party in interest shall serve the motion in accordance with the Maryland Rules.

(f) The filing of a motion for deficiency judgment in accordance with this section and the Maryland Rules shall constitute the sole post–ratification remedy available to a secured party or party in interest for breach of a covenant contained in a deed of trust, mortgage, or promissory note that secures or is secured by owner–occupied residential property.

§7–106.

(a) No trustee of a deed of trust may charge, demand, or receive any money or any other item of value exceeding $15 for the partial or complete release of the deed of trust unless the fee is specified in the instrument. Any person who violates this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $100.

(b) (1) Subject to the provisions of paragraph (5) of this subsection a person who has undertaken responsibility for the disbursement of funds in connection with the grant of title to property, shall mail or deliver to the vendor and purchaser in the transaction, the original or a photographic, photostatic, or similarly reproduced copy of the recorded release of any mortgage or deed of trust which the person was obliged to obtain and record with all or part of the funds to be disbursed. If the original or copy of a recorded release is not readily obtainable at the time of recording, the person may mail or deliver to the purchaser or vendor the original or a copy of the court's recordation receipt for the release, or any other certified court document clearly evidencing the recordation of the release.

(2) The required evidence of a recorded release shall be mailed or delivered to the vendor and purchaser within 30 days from the delivery of the deed granting title to the property. However, if the recording of the release is delayed beyond the 30–day period for causes not attributable to the neglect, omission, or malfeasance of the person responsible for the disbursement of funds, a letter explaining the delay shall be mailed or delivered to the vendor and purchaser within the 30–day period, and the person shall mail or deliver to the vendor and purchaser the required evidence of the recorded release at the earliest opportunity. The person shall follow the procedure of mailing or delivering a letter of explanation every 30 days until the required evidence of a recorded release is mailed or delivered to the purchaser and vendor.

(3) If the person responsible for the disbursement of funds does not comply with the provisions of paragraphs (1) and (2), the vendor, purchaser, or a duly organized bar association of the State may petition a court of equity to order an audit of the accounts maintained by the person for funds received in connection with closing transactions in the State. The petition shall state concisely the facts showing noncompliance and shall be verified. On receipt of the petition, the court shall issue an order to the person to show cause within ten days why the audit should not be conducted. If cause is not shown, the court may order the audit to be conducted. The court may order other relief as it deems appropriate under the circumstances of the case.

(4) Prior to delivery of the deed granting title to the property, the person responsible for the disbursement of funds shall inform the vendor and purchaser in writing of the provisions of this section.

(5) Unless specifically requested to do so by either the purchaser or the vendor, a person responsible for the disbursement of funds in a closing transaction is not required to provide the purchaser or vendor with the required evidence of a recorded release if the person properly disburses all funds entrusted to him in the course of the closing transaction within five days from the date of the delivery of any deed granting title to the property.

(6) The vendor shall bear the cost of reproducing and mailing a recorded release under this section unless the parties otherwise agree.

(c) (1) If a mortgage or deed of trust remains unreleased of record, the mortgagor or grantor or any interested party is entitled to a presumption that it has been paid if:

(i) 12 years have elapsed since the last payment date called for in the instrument or the maturity date as set forth in the instrument or any amendment or modification to the instrument and no continuation statement has been filed;

(ii) The last payment date or maturity date cannot be ascertained from the record, 40 years have elapsed since the date of record of the instrument, and no continuation statement has been filed; or

(iii) One or more continuation statements relating to the instrument have been recorded and 12 years have elapsed since the recordation of the last continuation statement.

(2) Except as otherwise provided by law, if an action has not been brought to enforce the lien of a mortgage or deed of trust within the time provided in paragraph (1) of this subsection and, notwithstanding any other right or remedy available either at law or equity, the lien created by the mortgage or deed of trust shall terminate, no longer be enforceable against the property, and shall be extinguished as a lien against the property.

(3) (i) A continuation statement may be filed within 1 year before the expiration of the applicable time period under paragraph (1) of this subsection.

(ii) A continuation statement shall:

1. Be signed by:

A. The current mortgagee, if the instrument is a mortgage; or

B. The current beneficiary or any one or more of the current trustees if the instrument is a deed of trust;

2. Identify the original instrument by:

A. The office, docket or book, and first page where the instrument is recorded; and

B. The name of the parties to the instrument; and

3. State that the purpose of the continuation statement is to continue the effectiveness of the original instrument.

(iii) Upon timely recordation in the land records where the original instrument was recorded of a continuation statement under this subparagraph, the effectiveness of the original instrument shall be continued for 12 years after the day on which the continuation statement is recorded.

(iv) A continuation statement is effective if it substantially complies with the requirements of subparagraph (ii) of this paragraph.

(d) Any person who has a lien on real property in this State, or the agent of the lienholder, on payment in satisfaction of the lien, on written request, shall furnish to the person responsible for the disbursement of funds in connection with the grant of title to that property the original copy of the executed release of that lien. If the lien instrument is a deed of trust the original promissory note marked "paid" or "canceled" in accordance with § 3–105(d)(1) of this article constitutes an executed release. If the lien instrument is a mortgage, the original mortgage marked "paid" or "canceled" in accordance with § 3–105(d)(2) of this article constitutes an executed release. This release shall be mailed or otherwise delivered to the person responsible for the disbursement of funds:

(1) Within seven days of the receipt, by the holder of the lien, of currency, a certified or cashier's check, or money order in satisfaction of the debt, including all amounts due under the lien instruments and under instruments secured by the lien; or

(2) Within seven days after the clearance of normal commercial channels of any type of commercial paper, other than those specified in paragraph (1), received by the holder of the lien in satisfaction of the outstanding debt, including all amounts due under the lien instruments and under the instruments secured by the lien.

(e) If the holder of a lien on real property or his agent fails to provide the release within 30 days, the person responsible for the disbursement of funds in connection with the grant of title to the property, after having made demand therefor, may bring an action to enforce the provisions of this section in the circuit court for the county in which the property is located. In the action the lienholder, or his agent, or both, shall be liable for the delivery of the release and for all costs and expenses in connection with the bringing of the action, including reasonable attorney fees.

§7–107.

(a) In the case of a mortgage or a deed of trust in which the lender assumes responsibility to the borrower to pay the property taxes on the mortgaged property by the collection of taxes through an expense account arrangement, the lender shall pay the taxes within 45 days after (1) the first due date, (2) receipt of the tax bill by the lender, or (3) the funds collected by the lender are sufficient to pay the amount of taxes and interest due, whichever occurs last.

(b) If a lender has sufficient funds available to pay the taxes, has received a copy of the tax bill, and fails to pay at the time as provided in this section, the lender shall pay the difference between the amount of taxes, interest, and penalty due if paid at the time as provided and the amount of taxes, interest, and penalty due at the time that the taxes, interest, and penalty are actually paid by the lender.

§7–108.

Any person may record among the land records of any county an unexecuted declaration of provisions, covenants, and conditions, and any mortgage or deed of trust thereafter recorded among the land records of the county where the declaration is recorded may incorporate any provision, covenant, or condition of the declaration into the mortgage or deed of trust by specific reference to it and to the liber and folio of the declaration, if the intention to incorporate by reference is shown clearly, and the mortgagor or grantor is furnished a copy of the declaration when the mortgage or deed of trust is executed.

§7–109.

(a) (1) In this section the following words have the meanings indicated.

(2) "Affiliate" means any association, corporation, business trust, statutory trust, or other similar organization that controls, is controlled by, or is under common control with, a financial institution, as defined in § 1–101 of the Financial Institutions Article.

(3) "Settlement" means the process of executing and delivering to the lender or the agent responsible for settlement, legally binding documents evidencing or securing a loan secured by a deed of trust or mortgage encumbering real property in this State.

(b) (1) In any consumer loan transaction in which the loan is secured by a purchase money mortgage or deed of trust on real property located in this State, on or before the day of settlement, the lender shall disburse the loan proceeds in accordance with the loan documents to the agent responsible for settlement as provided in subsections (c) and (d) of this section.

(2) In any consumer loan transaction in which the loan is secured by a secondary deed of trust or mortgage on real property located in this State, on or before the day of funding the agent responsible for settlement may require the lender to disburse the loan proceeds as provided in paragraph (1) of this subsection.

(c) Except as provided in subsection (d) of this section, the lender shall disburse the loan proceeds in the form of:

(1) Cash;

(2) Wired funds;

(3) A certified check;

(4) A check issued by a political subdivision or on behalf of a governmental entity;

(5) A teller's check issued by a depository institution and drawn on another depository institution; or

(6) A cashier's check.

(d) In addition to the methods of loan disbursement provided in subsection (c) of this section, the loan proceeds may be disbursed in the form of a check drawn on a financial institution insured by the Federal Deposit Insurance Corporation and located in the 5th Federal Reserve District if the lender is:

(1) An affiliate or subsidiary of a financial institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Share Insurance Program; or

(2) A mortgage company approved by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(e) If a loan subject to this section is not disbursed as provided in subsection (c) of this section, the lender may not charge interest on the loan for the first 30 days following the date of closing.

§7–110.

(a) Notwithstanding any other provision of law, including this title, any grant of a security interest in or assignment of a mortgage to any State or federal

government agency or instrumentality, including the Maryland Deposit Insurance Fund Corporation, a federal reserve bank, or a federal home loan bank, by any savings and loan association is fully perfected and takes priority to the extent of the association's interest in the mortgage over all other claims and creditors with respect to any such mortgage in the possession or control of that State or federal government agency or instrumentality.

(b) The State or federal government agency or instrumentality receiving a grant of a security interest in or assignment of a mortgage by a savings and loan association pursuant to subsection (a) of this section shall give prompt notification thereof to the State or federal agency that issued the charter to the association.

§7–111.

(a) Subject to subsection (b) of this section, any change or modification to a mortgage or deed of trust or to an obligation secured by a mortgage or deed of trust does not extinguish the existing lien of the mortgage or deed of trust or otherwise adversely affect the existing lien priority of the mortgage or deed of trust.

(b) If the change or modification to a mortgage or deed of trust or to an obligation secured by a mortgage or deed of trust increases the principal sum secured by the mortgage or deed of trust above the amount appearing on the face of the mortgage or deed of trust and expressed to be secured by it:

(1) The existing lien priority of the original mortgage or deed of trust shall continue as to the principal sum secured by the mortgage or deed of trust immediately preceding the change or modification; and

(2) The lien priority for the increase in the principal sum shall date from the date of the changed or modified mortgage or deed of trust.

§7–112.

(a) (1) In this section the following words have the meanings indicated.

(2) "Escrow costs" means money to pay property taxes, hazard insurance, mortgage insurance, and similar costs associated with real property secured by a refinance mortgage that a lender requires to be collected at closing and held in escrow.

(3) (i) "Junior lien" means a mortgage, deed of trust, or other security instrument that is subordinate in priority to a first mortgage or deed of trust under § 3–203 of this article.

(ii) "Junior lien" does not include:

1. A judgment lien; or

2. A lien filed under the Maryland Contract Lien Act.

(4) "Refinance mortgage" means a mortgage, deed of trust, or other security instrument given to secure the refinancing of indebtedness secured by a first mortgage or deed of trust.

(5) "Residential property" means real property improved by four or fewer single family dwelling units that are designed principally and are intended for human habitation.

(b) A mortgagor or grantor who refinances in full the unpaid indebtedness secured by a first mortgage or deed of trust encumbering or conveying an interest in residential property at an interest rate lower than provided for in the evidence of indebtedness secured by the first mortgage or deed of trust is not required to obtain permission from the holder of a junior lien if:

(1) The principal amount secured by the junior lien does not exceed $150,000; and

(2) The principal amount secured by the refinance mortgage does not exceed the unpaid outstanding principal balance secured by the first mortgage or deed of trust plus an amount not exceeding $5,000 to pay closing costs and escrow costs.

(c) A refinance mortgage that meets the requirements of subsection (b) of this section shall have, on recordation, the same lien priority as the first mortgage or deed of trust that the refinance mortgage replaces.

(d) A refinance mortgage that meets the requirements of subsection (b) of this section shall include the following statement in bold or capitalized letters: "This is a refinance of a deed of trust/mortgage/other security instrument recorded among the land records of ..... county/city, Maryland in liber no. ..... folio ....., in the original principal amount of ....., and with the unpaid outstanding principal balance of ..... . The interest rate provided for in the evidence of indebtedness secured by this refinance mortgage is lower than the applicable interest rate provided for in the evidence of indebtedness secured by the deed of trust/mortgage/other security instrument being refinanced."

(e) The priorities among two or more junior liens shall be governed by § 3–203 of this article.

(f) This section may not be construed to preempt or abrogate the operation or effect of, or ability of a court to apply the principles of, equitable subrogation or equitable subordination.

§7–113.

(a) (1) In this section the following words have the meanings indicated.

(2) "Party claiming the right to possession" means a person or successor to any person who:

(i) Does not have actual possession of a residential property; and

(ii) Has or claims to have a legal right to possession of the residential property:

1. By the terms of a contract or foreclosure sale; or

2. Under a court order, including a court order extinguishing a right of redemption.

(3) (i) "Protected resident" means an owner or former owner in actual possession of residential property.

(ii) "Protected resident" includes a grantee, tenant, subtenant, or other person in actual possession by, through, or under an owner or former owner of residential property.

(iii) "Protected resident" does not include a trespasser or squatter.

(4) "Residential property" means a building, structure, or portion of a building or structure that is designed principally and is intended for human habitation.

(5) "Threaten to take possession" means using words or actions intended to convince a reasonable person that a party claiming the right to possession intends to take imminent possession of residential property in violation of this section.

(6) "Willful diminution of services" means intentionally interrupting or causing the interruption of heat, running water, hot water, electricity, or gas by a party claiming the right to possession for the purpose of forcing a protected resident to abandon residential property.

(b) (1) Except as provided in paragraph (2) of this subsection, a party claiming the right to possession may not take possession or threaten to take possession of residential property from a protected resident by:

(i) Locking the resident out of the residential property;

(ii) Engaging in willful diminution of services to the protected resident; or

(iii) Taking any other action that deprives the protected resident of actual possession.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, a party claiming the right to possession may take possession of residential property from a protected resident only in accordance with a writ of possession issued by a court and executed by a sheriff or constable.

(ii) A party claiming the right to possession of residential property may use nonjudicial self–help to take possession of the property, if the party:

1. Reasonably believes the protected resident has abandoned or surrendered possession of the property based on a reasonable inquiry into the occupancy status of the property;

2. Provides notice as provided in subsection (c) of this section; and

3. Receives no responsive communication to that notice within 15 days after the later of posting or mailing the notice as required by subsection (c) of this section.

(c) (1) If a party claiming the right to possession of residential property reasonably believes, based on a reasonable inquiry into the occupancy status of the property, that all protected residents have abandoned or surrendered possession of the residential property, the party claiming the right to possession may post on the front door of the residential property and mail by first–class mail addressed to "all occupants" at the address of the residential property a written notice in substantially the following form:

"IMPORTANT NOTICE ABOUT EVICTION

A person who claims the right to possess this property believes that this property is abandoned. If you are currently residing in the property, you must immediately contact:

_____
Name

_____
Address

_____
Telephone

_____
Date of this notice

If you do not contact the person listed above within 15 days after the date of this notice, the person claiming possession may consider the property abandoned and seek to secure the property, including changing the locks without a court order.".

(2) The written notice required by this subsection shall be:

(i) A separate document; and

(ii) Printed in at least 12 point type.

(3) The outside of the envelope containing the mailed written notice required by this subsection shall state, on the address side, in bold, capital letters in at least 12 point type, the following: "Important notice to all occupants: eviction information enclosed; open immediately.".

(d) (1) If in any proceeding the court finds that a party claiming the right to possession violated subsection (b) of this section, the protected resident may recover:

(i) Possession of the property, if no other person then resides in the property;

(ii) Actual damages; and

(iii) Reasonable attorney's fees and costs.

(2) The remedies set forth in this subsection are not exclusive.

(e) This section does not apply if the parties are governed by Title 8, Subtitle 2, or Title 8A of this article.

§7–201.

If any property is granted, and the purchase money, or any part of it, remains unpaid at the time of the grant, the vendor may not have a lien or charge on the property for any other sum of money than the sum that appears to be due on the face of the deed. The time set for payment shall be specified and recited in the deed. No provision in this section may be construed to affect any mortgage or deed of trust given by a purchaser to secure the payment of all or any part of the purchase money, or in any way affect or postpone the lien of any landlord on goods or chattels for the satisfaction or security of rent due or accruing.

§7–202.

The provisions of § 7–105 also are applicable to instruments reserving a valid vendor's lien, to sales pursuant to a reserved vendor's lien, and to sales pursuant to the vendor's authority to sell. A court of equity may decree a sale to enforce a vendor's lien or any other equitable lien although the lienor may have an adequate remedy at law.

§7–203.

Any deed retaining a valid vendor's lien may provide that in the event of a sale, any note or other instrument of indebtedness mentioned in the deed shall be paid and satisfied in full in the order of maturity. However, if any note or instrument of indebtedness is paid or satisfied, no further proceedings may be had in reference to or satisfaction of it, but the funds arising from the sale shall be distributed as if the note already paid or satisfied had never been given. If the lien is duly released of record after the date of the maturity of the note or other instrument of indebtedness mentioned in the deed, the note or other instrument of indebtedness conclusively is

presumed to have been paid as far as any lien on the property granted by the deed is concerned.

§7–204.

An assignment or release of a vendor's lien may be made by the holder of the lien in the same manner prescribed for the short assignment or release of a mortgage. The holder of the lien also may write a release on the record in the office where the deed is recorded or the release may be endorsed on the original deed.

§7–205.

The acceptance by the vendor of any guarantee, endorsement, collateral, or other security to insure the full payment of any vendor's lien, may not be construed as a waiver of the lien. However, the purchaser shall be credited with the proceeds from the sale of any collateral or other securities.

§7–301.

(a) In this subtitle the following words have the meanings indicated.

(b) "Commissioner" means the Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation.

(c) "Foreclosure consultant" means a person who:

(1) Solicits or contacts a homeowner in writing, in person, or through any electronic or telecommunications medium and directly or indirectly makes a representation or offer to perform any service that the person represents will:

(i) Stop, enjoin, delay, void, set aside, annul, stay, or postpone a foreclosure sale;

(ii) Obtain forbearance from any servicer, beneficiary or mortgagee;

(iii) Assist the homeowner to exercise a right of reinstatement provided in the loan documents or to refinance a loan that is in foreclosure and for which notice of foreclosure proceedings has been published;

(iv) Obtain an extension of the period within which the homeowner may reinstate the homeowner's obligation or extend the deadline to object to a ratification;

(v) Obtain a waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in default or contained in the mortgage;

(vi) Assist the homeowner to obtain a loan or advance of funds;

(vii) Avoid or ameliorate the impairment of the homeowner's credit resulting from the filing of an order to docket or a petition to foreclose or the conduct of a foreclosure sale;

(viii) Save the homeowner's residence from foreclosure;

(ix) Purchase or obtain an option to purchase the homeowner's residence within 20 days of an advertised or docketed foreclosure sale; or

(x) Arrange for the homeowner to become a lessee or renter entitled to continue to reside in the homeowner's residence after a sale or transfer; or

(2) Systematically contacts owners of residences in default to offer foreclosure consulting services.

(d) "Foreclosure consulting contract" means a written, oral, or equitable agreement between a foreclosure consultant and a homeowner for the provision of any foreclosure consulting service.

(e) "Foreclosure consulting service" includes:

(1) Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in default;

(2) Contacting creditors on behalf of a homeowner;

(3) Arranging or attempting to arrange for an extension of the period within which a homeowner may cure the homeowner's default and reinstate the homeowner's obligation;

(4) Arranging or attempting to arrange for any delay or postponement of the sale of a residence in default;

(5) Arranging or facilitating the purchase of a homeowner's equity of redemption or legal or equitable title;

(6) Arranging or facilitating the sale of a homeowner's residence or the transfer of legal title, in any form, to another party as an alternative to foreclosure; or

(7) Arranging for or facilitating a homeowner remaining in the homeowner's residence after a sale or transfer as a tenant, renter, or lessee under terms provided in a written lease.

(f) "Foreclosure rescue transaction" means a transaction:

(1) In which a residence in default is conveyed by a homeowner who retains a legal or equitable interest in all or part of the property, including an interest

under a lease–purchase agreement, an option to reacquire the property, or any other legal or equitable interest in the property conveyed; and

(2) That is designed or intended by the parties to prevent or delay actual or anticipated foreclosure proceedings against the residence in default.

(g) "Foreclosure surplus acquisition" means a transaction involving the transfer, sale, or assignment of the surplus remaining and due the homeowner based on the audit account during a foreclosure proceeding.

(h) (1) "Foreclosure surplus purchaser" means a person who acts as the acquirer by assignment, purchase, grant, or conveyance of the surplus resulting from a foreclosure sale.

(2) "Foreclosure surplus purchaser" includes a person who acts in joint venture or joint enterprise with one or more acquirers.

(i) "Homeowner" means the record owner of a residence in default or a residence in foreclosure, or an individual occupying the residence under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article.

(j) "Residence in default" means residential real property located in the State consisting of not more than four single family dwelling units, one of which is occupied by the owner, or the owner's spouse or former spouse under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article, as the individual's principal place of residence, and on which the mortgage is at least 60 days in default.

(k) "Residence in foreclosure" means residential real property located in the State consisting of not more than four single family dwelling units, one of which is occupied by the owner, or the owner's spouse or former spouse under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article, as the individual's principal place of residence, and against which an order to docket or a petition to foreclose has been filed.

(l) "Settlement" means an in–person, face–to–face meeting with the homeowner to complete final documents incident to the sale or transfer of real property or the creation of a mortgage or equitable interest in real property, conducted by a settlement agent, during which the homeowner must be presented with a completed copy of the HUD–1 Settlement Form.

§7–302.

(a) Except as provided in subsection (b) of this section, this subtitle does not apply to:

(1) An individual admitted to practice law in the State, while performing any activity related to the individual's regular practice of law in the State;

(2) A person who holds or services a mortgage loan secured by a residence in default while the person performs servicing, collection, and loss mitigation activities in regard to that mortgage loan, provided the mortgage loan did not arise as a result of a foreclosure consulting contract;

(3) (i) A person doing business under any law of this State or the United States regulating banks, trust companies, savings and loan associations, credit unions, or insurance companies, while the person performs services as a part of the person's normal business activities; and

(ii) Any subsidiary, affiliate, or agent of a person described in item (i) of this item, while the subsidiary, affiliate, or agent performs services as a part of the subsidiary's, affiliate's, or agent's normal business activities;

(4) A judgment creditor of the homeowner, if the judgment creditor's claim accrued before the written notice of foreclosure sale required under § 7–105.2 of this title is sent;

(5) A person licensed as a mortgage lender under Title 11, Subtitle 5 of the Financial Institutions Article while:

(i) Acting under the authority of that license in regard to a residence in default; and

(ii) Arranging for a refinancing of a mortgage loan for the residence in default;

(6) A person licensed as a real estate broker, associate real estate broker, or real estate salesperson under Title 17 of the Business Occupations and Professions Article only:

(i) While the person:

1. Engages in any activity for which the person is licensed under Title 17 of the Business Occupations and Professions Article; and

2. Does not violate any provision of § 7–307 of this subtitle or Title 17 of the Business Occupations and Professions Article; and

(ii) If the residence in default for which the person is conducting a licensed activity:

1. Is listed in the local multiple listing service; and

2. Is sold or transferred through a settlement, including the conveyance or transfer of deed, title, or establishment of equitable interest;

(7) A nonprofit organization that solely offers counseling or advice to

homeowners in foreclosure or loan default, if the organization is not directly or indirectly related to and does not contract for services with for–profit lenders; or

(8) A certified community development financial institution that purchases owner–occupied residential property for the purpose of transferring the property to the immediately preceding mortgagor or grantor under the circumstances specified in § 7–105.1 of this title.

(b) This subtitle does apply to an individual who:

(1) Is functioning in a position listed under subsection (a)(1) through (7) of this section; and

(2) Is engaging in activities or providing services designed or intended to transfer title to a residence in default directly or indirectly to that individual, a relative of that individual, or an agent or affiliate of that individual.

§7–305.

(a) In addition to any other right under law to cancel or rescind a contract, a homeowner has the right to rescind a foreclosure consulting contract at any time.

(b) Rescission occurs when the homeowner gives written notice of rescission to the foreclosure consultant at the address specified in the contract or through any facsimile or electronic mail address identified in the contract or other materials provided to the homeowner by the foreclosure consultant.

(c) Notice of rescission, if given by mail, is effective when deposited in the United States mail, properly addressed, with postage prepaid.

(d) Notice of rescission need not be in the form provided with the contract and is effective, however expressed, if it indicates the intention of the homeowner to rescind the foreclosure consulting contract.

(e) After the rescission of a foreclosure consulting contract, the homeowner shall repay, within 60 days from the date of rescission, any funds paid or advanced by the foreclosure consultant or anyone working with the foreclosure consultant under the terms of the foreclosure consulting contract, together with interest calculated at the rate of 8% a year.

(f) The right to rescind may not be conditioned on the repayment of any funds.

§7–306.

(a) A foreclosure consulting contract shall:

(1) Be provided to the homeowner for review before signing;

(2) Be printed in at least 12 point type and written in the same language that is used by the homeowner and was used in discussions with the foreclosure consultant to describe the consultant's services or to negotiate the contract;

(3) Fully disclose the exact nature of the foreclosure consulting services to be provided, including any sale or tenancy that may be involved, and the total amount and terms of any compensation from any source to be received by the foreclosure consultant or anyone working in association with the consultant;

(4) State the duty of the foreclosure consultant to provide the homeowner with written copies of any research the foreclosure consultant has regarding the value of the homeowner's residence in default, including any information on sales of comparable properties or any appraisals;

(5) Be dated and personally signed by the homeowner and the foreclosure consultant and be witnessed and acknowledged by a notary public appointed and commissioned by the State; and

(6) Contain the following notice, which shall be printed in at least 14 point boldface type, completed with the name of the foreclosure consultant, and located in immediate proximity to the space reserved for the homeowner's signature:

"NOTICE REQUIRED BY MARYLAND LAW

..... (Name) or anyone working for him or her CANNOT ask you to sign or have you sign any lien, mortgage, or deed as part of signing this agreement unless the terms of the transfer are specified in this document and you are given a separate explanation of the precise nature of the transaction. The separate explanation must include: how much money you must pay; how much money you will receive, if any; and how much money the foreclosure consultant will receive from any source.

..... (Name) or anyone working for him or her CANNOT guarantee you that they will be able to refinance your home or arrange for you to keep your home. Continue making mortgage payments until a refinancing, if applicable, is approved.

You have the right to rescind this foreclosure consulting contract at any time by informing the foreclosure consultant that you want to rescind the contract. See the attached Notice of Rescission form for an explanation of this right. After any rescission, you must repay, within 60 days, any money spent on your behalf as a result of this agreement, along with interest calculated at the rate of 8% a year.

If a contract to sell or transfer the deed or title to your property is involved in any way, you may rescind that contract at any time within 5 days after the date you sign that contract and you are informed of this right. After any rescission, you must repay, within 60 days, any money spent on your behalf as a result of this agreement, along with interest calculated at the rate of 8% a year.

THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN

THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING.".

(b) The contract shall contain on the first page, in at least 12 point type size:

(1) The name and address of the foreclosure consultant to which the notice of rescission is to be mailed; and

(2) The date the homeowner signed the contract.

(c) (1) The contract shall be accompanied by a completed form in duplicate, captioned "NOTICE OF RESCISSION".

(2) The Notice of Rescission shall:

(i) Be on a separate sheet of paper attached to the contract;

(ii) Be easily detachable; and

(iii) Contain the following statement printed in at least 15 point type:

"NOTICE OF RESCISSION

(Date of Contract)

You may rescind this foreclosure consulting contract, without any penalty, at any time.

If you want to rescind this contract, mail or deliver a signed and dated copy of this Notice of Rescission, or any other written notice indicating your intent to rescind to (name of foreclosure consultant) at (address of foreclosure consultant, including facsimile and electronic mail).

After any rescission, you (the homeowner) must repay any money spent on your behalf as a result of this agreement, within 60 days, along with interest calculated at the rate of 8% a year.

This is an important legal contract and could result in the loss of your home. Contact an attorney before signing.

NOTICE OF RESCISSION

TO: (name of foreclosure consultant)

(address of foreclosure consultant, including facsimile and electronic mail)

I hereby rescind this contract.

..... (Date)

..... (Homeowner's signature)".

(d) The foreclosure consultant shall provide the homeowner with a signed and dated copy of the foreclosure consulting contract and the attached Notice of Rescission immediately upon execution of the contract.

(e) The time during which the homeowner may rescind the foreclosure consulting contract does not begin to run until the foreclosure consultant has complied with this section.

(f) Any provision in a foreclosure consulting contract that attempts or purports to waive any of the rights specified in this title, consent to jurisdiction for litigation or choice of law in a state other than Maryland, consent to venue in a county other than the county in which the property is located, or impose any costs or filing fees greater than the fees required to file an action in a circuit court, is void.

§7–307.

A foreclosure consultant may not:

(1) Engage in, arrange, offer, promote, promise, solicit, participate in, assist with, or carry out a foreclosure rescue transaction;

(2) Claim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform;

(3) Claim, demand, charge, collect, or receive any interest or any other compensation for any loan that the foreclosure consultant makes to the homeowner that exceeds 8% a year;

(4) Take any wage assignment, any lien of any type on real or personal property, or other security to secure the payment of compensation;

(5) Receive any consideration from any third party in connection with foreclosure consulting services provided to a homeowner unless the consideration:

(i) Is first fully disclosed in writing to the homeowner;

(ii) Is clearly listed on any settlement documents; and

(iii) Is not in violation of any provision of this subtitle;

(6) Receive a commission, regardless of how described, for the sale of a residence in default that exceeds 8% of the sales price;

(7) Receive any money to be held in escrow or on a contingent basis on

behalf of the homeowner;

(8) Acquire any interest, directly or indirectly, or by means of a subsidiary, affiliate, or corporation in which the foreclosure consultant or a member of the foreclosure consultant's immediate family is a primary stockholder, in a residence in default from a homeowner with whom the foreclosure consultant has contracted;

(9) Take any power of attorney from a homeowner for any purpose, except to inspect documents as provided by law; or

(10) Induce or attempt to induce any homeowner to enter into a foreclosure consulting contract that does not comply in all respects with this subtitle.

§7–308.

(a) (1) In this section the following words have the meanings indicated.

(2) "License" has the meaning stated in § 17–101(g) of the Business Occupations and Professions Article.

(3) "Provide real estate brokerage services" has the meaning stated in § 17–101(l) of the Business Occupations and Professions Article.

(b) A foreclosure consultant who provides real estate brokerage services shall be licensed as required under Title 17 of the Business Occupations and Professions Article.

(c) A foreclosure consultant shall present a copy of the license to a homeowner no later than the time a foreclosure consulting contract is executed.

§7–309.

(a) A foreclosure consultant has a duty to provide the homeowner with written copies of any research the foreclosure consultant has regarding the value of the homeowner's residence in default, including any information on sales of comparable properties or any appraisals.

(b) A foreclosure consultant owes the same duty of care to a homeowner as a licensed real estate broker owes to a client under § 17–532 of the Business Occupations and Professions Article.

§7–310.

(a) In addition to any other right under law to rescind a contract, the homeowner of a residence in default has the right to rescind a contract for the sale or transfer of the residence in default within 5 days after the execution of the contract.

(b) Any provision in a contract or other agreement concerning a sale or transfer

of a residence in default that attempts or purports to waive the homeowner's rights under this title, consent to jurisdiction for litigation or choice of law in a state other than Maryland, consent to venue in a county other than the county in which the property is located, or impose any costs or filing fees greater than the fees required to file an action in a circuit court, is void.

(c) Except when a primary mortgage lender takes a deed in lieu of foreclosure, a sale or transfer of a residence in default may not be executed using a quitclaim deed.

(d) A notice of rescission under this section:

(1) Shall be in writing but need not take any particular form specified in this subtitle or any form contained in any agreement with the purchaser or transferee; and

(2) Is effective, however expressed, if it indicates the intention of the homeowner to rescind the contract.

(e) The right to rescind may not be conditioned on the repayment of any funds, provided however that any debt existing prior to a rescission shall continue to exist.

(f) Within 10 days after receipt of a notice of rescission, the purchaser or transferee shall return, without condition, any original deed, title, contract, and any other document signed by the homeowner.

(g) During the 5–day rescission period, a deed or other document affecting title to the homeowner's residence in default may not be recorded.

§7–311.

(a) This section applies to a contract for the sale or transfer of a residence in default that is included in a foreclosure consulting contract or arranged by a foreclosure consultant.

(b) In addition to any other requirement under law, the purchaser of a residence in default shall provide the homeowner with a document entitled "Notice to Homeowner".

(c) The document entitled "Notice to Homeowner" shall:

(1) Contain the total sales price of the residence in default and an explanation of the distribution of the proceeds of the sale, including any payments to any parties, including the foreclosure consultant;

(2) Be printed in 12 point type and written in the same language that is used by the homeowner and was used in discussions to describe the foreclosure consultant's or purchaser's services or to negotiate the transfer or sale of the property;

(3) Be dated and personally signed by the homeowner and the purchaser and witnessed and acknowledged by a notary public appointed and commissioned by the State;

(4) Describe in detail the terms of any sale or transfer including:

(i) The name, business address, telephone number, and facsimile number of the person to whom the deed or title will be sold or transferred;

(ii) The address of the residence in default;

(iii) The total consideration to be given or received, directly or indirectly, by the homeowner, purchaser, and the foreclosure consultant;

(iv) The time at which title is to be sold or transferred to the purchaser; and

(v) Any financial or legal obligations to which the homeowner may remain subject; and

(5) Contain the following statement printed in at least 14 point boldface type and located in immediate proximity to the space reserved for the homeowner's signature:

"If you change your mind about selling or transferring ownership of your property, you, the homeowner, may rescind the contract for the sale or transfer of the deed or title to your property any time within the next 5 days. See the attached Notice of Right to Rescind Contract for the Sale or Transfer of Deed or Title. After any rescission, you must repay, within 60 days, any money spent on your behalf as a result of this agreement, along with interest calculated at the rate of 8% a year.

THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING."

(d) (1) The purchaser shall provide the homeowner with a document entitled "NOTICE OF RIGHT TO RESCIND CONTRACT FOR THE SALE OR TRANSFER OF DEED OR TITLE".

(2) The document entitled "NOTICE OF RIGHT TO RESCIND CONTRACT FOR THE SALE OR TRANSFER OF DEED OR TITLE" shall:

(i) Be a separate document and not printed on the back of any other document; and

(ii) Contain the following statement printed in at least 14 point type:

"NOTICE OF RIGHT TO RESCIND CONTRACT FOR
THE SALE OR TRANSFER OF DEED OR TITLE

(Date)

You may rescind the contract for the sale or transfer of ownership of your property within 5 business days after the date you sign this document and are notified of this right.

To rescind this contract, mail or deliver a signed and dated copy of this Notice, or any other written notice expressing a similar intent to (name of purchaser) at (address of purchaser, including facsimile and electronic mail).

After any rescission, you (the homeowner) must repay any money spent on your behalf as a result of this agreement, within 60 days, along with interest calculated at the rate of 8% a year.

THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING.

NOTICE OF RESCISSION

TO: (name of purchaser)

(address of purchaser, including facsimile and electronic mail)

I hereby rescind the contract for the sale or transfer of deed or title to my property. Please return all executed documents to me.

..... (Date)

..... (Homeowner's signature)".

(e) The purchaser shall provide the homeowner with a copy of the Notice of Right to Rescind Contract for the Sale or Transfer of Deed or Title immediately on execution of any document that includes an agreement to sell or transfer.

(f) The time during which the homeowner may rescind the contract for the sale or transfer does not begin to run until the purchaser has complied with this part.

§7–312.

A purchaser of a residence in default may not:

(1) Represent, directly or indirectly, that:

(i) The purchaser is acting as an advisor or a consultant, or in any other manner represent that the purchaser is acting on behalf of the homeowner;

(ii) The purchaser has certification or licensure that the purchaser does not have;

(iii) The purchaser is assisting the homeowner to "save the house" or use a substantially similar phrase; or

(iv) The purchaser is assisting the homeowner in preventing a foreclosure if the result of the transaction is that the homeowner will no longer own the property;

(2) Make any other statements, directly or by implication, or engage in any other conduct that is false, deceptive, or misleading, or that has the likelihood to cause confusion or misunderstanding, including statements regarding the value of the residence in default, the amount of proceeds the homeowner will receive after a sale or transfer, any contract term, or the homeowner's rights or obligations incident to or arising out of the sale or transfer; or

(3) Until the homeowner's right to rescind the transaction has expired:

(i) Record any document, including an instrument of conveyance, signed by the homeowner; or

(ii) Transfer or encumber or purport to transfer or encumber any interest in the residence in default to any third party.

§7–313.

(a) (1) If a tenancy agreement is included in a contract for the sale or transfer of a residence in default, the purchaser shall provide the homeowner with a document entitled "STATEMENT ABOUT TENANCY" at the time the contract is executed.

(2) The document entitled "STATEMENT ABOUT TENANCY" shall:

(i) Be on a separate sheet of paper attached to the contract for the sale or transfer of a residence in default;

(ii) Be dated and personally signed by the homeowner and the purchaser and be witnessed and acknowledged by a notary public appointed and commissioned by the State;

(iii) Contain a statement informing the homeowner of the homeowner's right to a copy of a signed lease; and

(iv) Contain the following statement printed in at least 15 point type:

"STATEMENT ABOUT TENANCY

(Date of Contract)

I agree to sell my home. I understand that I will no longer have an ownership interest in or any other right to own this property. Even though I may be able to live on

the premises as a tenant, I will have no right to repurchase this property or to obtain any other kind of ownership interest. If I do not pay the rent as agreed, I may be subject to eviction. As a tenant, I am entitled to receive a written lease from the new owner of the property.".

(b) The purchaser shall provide the homeowner with a signed and dated copy of the document entitled "STATEMENT ABOUT TENANCY" immediately upon execution of the contract for the sale or transfer of the residence in default.

(c) The time during which the homeowner may rescind the contract for the sale or transfer of a residence in default under § 7–310 of this subtitle does not begin to run until the purchaser has complied with this section.

§7–314.

(a) Each foreclosure surplus acquisition shall be in the form of a written contract.

(b) Each foreclosure surplus acquisition contract shall:

(1) Contain the entire agreement of the parties;

(2) Be printed in at least 12 point type, in the same language that is used by the homeowner and was used by the foreclosure surplus purchaser and the homeowner to negotiate the sale of the residence in foreclosure;

(3) Be fully completed, dated, and personally signed by the homeowner and the foreclosure surplus purchaser before the statement of account has been referred to the auditor; and

(4) Include:

(i) The name, business address, and telephone number of the foreclosure surplus purchaser;

(ii) The address of the residence in foreclosure;

(iii) The total consideration to be given by the foreclosure surplus purchaser in connection with or incident to the transaction;

(iv) A complete description of the terms of payment or other consideration, including any services of any nature that the foreclosure surplus purchaser represents the foreclosure surplus purchaser will perform for the homeowner before or after the sale; and

(v) The following notice, which shall be printed in at least 14 point boldface type, completed with the name of the foreclosure surplus purchaser, and located in immediate proximity to the space reserved for the homeowner's signature:

"NOTICE REQUIRED BY MARYLAND LAW

If you have any questions about this document, seek legal counsel before signing. This is an important legal contract. Failure to read and understand these documents may cause you to lose valuable rights.

The effect of these documents is that you may lose the equity in your home. This agreement will not stop the foreclosure or get your house back. If you believe the foreclosure sale was improper, you should immediately seek legal advice to determine what objections to ratification or to rescind the order of ratification may be filed.

You may rescind this contract for the sale of your house without any penalty or obligation at any time within 10 days after the auditor states the account of the foreclosure sale. See the attached Notice of Rescission form for an explanation of this right. After the rescission, you must repay from the surplus proceeds any consideration received, directly or indirectly, together with an amount for interest calculated at the rate of 8% a year."

(c) (1) The contract shall be accompanied by a completed form in duplicate, captioned "Notice of Rescission".

(2) The Notice of Rescission shall:

(i) Be on a separate sheet of paper attached to the contract;

(ii) Be easily detachable; and

(iii) Contain the following statement printed in at least 15 point type:

"NOTICE OF RESCISSION

..... (Date of contract)

You may rescind this contract for the sale of your house at any time within 10 days after the auditor states the account of the foreclosure sale.

To rescind this transaction, mail or deliver a signed and dated copy of this Notice of Rescission to ..... (Name of purchaser) at ..... (Address of purchaser, including facsimile and electronic mail) with a copy to the court appointed auditor.

I hereby rescind this transaction.

..... (Date)

..... (Homeowner's signature)".

(d) The foreclosure surplus purchaser shall provide the homeowner with a copy of the contract and the attached Notice of Rescission at the time the contract is executed by all parties.

(e) The contract required by this section survives delivery of any instrument of conveyance of the residence in foreclosure, is binding in the audit, and has no effect on persons other than the parties to the contract.

(f) Any provision in a contract that attempts or purports to waive any of the rights specified in this title, consent to jurisdiction or choice of law in a state other than Maryland, consent to venue in a county other than the county in which the property is located, or impose any costs or filing fees greater than the fees required to file an action in a circuit court, is void.

§7–315.

(a) In addition to any other right of rescission, a homeowner has the right to rescind any contract with a foreclosure surplus purchaser at any time within 10 days after the statement of audit account of the foreclosure sale.

(b) (1) Rescission occurs when the homeowner delivers, by any means, written Notice of Rescission to the address specified in the contract, with a copy to the auditor. As part of the rescission, the homeowner shall repay any consideration received directly or indirectly, together with interest calculated at the rate of 8% a year.

(2) On receipt of the Notice of Rescission, the auditor shall restate the account. The repayment of consideration and interest by the homeowner shall be incorporated by the auditor into the revised statement of account filed with the court.

(3) Upon ratification of the amended audit, the attorney named in the mortgage, mortgage assignee for purposes of foreclosure, trustee, or substitute trustee in making distribution of the surplus funds shall comply with the revised court–approved audit.

(c) A Notice of Rescission given by a homeowner need not be in the form provided with the contract and is effective, however expressed, if it indicates the intention of the homeowner to rescind the contract.

(d) The right to rescind may not be conditioned on the repayment of any funds.

(e) Within 10 days after receipt of a Notice of Rescission given in accordance with this section, the foreclosure surplus purchaser shall return, without condition, the original contract and all other documents signed by the homeowner.

§7–318.

(a) A person may not induce or attempt to induce a homeowner to waive the homeowner's rights under this subtitle.

(b) Any waiver by a homeowner of the provisions of this subtitle is void and unenforceable as contrary to public policy.

§7–318.1.

It is a violation of this subtitle if a foreclosure consultant:

(1) Fails to obtain a real estate broker's license as required under § 7– 308 of this subtitle; or

(2) Violates any provision of Title 17 of the Business Occupations and Professions Article.

§7–319.

(a) The Attorney General may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(b) The court may enter any order or judgment necessary to:

(1) Prevent the use by a person of any prohibited practice;

(2) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(3) Appoint a receiver in case of willful violation of this subtitle.

(c) In any action brought by the Attorney General under this section, the Attorney General is entitled to recover the costs of the action for the use of the State.

(d) A violation of this subtitle is an unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article and is subject to the enforcement and penalty provisions contained in Title 13 of the Commercial Law Article.

§7–319.1.

(a) The Commissioner may enforce the provisions of this subtitle by exercising any of the powers provided under §§ 2–113 through 2–116 of the Financial Institutions Article.

(b) (1) The Commissioner may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(2) The court may enter any order or judgment necessary to:

(i) Prevent the use by a person of any prohibited practice;

(ii) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(iii) Appoint a receiver in case of willful violation of this subtitle.

(3) In any action brought by the Commissioner under this subsection, the Commissioner is entitled to recover the costs of the action for the use of the State.

(c) The Commissioner may enforce the provisions of this subtitle by requiring a violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation.

(d) The Commissioner may:

(1) Investigate violations of this subtitle; and

(2) Aid any other unit of State government that has regulatory jurisdiction over the business activities of the violator.

(e) The Commissioner may cooperate in the investigation and prosecution of any violation of this subtitle with the Office of the Attorney General, the State's Attorney, or any other unit of law enforcement.

§7–320.

(a) (1) In addition to any action by the Attorney General or the Commissioner authorized under this subtitle and any other action otherwise authorized by law, a homeowner may bring an action for damages incurred as the result of a practice prohibited by this subtitle.

(2) A homeowner may bring an action for damages under this section:

(i) Without having to exhaust administrative remedies under this subtitle; and

(ii) Regardless of the status of an administrative action or a criminal prosecution, if any, under this subtitle.

(b) A homeowner who brings an action under this section and who is awarded damages may also seek, and the court may award, reasonable attorney's fees.

(c) If the court finds that the defendant willfully or knowingly violated this subtitle, the court may award damages equal to three times the amount of actual damages.

§7–321.

(a) A person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a

fine not exceeding $10,000 or both.

(b) A person who violates this subtitle is subject to § 5-106(b) of the Courts Article.

§7–322.

(a) If a criminal prosecution under this subtitle results in a conviction, the Attorney General or the State's Attorney who has prosecuted the case shall notify the Commissioner in writing of the conviction within 30 days of the conviction.

(b) The notice required under subsection (a) of this section shall include:

(1) The name and address of the person convicted; and

(2) A copy of the judgment in the criminal case.

§7–325.

This subtitle may be cited as the "Protection of Homeowners in Foreclosure Act".

§7–401.

(a) In this subtitle the following words have the meanings indicated.

(a–1) "Commissioner" means the Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation.

(b) "Document" includes applications, appraisal reports, HUD–1 settlement statements, W–2 forms, verifications of income or employment, bank statements, tax returns, payroll stubs, and any required disclosure.

(c) "Homeowner" means:

(1) A record owner of residential real property; or

(2) An individual occupying the residential real property under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article.

(d) "Mortgage fraud" means any action by a person made with the intent to defraud that involves:

(1) Knowingly making any deliberate misstatement, misrepresentation, or omission during the mortgage lending process with the intent that the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;

(2) Knowingly creating or producing a document for use during the mortgage lending process that contains a deliberate misstatement, misrepresentation,

or omission with the intent that the document containing the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;

(3) Knowingly using or facilitating the use of any deliberate misstatement, misrepresentation, or omission during the mortgage lending process with the intent that the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;

(4) Receiving any proceeds or any other funds in connection with a mortgage closing that the person knows resulted from a violation of item (1), (2), or (3) of this subsection;

(5) Conspiring to violate any of the provisions of item (1), (2), (3), or (4) of this subsection; or

(6) Filing or causing to be filed in the land records in the county where a residential real property is located, any document relating to a mortgage loan that the person knows to contain a deliberate misstatement, misrepresentation, or omission.

(e) (1) "Mortgage lending process" means the process by which a person seeks or obtains a mortgage loan.

(2) "Mortgage lending process" includes:

(i) The solicitation, application, origination, negotiation, servicing, underwriting, signing, closing, and funding of a mortgage loan; and

(ii) The notarizing of any document in connection with a mortgage loan.

(f) "Mortgage loan" has the meaning stated in § 11–501 of the Financial Institutions Article.

(g) "Pattern of mortgage fraud" means two or more incidents of mortgage fraud that:

(1) Involve two or more residential real properties; and

(2) Have similar intents, results, accomplices, victims, or methods of commission or otherwise are interrelated by distinguishing characteristics.

(h) "Residential real property" means real property improved by four or fewer single family dwelling units.

§7–402.

A person may not commit mortgage fraud.

§7–403.

For the purpose of venue under this subtitle, a violation of this subtitle shall be considered to have been committed:

(1) In the county in which the residential real property is located for which a mortgage loan is being sought;

(2) In the county in which an act was performed in furtherance of the violation;

(3) In the county in which a person alleged to have violated this subtitle had control or possession of any proceeds of the violation;

(4) If a closing occurred, in the county in which the closing occurred; and

(5) In the county in which a document containing a deliberate misstatement, misrepresentation, or omission is filed in the land records.

§7–404.

(a) The Attorney General may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(b) The court may enter any order or judgment necessary to:

(1) Prevent the use by a person of any prohibited practice;

(2) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(3) Appoint a receiver in the case of a willful violation of this subtitle.

(c) In any action brought by the Attorney General under this section, the Attorney General is entitled to recover the costs of the action for the use of the State.

§7–404.1.

(a) The Commissioner may enforce the provisions of this subtitle by exercising any of the powers provided under §§ 2–113 through 2–116 of the Financial Institutions Article.

(b) (1) The Commissioner may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(2) The court may enter any order or judgment necessary to:

(i) Prevent the use by a person of any prohibited practice;

(ii) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(iii) Appoint a receiver in case of willful violation of this subtitle.

(3) In any action brought by the Commissioner under this subsection, the Commissioner is entitled to recover the costs of the action for the use of the State.

(c) The Commissioner may enforce the provisions of this subtitle by requiring a violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation.

(d) The Commissioner may:

(1) Investigate violations of this subtitle; and

(2) Aid any other unit of State government that has regulatory jurisdiction over the business activities of the violator.

(e) The Commissioner may cooperate in the investigation and prosecution of any violation of this subtitle with the Office of the Attorney General, the State's Attorney, or any other unit of law enforcement.

§7–405.

(a) The Attorney General and the State's Attorney are authorized to conduct the criminal investigation and prosecution of all cases of mortgage fraud under this subtitle.

(b) The Attorney General or the State's Attorney, as appropriate, shall promptly report a conviction under this subtitle to the unit of State government that has regulatory jurisdiction over the business activities of the person convicted.

§7–406.

(a) (1) In addition to any action authorized under this subtitle and any other action otherwise authorized by law, a person may bring an action for damages incurred as the result of a violation of this subtitle.

(2) A person may bring an action for damages under this section:

(i) Without having to exhaust administrative remedies under this subtitle; and

(ii) Regardless of the status of an administrative action or a criminal prosecution, if any, under this subtitle.

(b) A person who brings an action under this section and who is awarded damages may also seek, and the court may award, reasonable attorney's fees.

(c) If the court finds that the defendant violated this subtitle, the court may award damages equal to three times the amount of actual damages.

§7–407.

(a) Except as provided in subsections (b) and (c) of this section, a person who violates this subtitle is guilty of a felony and on conviction is subject to a fine not exceeding $5,000 or imprisonment not exceeding 10 years or both.

(b) If a violation involves a victim who is a vulnerable adult as defined under § 3–604(a) of the Criminal Law Article, a person who violates this subtitle is guilty of a felony and on conviction is subject to a fine not exceeding $15,000 or imprisonment not exceeding 15 years or both.

(c) If a violation involves engaging or participating in a pattern of mortgage fraud or a conspiracy or endeavor to engage or participate in a pattern of mortgage fraud, a person who violates this subtitle is guilty of a felony and on conviction is subject to a fine not exceeding $100,000 or imprisonment not exceeding 20 years or both.

(d) (1) A person convicted of violating this subtitle shall pay restitution to any person damaged by the violation.

(2) Restitution shall be ordered in addition to a fine or imprisonment or both.

(e) Each residential real property transaction subject to a violation of this subtitle constitutes a separate offense, and shall not merge with any other crimes set forth in the Criminal Law Article.

(f) A person who violates this subtitle is subject to § 5–106(b) of the Courts Article.

§7–408.

(a) All real and personal property used or intended for use in the course of, derived from, or realized through a violation of this subtitle shall be subject to forfeiture to the State.

(b) The Attorney General and the State's Attorney are authorized to commence forfeiture proceedings under this subtitle.

(c) The forfeiture of property under this subtitle shall be subject to Title 13, Subtitle 4 of the Criminal Procedure Article.

§7–409.

This subtitle may be cited as the Maryland Mortgage Fraud Protection Act.

§7–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Commissioner" means the Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation.

(c) "Dwelling" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that regulation.

(d) "Mortgage assistance relief service" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that regulation.

(e) (1) "Mortgage assistance relief service provider" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that regulation.

(2) "Mortgage assistance relief service provider" incorporates the meanings of other terms stated in 12 C.F.R. § 1015.2 to the extent those terms are used to establish the meaning of "mortgage assistance relief service provider".

§7–502.

A mortgage assistance relief service provider providing mortgage assistance relief service in connection with a dwelling in the State that does not comply with 12 C.F.R. §§ 1015.1 through 1015.11 and any subsequent revision of those regulations is in violation of this subtitle.

§7–503.

The attorney exemptions in 12 C.F.R. § 1015.7 apply only to an individual admitted to practice law in the State who provides mortgage assistance relief service as part of the individual's regular practice of law.

§7–504.

For the purpose of venue under this subtitle, a violation of this subtitle shall be considered to have been committed:

(1) In the county in which the dwelling is located for which mortgage assistance relief service is being provided;

(2) In the county in which an act was performed in furtherance of the violation; and

(3) In the county in which a person alleged to have violated this subtitle

had control or possession of any proceeds of the violation.

§7–505.

(a) The Attorney General may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(b) The court may enter any order or judgment necessary to:

(1) Prevent the use by a person of any prohibited practice;

(2) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(3) Appoint a receiver in case of willful violation of this subtitle.

(c) In any action brought by the Attorney General under this section, the Attorney General is entitled to recover the costs of the action for the use of the State.

§7–506.

(a) The Commissioner may enforce the provisions of this subtitle by exercising any of the powers provided under §§ 2–113 through 2–116 of the Financial Institutions Article.

(b) (1) The Commissioner may seek an injunction to prohibit a person who has engaged or is engaging in a violation of this subtitle from engaging or continuing to engage in the violation.

(2) The court may enter any order or judgment necessary to:

(i) Prevent the use by a person of any prohibited practice;

(ii) Restore to a person any money or real or personal property acquired from the person by means of any prohibited practice; or

(iii) Appoint a receiver in case of willful violation of this subtitle.

(3) In any action brought by the Commissioner under this section, the Commissioner is entitled to recover the costs of the action for the use of the State.

(c) The Commissioner may enforce the provisions of this subtitle by requiring a violator to take affirmative action to correct the violation, including the restitution of money or property to any person aggrieved by the violation.

(d) The Commissioner may:

(1) Investigate violations of this subtitle; and

(2) Aid any other unit of State government that has regulatory jurisdiction over the business activities of the violator.

(e) The Commissioner may cooperate in the investigation and prosecution of any violation of this subtitle with:

(1) The Office of the Attorney General, a State's Attorney, or any other unit of law enforcement in the State; or

(2) The Federal Trade Commission, the Consumer Financial Protection Bureau, or the U.S. Department of Housing and Urban Development.

§7–507.

(a) (1) In addition to any action authorized under this subtitle and any other action otherwise authorized by law, a person may bring an action for damages incurred as the result of a violation of this subtitle.

(2) A person may bring an action for damages under this section:

(i) Without having to exhaust administrative remedies under this subtitle; and

(ii) Regardless of the status of an administrative action or a criminal prosecution, if any, under this subtitle.

(b) A person who brings an action under this section and who is awarded damages also may seek, and the court may award, reasonable attorney's fees.

(c) If the court finds that the defendant violated this subtitle, the court may award damages equal to three times the amount of actual damages.

§7–508.

(a) The Attorney General and the State's Attorney are authorized to conduct the criminal investigation and prosecution of all cases alleging a violation of this subtitle.

(b) The Attorney General or the State's Attorney, as appropriate, shall report promptly a conviction under this subtitle to the unit of State government that has regulatory jurisdiction over the business activities of the person convicted.

§7–509.

(a) A person who violates any provision of this subtitle is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding $10,000 or both.

(b) (1) A person convicted of violating this subtitle shall pay restitution to any person damaged by the violation.

(2) Restitution shall be ordered in addition to a fine or imprisonment or both.

(c) Each violation of this subtitle constitutes a separate offense and shall not merge with any other crimes set forth in the Criminal Law Article.

(d) A person who violates this subtitle is subject to § 5–106(b) of the Courts Article.

§7–510.

A violation of this subtitle is:

(1) An unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article; and

(2) Subject to the enforcement and penalty provisions contained in Title 13 of the Commercial Law Article.

§7–511.

This subtitle may be cited as the Maryland Mortgage Assistance Relief Services Act.

§8–101.

A transferee of the reversion in leased property or of the rent has the same remedies by entry, action, or otherwise for nonperformance of any condition or agreement contained in the lease, as the original landlord would have had if the reversion or rent had remained in the original landlord. A transferee of the reversion in leased property is subject to the same remedies, by action or otherwise, for nonperformance of any agreement contained in the lease, as the original landlord. This section applies to any transferee of a reversion in leased property, by voluntary grant or operation of law.

§8–102.

If the reversion of any leased premises merges in any other estate, the person entitled to the estate into which the reversion merges has the same remedy against the tenant for nonpayment of rent or other forfeiture, or for not performing conditions, covenants, or agreements, as the person entitled to the reversion would have had if the reversion had not merged.

§8–103.

There is no merger by reason of any grant by way of mortgage or assignment of mortgage from the tenant of any property leased for a term of years, to the landlord of the property, whether by original or sublease, and the same rights and remedies exist

as if the grantee in the grant had no other interest or estate in the property than the one granted.

§8–104.

Any grant of a nonpossessory corporeal estate is valid and effective without the attornment of the tenant in possession. However, any payment of rent by the tenant to the grantor of the grant prior to actual notice of the grant is an effective discharge of liability for the rent.

§8–105.

If the effect of any provision of a lease is to indemnify the landlord, hold the landlord harmless, or preclude or exonerate the landlord from any liability to the tenant, or to any other person, for any injury, loss, damage, or liability arising from any omission, fault, negligence, or other misconduct of the landlord on or about the leased premises or any elevators, stairways, hallways, or other appurtenances used in connection with them, and not within the exclusive control of the tenant, the provision is considered to be against public policy and void. An insurer may not claim a right of subrogation by reason of the invalidity of the provision.

§8–106.

If a landlord, having only an estate for life, dies on or before the day on which the rent that has been earned is payable and the landlord's death terminates the leasehold estate, the landlord's personal representative may recover from the tenant the full amount of the rent if death occurs on the day the rent is payable or a proportionate share of the rent if death occurs before this day.

§8–107.

If there is no demand or payment for more than 20 consecutive years of any specific rent reserved out of a particular property or any part of a particular property under any form of lease, the rent conclusively is presumed to be extinguished and the landlord may not set up any claim for the rent or to the reversion in the property out of which it issued. The landlord also may not institute any suit, action, or proceeding to recover the rent or the property. However, if the landlord is under any legal disability when the period of 20 years of nondemand or nonpayment expires, the landlord has two years after the removal of the disability within which to assert the landlord's rights.

§8–108.

(a) A court may enter judgment for the renewal of a lease that contains a covenant for renewal, including a lease for 99 years, renewable forever.

(b) A judgment for renewal of a lease is binding on each person who becomes a party to the action or has been served with process in accordance with Maryland Rule 2-122 and renews the title of all persons interested under the lease for the additional

term, under the rent, and upon the covenants, conditions, and stipulations provided in the lease.

(c) A judgment for the renewal of a lease shall be recorded among the land records of each county in which land that is subject to the lease is located.

§8–109.

Uninterrupted possession for 12 months after the expiration of the lease containing a covenant for perpetual renewal of all or part of the leased premises by the tenant or any person claiming under the tenant operates as a renewal with respect to the entire premises. It conclusively is presumed in reference to the whole or any part of the leased premises, of which possession is retained, and in favor of the tenant or of the person claiming under the tenant, that a new lease of the whole of the leased premises was executed prior to the expiration of the lease by the landlord named in it, or by the person rightfully claiming under the landlord, to the tenant, or the person rightfully claiming under the tenant for the additional term under the rent and on the covenants, conditions, and stipulations as were provided in the lease.

§8–110.

(a) (1) This section does not apply to leases of property leased for business, commercial, manufacturing, mercantile, or industrial purposes or any other purpose which is not primarily residential, where the term of the lease, including all renewals provided for, does not exceed 99 years. A lease of the entire property improved or to be improved by any apartment, condominium, cooperative, or other building for multiple–family use on the property constitutes a business and not a residential purpose. The term "multiple–family use" does not apply to any duplex or single–family structure converted to a multiple–dwelling unit.

(2) Except as provided in subsection (f) of this section, this section does not apply to irredeemable leases executed before April 9, 1884.

(3) This section does not apply to leases of the ground or site upon which dwellings or mobile homes are erected or placed in a mobile home development or mobile home park.

(4) This section does not apply to an affordable housing land trust agreement executed under Title 14, Subtitle 5 of this article.

(b) (1) Except for apartment and cooperative leases, any reversion reserved in a lease for longer than 15 years is redeemable at any time, at the option of the tenant, after 30 days' notice to the landlord. Notice shall be given by certified mail, return receipt requested, and by first–class mail to the last known address of the landlord.

(2) The reversion is redeemable:

(i) For a sum equal to the annual rent reserved multiplied by:

1. 25, which is capitalization at 4 percent, if the lease was executed from April 8, 1884 to April 5, 1888, both inclusive;

2. 8.33, which is capitalization at 12 percent, if the lease was or is created after July 1, 1982; or

3. 16.66, which is capitalization at 6 percent, if the lease was created at any other time;

(ii) For a lesser sum if specified in the lease; or

(iii) For a sum to which the parties may agree at the time of redemption.

(c) If a tenant has power to redeem the reversion from a trustee or other person who does not have a power of sale, the reversion nevertheless may be redeemed in accordance with the procedures prescribed in the Maryland Rules.

(d) Notwithstanding subsection (b) of this section, any regulatory changes made by a federal agency, instrumentality, or subsidiary, including the Department of Housing and Urban Development, the Federal Housing Administration, the Government National Mortgage Association, the Federal National Mortgage Association, and the Veterans' Administration, shall be applicable to redemption of reversions of leases for longer than 15 years.

(e) (1) Before the entry of a judgment foreclosing an owner's right of redemption, a reversion in a ground rent or lease for 99 years renewable forever held on abandoned property in Baltimore City, as defined in § 14–817 of the Tax – Property Article, may be donated to Baltimore City or, at the option of Baltimore City, to an entity designated by Baltimore City.

(2) Valuation of the donation of a reversionary interest pursuant to this subsection shall be in accordance with subsection (b) of this section.

(f) (1) (i) A tenant who has given the landlord notice in accordance with subsection (b) of this section may apply to the State Department of Assessments and Taxation to redeem a ground rent as provided in this subsection.

(ii) When the Mayor and City Council of Baltimore City acquires property that is subject to an irredeemable ground rent, the City shall become the tenant of the ground rent and, after giving the landlord notice in accordance with subsection (b) of this section, may apply to the State Department of Assessments and Taxation to extinguish the ground rent as provided in this subsection.

(iii) When the Mayor and City Council of Baltimore City acquires abandoned or distressed property that is subject to a redeemable ground rent, the City shall become the tenant of the ground rent and, after giving the landlord notice in accordance with subsection (b) of this section, may apply to the State Department of

Assessments and Taxation to redeem the ground rent as provided in this subsection.

(2) The tenant shall provide to the State Department of Assessments and Taxation:

(i) Documentation satisfactory to the Department of the lease and the notice given to the landlord; and

(ii) Payment of a $20 fee, and any expediting fee required under § 1–203 of the Corporations and Associations Article.

(3) (i) On receipt of the items stated in paragraph (2) of this subsection, the Department shall post notice on its website that application has been made to redeem or extinguish the ground rent.

(ii) The notice shall remain posted for at least 90 days.

(4) Except as provided in paragraph (5) of this subsection, no earlier than 90 days after the application has been posted as provided in paragraph (3) of this subsection, a tenant seeking to redeem a ground rent shall provide to the Department:

(i) Payment of the redemption amount and up to 3 years' back rent to the extent required under this section and § 8–111.1 of this subtitle, in a form satisfactory to the Department; and

(ii) An affidavit made by the tenant, in the form adopted by the Department, certifying that:

1. The tenant has not received a bill for ground rent due or other communication from the landlord regarding the ground rent during the 3 years immediately before the filing of the documentation required for the issuance of a redemption certificate under this subsection; or

2. The last payment for ground rent was made to the landlord identified in the affidavit and sent to the same address where the notice required under subsection (b) of this section was sent.

(5) No earlier than 90 days after the application has been posted as provided in paragraph (3) of this subsection, a tenant seeking to extinguish an irredeemable ground rent or to redeem a redeemable ground rent on abandoned or distressed property that was acquired or is being acquired by the Mayor and City Council of Baltimore shall provide to the Department:

(i) Payment of up to 3 years' back rent to the extent required under this section and § 8–111.1 of this subtitle, in a form satisfactory to the Department; and

(ii) An affidavit made by the Director of the Office of Property Acquisition and Relocation in the Baltimore City Department of Housing and

Community Development certifying that:

1. The property is abandoned property, as defined in § 21–17(a)(2) of the Public Local Laws of Baltimore City, or distressed property, as defined in § 21–17(a)(3) of the Public Local Laws of Baltimore City;

2. The property was acquired or is being acquired by the Mayor and City Council of Baltimore City;

3. The landlord of the property has not registered the ground lease with the State Department of Assessments and Taxation under Subtitle 7 of this title; and

4. The existence of the ground rent is an impediment to redevelopment of the site.

(6) At any time, the tenant may submit to the Department notice that the tenant is no longer seeking redemption or extinguishment under this subsection.

(7) Upon receipt of the documentation, fees, and, where applicable, the redemption amount and 3 years' back rent to the extent required under this section and § 8–111.1 of this subtitle, the Department shall issue to the tenant a ground rent redemption certificate or a ground rent extinguishment certificate, as appropriate.

(8) The redemption or extinguishment of the ground rent is effective to conclusively vest a fee simple title in the tenant, free and clear of any and all right, title, or interest of the landlord, any lien of a creditor of the landlord, and any person claiming by, through, or under the landlord when the tenant records the certificate in the land records of the county in which the property is located.

(9) The landlord, any creditor of the landlord, or any other person claiming by, through, or under the landlord may file a claim with the Department in order to collect all, or any portion of, where applicable, the redemption amount and 3 years' back rent to the extent required under this section and § 8–111.1 of this subtitle, without interest, by providing to the Department:

(i) Documentation satisfactory to the Department of the claimant's interest; and

(ii) Payment of a $20 fee, and any expediting fee required under § 1–203 of the Corporations and Associations Article.

(10) (i) A landlord whose ground rent has been extinguished may file a claim with the Baltimore City Director of Finance to collect an amount equal to the annual rent reserved multiplied by 16.66, which is capitalization at 6 percent, by providing to the Director:

1. Proof of payment to the landlord by the Department of back

rent under paragraph (9) of this subsection; and

2. Payment of a $20 fee.

(ii) A landlord of abandoned or distressed property acquired by the Mayor and City Council of Baltimore City whose ground rent has been redeemed may file a claim with the Baltimore City Director of Finance to collect the redemption amount, by providing to the Director:

1. Proof of payment to the landlord by the Department of back rent under paragraph (9) of this subsection; and

2. Payment of a $20 fee.

(11) (i) In the event of a dispute regarding the extinguishment amount as calculated under paragraph (10)(i) of this subsection, the landlord may refuse payment from the Baltimore City Director of Finance and file an appeal regarding the valuation in the Circuit Court of Baltimore City.

(ii) In an appeal, the landlord is entitled to receive the fair market value of the landlord's interest in the property at the time of the extinguishment.

(12) In the event of a dispute regarding the payment by the Department to any person of all or any portion of the collected redemption amount and up to 3 years' back rent to the extent required by this section and § 8–111.1 of this subtitle, the Department may:

(i) File an interpleader action in the circuit court of the county where the property is located; or

(ii) Reimburse the landlord from the fund established in § 1–203.3 of the Corporations and Associations Article.

(13) The Department is not liable for any sum received by the Department that exceeds the sum of:

(i) The redemption amount; and

(ii) Up to 3 years' back rent to the extent required by this section and § 8–111.1 of this subtitle.

(14) The Department shall credit all fees and funds collected under this subsection to the fund established under § 1–203.3 of the Corporations and Associations Article. Redemption and extinguishment amounts received shall be held in a ground rent redemption and ground rent extinguishment account in that fund.

(15) The Department shall maintain a list of properties for which ground rents have been redeemed or extinguished under this subsection.

(16) The Department shall adopt regulations to carry out the provisions of this subsection.

(17) Any redemption or extinguishment funds not collected by a landlord under this subsection within 20 years after the date of the payment to the Department by the tenant shall escheat to the State. The Department shall annually transfer any funds that remain uncollected after 20 years to the State General Fund at the end of each fiscal year.

§8–110.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(3) (i) "Ground lease holder" means the holder of the reversionary interest under a ground lease.

(ii) "Ground lease holder" includes an agent of the ground lease holder.

(4) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(5) "Irredeemable ground rent" means a ground rent created under a ground lease executed before April 9, 1884, that does not contain a provision allowing the leasehold tenant to redeem the ground rent.

(6) "Leasehold interest" means the tenancy in real property created under a ground lease.

(7) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(8) "Redeemable ground rent" means a ground rent that may be redeemed in accordance with this section or redeemed or extinguished in accordance with § 8–110(f) of this subtitle.

(b) (1) This section applies to residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units.

(2) This section does not apply to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium,

cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(c) (1) An irredeemable ground rent shall be converted to, and become, a redeemable ground rent, unless within the time specified in subsection (f) of this section, a notice of intention to preserve irredeemability is recorded.

(2) The conversion of an irredeemable ground rent to a redeemable ground rent occurs on the day following the end of the period in which the notice may be recorded.

(3) A disability or lack of knowledge of any kind does not prevent the conversion of an irredeemable ground rent to a redeemable ground rent if no notice of intention to preserve irredeemability is filed within the time specified in subsection (f) of this section.

(d) (1) Any ground lease holder of an irredeemable ground rent may record a notice of intention to preserve irredeemability among the land records of the county where the land is located.

(2) The notice may be recorded by:

(i) The person claiming to be the ground lease holder; or

(ii) If the ground lease holder is under a disability or otherwise unable to assert a claim on the ground lease holder's own behalf, any other person acting on the ground lease holder's behalf.

(e) (1) To be effective and to be entitled to be recorded, the notice shall be executed by the ground lease holder, acknowledged before a notary public, and contain substantially the following information:

(i) An accurate description of the leasehold interest affected by the notice, including, if known, the property improvement address;

(ii) The name of every ground lease holder of an irredeemable ground rent;

(iii) The name of every leasehold tenant as of the time the notice is filed according to the land records or the records of the State Department of Assessments and Taxation;

(iv) The recording reference of the ground lease;

(v) The recording reference of every leasehold tenant's leasehold

deed, as of the time the notice is filed, according to the land records or the records of the State Department of Assessments and Taxation;

(vi) The recording reference of every irredeemable ground rent ground lease holder's deed; and

(vii) The block number for the leasehold interest if the property is located in Baltimore City.

(2) (i) A notice that substantially meets the requirements of this section shall be accepted for recording among the land records on payment of the same fees as are charged for the recording of deeds.

(ii) The filing of a notice is exempt from the imposition of a State or local excise tax.

(3) The notice shall be indexed as "Notice of Intention to Preserve Irredeemability":

(i) In the grantee indices of deeds under the name of every ground lease holder of an irredeemable ground rent;

(ii) In the grantor indices of deeds under the name of every leasehold tenant as of the time the notice is filed according to the land records or the records of the State Department of Assessments and Taxation; and

(iii) In the block index in Baltimore City.

(f) (1) To preserve the irredeemability of an irredeemable ground rent, a notice of intention to preserve shall be recorded on or before December 31, 2010.

(2) If a notice of intention to preserve is not recorded on or before December 31, 2010, the ground rent becomes a redeemable ground rent.

(3) If a notice is recorded on or before December 31, 2010, the ground rent shall remain irredeemable for a period of 10 years from January 1, 2011, to December 31, 2020, both inclusive.

(4) (i) The effectiveness of a filed notice to preserve irredeemability shall lapse on January 1, 2021, and the ground rent shall become a redeemable ground rent, unless a renewal notice containing substantially the same information as the notice of intention to preserve irredeemability is recorded within 6 months before the expiration of the 10–year period set forth in paragraph (3) of this subsection.

(ii) The effectiveness of any subsequently filed renewal notice shall lapse after the expiration of the applicable 10–year period and the ground rent shall become a redeemable ground rent, unless further renewal notices are recorded within 6 months before the expiration of the applicable 10–year period.

(g) A ground rent made redeemable in accordance with this section:

(1) Is redeemable at any time following the date of conversion of the irredeemable ground rent to a redeemable ground rent; and

(2) Shall be redeemable for a sum equal to the annual rent reserved multiplied by 16.66, which is capitalization at 6 percent.

§8–111.

If a tenant named in a lease or an assignee of a lease applies to the tenant's landlord for a renewal under a covenant in the lease giving the tenant the right to renewal, and if the tenant cannot produce vouchers or satisfactory evidence showing payment of rent accrued for three years next preceding the tenant's demand and application, the landlord, before executing the renewal of the lease or causing it to be executed, is entitled to demand and recover not more than three years' back rent, in addition to any renewal fine that may be provided for in the lease. The tenant may plead this section in bar of the recovery of any larger amount of rent.

§8–111.1.

(a) This section applies to all residential leases or subleases in effect on or after October 1, 1999, which have an initial term of 99 years and which create a leasehold estate, or subleasehold estate, subject to the payment of an annual ground rent.

(b) In any suit, action, or proceeding by a landlord, or the transferee of the reversion in leased property, to recover back rent, the landlord, or the transferee of the reversion in leased property is entitled to demand or recover not more than 3 years back rent.

(c) (1) Notwithstanding any other provision of law, in any suit, action, or proceeding to recover back rent, a landlord or holder of a ground rent may only recover not more than 3 years back rent if the property is:

(i) Owned or acquired by any means by the Mayor and City Council of Baltimore; and

(ii) Abandoned property, as defined in § 21–17(a)(2) of the Public Local Laws of Baltimore City, or distressed property, as defined in § 21–17(a)(3) of the Public Local Laws of Baltimore City.

(2) With regard to property described under paragraph (1) of this subsection, a landlord may request in writing that the Mayor and City Council of Baltimore acquire the reversionary interest under the ground rent for the market value established at the time of the acquisition by the Mayor and City Council of the leasehold interest under the ground rent.

§8–111.2.

(a) This section does not apply to property:

(1) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(2) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units;

(3) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park; or

(4) Subject to an affordable housing land trust agreement executed under Title 14, Subtitle 5 of this article.

(b) On or after January 22, 2007, the owner of a fee simple or leasehold estate in residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units may not create a reversionary interest in the property under a ground lease or a ground sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

§8–112.

If the improvements on property rented for a term of not more than seven years become untenantable by reason of fire or unavoidable accident, the tenancy terminates, and all liability for rent ceases on payment proportionately to the day of fire or unavoidable accident.

§8–113.

A covenant or promise by the tenant to leave, restore, surrender, or yield the leased premises in good repair does not bind the tenant to erect any similar building or pay for any building destroyed by fire or otherwise without negligence or fault on the tenant's part.

§8–114.

The right of a tenant to remove fixtures erected by the tenant is not lost or impaired by the tenant's acceptance of a subsequent lease of the same premises without any intermediate surrender of possession.

§8–115.

(a) If a share of growing crops is reserved as rent, the rent reserved is a lien on the crops.

(b) In Calvert, Charles, Prince George's, St. Mary's, and Worcester counties, if

a share of growing crops is reserved as rent, or advances by the landlord are made on the faith of the crops to be grown, the reserved rent and advances made are a lien on the crops. However, the contract making the advances shall be written and executed by the landlord and tenant.

(c) Any lien provided for by this section is not divested by sale by the tenant, the personal representative of a deceased tenant, by the assignment of the tenant in bankruptcy or insolvency, or by process of law.

§8–116.

(a) If tobacco is grown on leased property and the tenant fails to make reasonable progress within six months from September 1 to strip and place the tobacco on the market, the landlord may strip, pack, ship, and sell at the tenant's expense any time after March 1, tobacco grown on the leased premises by the tenant in any previous year. All expenses paid by the landlord in the stripping, packing, shipment, or sale shall be a first and prior lien on the tobacco and the proceeds of the sale, notwithstanding any other agreement or obligation of the tenant or provision of law.

(b) A tenant or the tenant's agent, who interferes, directly or indirectly with the stripping, packing, shipment, or sale of tobacco by the landlord, is guilty of a misdemeanor and, on conviction, is subject to a fine of not less than $100 or by imprisonment for not less than 90 days nor more than six months, or both.

§8–117.

(a) If a propane gas container with a total capacity of 25 gallons or more is placed on land, whether aboveground or underground, by a person other than the owner of the land under a lease or bailment between the landowner and the person placing the container on the land, the container is movable property during the term of the lease or bailment.

(b) During the term of the lease or bailment, the ownership of the container:

(1) Is not affected by the public or private sale of the land on which it is placed; and

(2) Is not subordinate to the rights of any purchaser of the land at the sale.

§8–118.

(a) In an action under § 8-401, § 8-402, or § 8-402.1 of this title in which a party demands a jury trial, the District Court immediately shall enter an order directing the tenant or anyone holding under the tenant to pay all rents as they come due during the pendency of the action, as prescribed in subsection (b) of this section. The order shall require the rent to be paid as and when due under the lease starting with the next rent due date after the action was filed.

(b) The District Court shall order that the rents be paid:

(1) Into the registry of an escrow account of:

(i) The clerk of the circuit court; or

(ii) If directed by the District Court, an administrative agency of the county which is empowered by local law to hold rents in escrow pending investigation and disposition of complaints by tenants; or

(2) To the landlord if both the tenant and landlord agree or at the discretion of the District Court.

(c) (1) In an action under § 8-401, § 8-402, or § 8-402.1 of this title, if the tenant or anyone holding under the tenant fails to pay rent as it comes due pursuant to the terms of the order, the circuit court, on motion of the landlord and certification of the clerk, the landlord, or agency of the status of the delinquent account, shall conduct a hearing within 30 days.

(2) The District Court's escrow order and the clerk's certification are presumed to be valid.

(3) The tenant may dispute the validity or terms of the District Court's escrow order or raise any other defense to the tenant's alleged noncompliance with the order.

(4) If the circuit court determines that the failure to pay is without legal justification, the court may treat the tenant's demand for jury trial as waived, and can either immediately conduct a nonjury trial or set the matter for a future nonjury trial on the merits of the landlord's claim.

(d) Upon final disposition of the action, the circuit court shall order distribution of the rent escrow account in accordance with the judgment. If no judgment is entered, the circuit court shall order distribution to the party entitled to the rent escrow account after hearing.

§8–118.1.

(a) (1) In an action under § 8-402.4 of this title in which a party demands a jury trial, the District Court immediately shall enter an order directing the person or entity in possession to pay the monthly fair rental value of the premises that is subject to the action, or such other amount as the court may determine is proper, starting as of the date the action was filed, as required in subsection (b) of this section.

(2) The order shall require the amount determined by the court to be paid within 5 days of the date of the order.

(b) The District Court shall order that the amount determined by the court be

paid:

(1) Into the registry of an escrow account of the clerk of the circuit court; or

(2) To the plaintiff if both the defendant and the plaintiff agree or at the discretion of the District Court.

(c) (1) If the person or entity fails to pay under the terms of the order, the circuit court, on motion of the person or entity claiming possession and certification of the clerk or the plaintiff, if the payment is made to the plaintiff, of the status of the account, shall conduct a hearing within 30 days.

(2) The District Court's escrow order and the clerk's certification are presumed to be valid.

(3) The person or entity in possession may dispute the validity or terms of the District Court's escrow order or raise any other defense to the person's alleged noncompliance with the order.

(d) (1) If the circuit court determines that the failure to pay is without legal justification, the court may treat the person or entity in possession's demand for jury trial as waived, and can immediately conduct a nonjury trial or set the matter for a future nonjury trial on the merits of the claim of the person or entity claiming possession.

(2) If the circuit court, on motion, determines that either party is entitled to possession as a matter of law, the court shall enter a judgment in favor of that party for possession of the property and for any other appropriate relief.

(e) (1) Upon final disposition of the action, the circuit court shall order distribution of the escrow account in accordance with the judgment.

(2) If no judgment is entered, the circuit court shall order distribution to the party entitled to the escrow account after hearing.

§8–201.

(a) This subtitle is applicable only to residential leases unless otherwise provided.

(b) This subtitle does not apply to a tenancy arising after the sale of owner-occupied residential property where the seller and purchaser agree that the seller may remain in possession of the property for a period of not more than 60 days after the settlement.

§8–202.

(a) For the purposes of this section, a "lease option agreement" means any clause in a lease agreement or separate document that confers on the tenant some power, either qualified or unqualified, to purchase the landlord's interest in the property.

(b) (1) A lease option agreement to purchase improved residential property, with or without a ground rent, executed after July 1, 1971 shall contain a statement in capital letters: THIS IS NOT A CONTRACT TO BUY.

(2) In addition, the agreement shall contain a clear statement of its purpose and effect with respect to the ultimate purchase of the property which is the subject of the lease option.

(c) If a lease option agreement fails to comply with subsection (b) of this section and is otherwise enforceable, the lease, the lease option agreement, or both may be voided at the option of the party that did not draft the lease option agreement.

§8–203.

(a) (1) In this section the following words have the meanings indicated.

(2) "Landlord" means a landlord or a prospective landlord.

(3) "Security deposit" means any payment of money, including payment of the last month's rent in advance of the time it is due, given to a landlord by a tenant in order to protect the landlord against nonpayment of rent, damage due to breach of lease, or damage to the leased premises, common areas, major appliances, and furnishings.

(4) "Tenant" means a tenant or a prospective tenant.

(b) (1) A landlord may not impose a security deposit in excess of the equivalent of two months' rent per dwelling unit, regardless of the number of tenants.

(2) If a landlord charges more than the equivalent of two months' rent per dwelling unit as a security deposit, the tenant may recover up to threefold the extra amount charged, plus reasonable attorney's fees.

(3) An action under this section may be brought at any time during the tenancy or within two years after its termination.

(c) The landlord shall give the tenant a receipt for the security deposit as specified in § 8–203.1 of this subtitle. The receipt may be included in a written lease.

(d) (1) (i) The landlord shall maintain all security deposits in federally insured financial institutions, as defined in § 1–101 of the Financial Institutions Article, which do business in the State.

(ii) Security deposit accounts shall be maintained in branches of the financial institutions which are located within the State and the accounts shall be devoted exclusively to security deposits and bear interest.

(iii) A security deposit shall be deposited in an account within 30 days after the landlord receives it.

(iv) The aggregate amount of the accounts shall be sufficient in amount to equal all security deposits for which the landlord is liable.

(2) (i) In lieu of the accounts described in paragraph (1) of this subsection, the landlord may hold the security deposits in insured certificates of deposit at branches of federally insured financial institutions, as defined in § 1–101 of the Financial Institutions Article, located in the State or in securities issued by the federal government or the State of Maryland.

(ii) In the aggregate certificates of deposit or securities shall be sufficient in amount to equal all security deposits for which the landlord is liable.

(3) (i) In the event of sale or transfer of the landlord's interest in the leased premises, including receivership or bankruptcy, the landlord or the landlord's estate, but not the managing agent or court appointed receiver, shall remain liable to the tenant and the transferee for maintenance of the security deposit as required by law, and the withholding and return of the security deposit plus interest as required by law, as to all or any portion of the security deposit that the landlord fails to deliver to the transferee together with an accounting showing the amount and date of the original deposit, the records of the interest rates applicable to the security deposit, if any, and the name and last known address of the tenant from whom, or on whose behalf, the deposit was received.

(ii) A security deposit under this section may not be attached by creditors of the landlord or of the tenant.

(4) Any successor in interest is liable to the tenant for failure to return the security deposit, together with interest, as provided in this section.

(e) (1) (i) Within 45 days after the end of the tenancy, the landlord shall return the security deposit to the tenant together with simple interest which has accrued at the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld.

(ii) For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

1. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and

2. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

(2) Interest shall accrue at six–month intervals from the day the tenant gives the landlord the security deposit. Interest is not compounded.

(3) Interest shall be payable only on security deposits of $50 or more.

(4) If the landlord, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days after the termination of the tenancy, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(f) (1) (i) The security deposit, or any portion thereof, may be withheld for unpaid rent, damage due to breach of lease or for damage by the tenant or the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, and furnishings owned by the landlord.

(ii) The tenant has the right to be present when the landlord or the landlord's agent inspects the premises in order to determine if any damage was done to the premises, if the tenant notifies the landlord by certified mail of the tenant's intention to move, the date of moving, and the tenant's new address.

(iii) The notice to be furnished by the tenant to the landlord shall be mailed at least 15 days prior to the date of moving.

(iv) Upon receipt of the notice, the landlord shall notify the tenant by certified mail of the time and date when the premises are to be inspected.

(v) The date of inspection shall occur within five days before or five days after the date of moving as designated in the tenant's notice.

(vi) The tenant shall be advised of the tenant's rights under this subsection in writing at the time of the tenant's payment of the security deposit.

(vii) Failure by the landlord to comply with this requirement forfeits the right of the landlord to withhold any part of the security deposit for damages.

(2) The security deposit is not liquidated damages and may not be forfeited to the landlord for breach of the rental agreement, except in the amount that the landlord is actually damaged by the breach.

(3) In calculating damages for lost future rents any amount of rents received by the landlord for the premises during the remainder if any, of the tenant's term, shall reduce the damages by a like amount.

(g) (1) If any portion of the security deposit is withheld, the landlord shall present by first–class mail directed to the last known address of the tenant, within 45 days after the termination of the tenancy, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the cost actually incurred.

(2) If the landlord fails to comply with this requirement, the landlord forfeits the right to withhold any part of the security deposit for damages.

(h) (1) The provisions of subsections (e)(1) and (4) and (g)(1) and (2) of this section are inapplicable to a tenant who has been evicted or ejected for breach of a condition or covenant of a lease prior to the termination of the tenancy or who has abandoned the premises prior to the termination of the tenancy.

(2) (i) A tenant specified in paragraph (1) of this subsection may demand return of the security deposit by giving written notice by first–class mail to the landlord within 45 days of being evicted or ejected or of abandoning the premises.

(ii) The notice shall specify the tenant's new address.

(iii) 1. The landlord, within 45 days of receipt of such notice, shall present, by first–class mail to the tenant, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the costs actually incurred and shall return to the tenant the security deposit together with simple interest which has accrued at the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld.

2. For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

A. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and

B. Multiplying the result obtained under item A of this subsubparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

(3) (i) If a landlord fails to send the list of damages required by paragraph (2) of this subsection, the right to withhold any part of the security deposit for damages is forfeited.

(ii) If a landlord fails to return the security deposit as required by paragraph (2) of this subsection, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(4) Except to the extent specified, this subsection may not be interpreted to alter the landlord's duties under subsections (e) and (g) of this section.

(i) (1) Under this subsection, a landlord:

(i) May not require the tenant to purchase a surety bond; and

(ii) Is not required to consent to the tenant's purchase of a surety bond.

(2) (i) Instead of paying all or part of a security deposit to a landlord under this section, a tenant may purchase a surety bond to protect the landlord against:

1. Nonpayment of rent;

2. Damage due to breach of lease; or

3. Damage caused by the tenant or the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, or furnishings owned by the landlord.

(ii) A surety shall refund to a tenant any premium or other charge paid by the tenant in connection with a surety bond if, after the tenant purchases a surety bond, the landlord refuses to accept the surety bond or the tenant does not enter into a lease with the landlord.

(3) (i) The amount of a surety bond purchased instead of a security deposit may not exceed two months' rent per dwelling unit.

(ii) If a tenant purchases a surety bond and provides a security deposit in accordance with this section, the aggregate amount of both the surety bond and security deposit may not exceed two months' rent per dwelling unit.

(iii) 1. If a landlord consents to a surety bond but requires the surety bond to be in an amount in excess of two months' rent, the tenant may recover up to three times the extra amount charged for the surety bond, plus reasonable attorney's fees.

2. If a landlord consents to both a surety bond and a security deposit but requires the surety bond and the security deposit to be in an aggregate amount in excess of two months' rent, the tenant may recover up to three times the extra amount charged for the surety bond, plus reasonable attorney's fees.

(4) Before a tenant purchases a surety bond instead of paying all or part of a security deposit, a surety shall disclose in writing to the tenant that:

(i) Payment for a surety bond is nonrefundable;

(ii) The surety bond is not insurance for the tenant;

(iii) The surety bond is being purchased to protect the landlord

against loss due to nonpayment of rent, breach of lease, or damages caused by the tenant;

(iv) The tenant may be required to reimburse the surety for amounts the surety paid to the landlord;

(v) Even after a tenant purchases a surety bond, the tenant is responsible for payment of:

1. All unpaid rent;

2. Damage due to breach of lease; and

3. Damage by the tenant or the tenant's family, agents, employees, guests, or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, or furnishings owned by the landlord;

(vi) The tenant has the right to pay the damages directly to the landlord or require the landlord to use the tenant's security deposit, if any, before the landlord makes a claim against the surety bond; and

(vii) If the surety fails to comply with the requirements of this paragraph, the surety forfeits the right to make any claim against the tenant under the surety bond.

(5) (i) A tenant who purchases a surety bond in accordance with this subsection has the right to have the dwelling unit inspected by the landlord in the tenant's presence for the purpose of making a written list of the damages that exist at the commencement of the tenancy, if the tenant requests an inspection by certified mail within 15 days of the tenant's occupancy.

(ii) A tenant who provides a surety bond under this subsection shall have all the rights provided under subsection (f)(1)(ii) through (v) of this section.

(iii) The surety or landlord shall deliver to a tenant a copy of any agreements or documents signed by the tenant at the time of the tenant's purchase of the surety bond.

(iv) A tenant shall be advised in writing of all of the tenant's rights under this subsection prior to the purchase of a surety bond.

(6) (i) A surety bond may be used to pay claims by a landlord for:

1. Unpaid rent;

2. Damage due to breach of lease; or

3. Damage by the tenant or the tenant's family, agents,

employees, guests, or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, or furnishings owned by the landlord.

(ii) A surety bond does not represent liquidated damages and may not be used as payment to a landlord for breach of the rental agreement, except in the amount that the landlord is actually damaged by the breach.

(iii) Except as provided in subparagraphs (i) and (ii) of this paragraph, a surety may not, directly or indirectly, make any other payment to a landlord.

(7) At least 10 days before a landlord makes a claim against a surety bond subject to this subsection, the landlord shall send to the tenant by first–class mail directed to the last known address of the tenant, a written list of the damages to be claimed and a statement of the costs actually incurred by the landlord.

(8) (i) A tenant shall have the right to pay any damages directly to the landlord or require the landlord to use the tenant's security deposit, if any, before the landlord makes a claim against the surety bond.

(ii) If a tenant pays any damages directly to the landlord or requires the landlord to use the tenant's security deposit under subparagraph (i) of this paragraph and the payment fully satisfies the claim, the landlord shall forfeit the right to make a claim under the surety bond for any damages covered by the tenant's payment or the amount deducted from the tenant's security deposit in accordance with subparagraph (i) of this paragraph.

(9) (i) The tenant may dispute the landlord's claim to the surety by sending a written response by first–class mail to the surety within 10 days after receiving the landlord's claim on the surety.

(ii) If the tenant disputes the claim, the surety may not report the claim to a credit reporting agency prior to obtaining a judgment for the claim against the tenant.

(10) In any proceeding brought by the surety against the tenant on a surety bond under this subsection:

(i) The tenant shall retain all rights and defenses otherwise available in a proceeding between a tenant and a landlord under this section; and

(ii) Damages may only be awarded to the surety to the extent that the tenant would have been liable to the landlord under this section.

(11) (i) If a landlord's interest in the leased premises is sold or transferred, the new landlord shall accept the tenant's surety bond and may not require:

1. During the current lease term, an additional security

deposit from the tenant; or

2. At any lease renewal, a surety bond or a security deposit from the tenant that, in addition to any existing surety bond or security deposit, is in an aggregate amount in excess of two months' rent per dwelling unit.

(ii) If the aggregate amount described in subparagraph (i)2 of this paragraph is in excess of two months' rent, the tenant may recover up to three times the extra amount charged, plus reasonable attorney's fees.

(12) (i) If a landlord fails to comply with the requirements of this subsection, the landlord forfeits the right to make any claim against the surety bond.

(ii) If a surety fails to comply with the requirements of this subsection, the surety forfeits the right to make any claim against a tenant under the surety bond.

(13) If a surety, in an action against the tenant, asserts a claim under the surety bond without having a reasonable basis to assert the claim, the court may grant the tenant damages of up to three times the amount claimed plus reasonable attorney's fees.

(14) A surety bond issued under this subsection may only be issued by an admitted carrier licensed by the Maryland Insurance Administration.

(j) No provision of this section may be waived in any lease.

(k) The Department of Housing and Community Development shall maintain on its Web site:

(1) A list of daily U.S. Treasury yield curve rates for 1 year, as of the first business day of each year, to be used in calculating the interest on a security deposit; or

(2) A customized calculator that calculates the interest due on a security deposit by allowing a user to enter a tenancy start date, a tenancy end date, and the amount of the security deposit.

(l) A landlord is entitled to rely on the list of yield curve rates or the customized calculator maintained by the Department of Housing and Community Development under subsection (k) of this section when calculating the interest on a security deposit.

§8–203.1.

(a) A receipt for a security deposit shall notify the tenant of the following:

(1) The right to have the dwelling unit inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the commencement of the tenancy if the tenant so requests by certified mail within 15 days

of the tenant's occupancy;

(2) The right to be present when the landlord inspects the premises at the end of the tenancy in order to determine if any damage was done to the premises if the tenant notifies the landlord by certified mail at least 15 days prior to the date of the tenant's intended move, of the tenant's intention to move, the date of moving, and the tenant's new address;

(3) The landlord's obligation to conduct the inspection within 5 days before or after the tenant's stated date of intended moving;

(4) The landlord's obligation to notify the tenant in writing of the date of the inspection;

(5) The tenant's right to receive, by first–class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord and the actual costs, within 45 days after the termination of the tenancy;

(6) The obligation of the landlord to return any unused portion of the security deposit, by first–class mail, addressed to the tenant's last known address within 45 days after the termination of the tenancy; and

(7) A statement that failure of the landlord to comply with the security deposit law may result in the landlord being liable to the tenant for a penalty of up to 3 times the security deposit withheld, plus reasonable attorney's fees.

(b) The landlord shall retain a copy of the receipt for a period of 2 years after the termination of the tenancy, abandonment of the premises, or eviction of the tenant, as the case may be.

(c) The landlord shall be liable to the tenant in the sum of $25 if the landlord fails to provide a written receipt for the security deposit.

§8–204.

(a) This section is applicable only to single or multi-family dwelling units.

(b) A landlord shall assure the tenant that the tenant, peaceably and quietly, may enter on the leased premises at the beginning of the term of any lease.

(c) If the landlord fails to provide the tenant with possession of the dwelling unit at the beginning of the term of any lease, the rent payable under the lease shall abate until possession is delivered. The tenant, on written notice to the landlord before possession is delivered, may terminate, cancel, and rescind the lease.

(d) On termination of the lease under this section, the landlord is liable to the tenant for all money or property given as prepaid rent, deposit, or security.

(e) If the landlord fails to provide the tenant with possession of the dwelling unit at the beginning of the term of any lease, whether or not the lease is terminated under this section, the landlord is liable to the tenant for consequential damages actually suffered by the tenant subsequent to the tenant's giving notice to the landlord of the tenant's inability to enter on the leased premises.

(f) The landlord may bring an action of eviction and damages against any tenant holding over after the end of the tenant's term even though the landlord has entered into a lease with another tenant, and the landlord may join the new tenant as a party to the action.

§8–205.

(a) (1) In Anne Arundel County, unless the tenant makes payment by check or rents the property for commercial or business purposes, if property is leased for any definite term or at will, the landlord shall give the tenant a receipt showing payment and the time period which the payment covers.

(2) On conviction of violating this section, any person or agent shall forfeit the rent for the period in question.

(b) Except as otherwise provided in subsection (a) of this section, the landlord or landlord's agent shall give the tenant a receipt if the tenant:

(1) Makes payment in cash; or

(2) Requests a receipt.

(c) In addition to any other penalty, the landlord shall be liable to the tenant in the sum of $25 if the landlord fails to provide a written receipt as required by this section.

§8–206.

(a) Evictions described in subsection (b) of this section are called "retaliatory evictions".

(b) No landlord may evict a tenant of any residential property in Montgomery County because:

(1) The tenant has filed a complaint against the landlord with any public agency;

(2) The tenant has filed a lawsuit against the landlord; or

(3) The tenant is a member of any tenants' organization.

(c) If the judgment is in favor of the tenant in any eviction proceeding for any

of the defenses in subsection (b) of this section, the court may enter judgment for reasonable attorney fees and court costs against the landlord.

(d) Nothing in this section restricts the authority of Montgomery County to legislate in the area of landlord–tenant affairs.

(e) In addition to any other remedies provided under this title, Montgomery County may, by local law, establish authorization for a local agency to invoke enforcement procedures upon an administrative determination that a proposed eviction is retaliatory as prohibited by State or local law. These enforcement procedures may include injunctive or other equitable relief.

§8–207.

(a) The aggrieved party in a breach of a lease has a duty to mitigate damages if the damages result from the landlord's or tenant's:

(1) Failure to supply possession of the dwelling unit;

(2) Failure or refusal to take possession at the beginning of the term; or

(3) Termination of occupancy before the end of the term.

(b) The provisions of subsection (a) of this section do not impose an obligation to show or lease the vacated dwelling unit in preference to other available units.

(c) If a tenant wrongly fails or refuses to take possession of or vacates the dwelling unit before the end of the tenant's term, the landlord may sublet the dwelling unit without prior notice to the tenant in default. The tenant in default is secondarily liable for rent for the term of the tenant's original agreement in addition to the tenant's liability for consequential damages resulting from the tenant's breach, if the landlord gives the tenant prompt notice of any default by the sublessee.

(d) No provision in this section may be waived in any lease.

§8–208.

(a) (1) On or after October 1, 1999, any landlord who offers 5 or more dwelling units for rent in the State may not rent a residential dwelling unit without using a written lease.

(2) If a landlord fails to comply with paragraph (1) of this subsection, the term of the tenancy is presumed to be 1 year from the date of the tenant's first occupancy unless the tenant elects to end the tenancy at an earlier date by giving 1 month's written notice.

(b) A landlord who rents using a written lease shall provide, upon written request from any prospective applicant for a lease, a copy of the proposed form of

lease in writing, complete in every material detail, except for the date, the name and address of the tenant, the designation of the premises, and the rental rate without requiring execution of the lease or any prior deposit.

(c) A lease shall include:

(1) A statement that the premises will be made available in a condition permitting habitation, with reasonable safety, if that is the agreement, or if that is not the agreement, a statement of the agreement concerning the condition of the premises; and

(2) The landlord's and the tenant's specific obligations as to heat, gas, electricity, water, and repair of the premises.

(d) A landlord may not use a lease or form of lease containing any provision that:

(1) Has the tenant authorize any person to confess judgment on a claim arising out of the lease;

(2) Has the tenant agree to waive or to forego any right or remedy provided by applicable law;

(3) (i) Provides for a penalty for the late payment of rent in excess of 5% of the amount of rent due for the rental period for which the payment was delinquent; or

(ii) In the case of leases under which the rent is paid in weekly rental installments, provides for a late penalty of more than $3 per week or a total of no more than $12 per month;

(4) Has the tenant waive the right to a jury trial;

(5) Has the tenant agree to a period required for landlord's notice to quit which is less than that provided by applicable law; provided, however, that neither party is prohibited from agreeing to a longer notice period than that required by applicable law;

(6) Authorizes the landlord to take possession of the leased premises, or the tenant's personal property unless the lease has been terminated by action of the parties or by operation of law, and the personal property has been abandoned by the tenant without the benefit of formal legal process;

(7) Is against public policy and void pursuant to § 8-105 of this title; or

(8) Permits a landlord to commence an eviction proceeding or issue a notice to quit solely as retaliation against any tenant for planning, organizing, or joining a tenant organization with the purpose of negotiating collectively with the

landlord.

(e) (1) Except for a lease containing an automatic renewal period of 1 month or less, a lease that contains a provision calling for an automatic renewal of the lease term unless prior notice is given by the party or parties seeking to terminate the lease, shall have the provision distinctly set apart from any other provision of the lease and provide a space for the written acknowledgment of the tenant's agreement to the automatic renewal provision.

(2) An automatic renewal provision that is not specifically accompanied by either the tenant's initials, signature, or witnessed mark is unenforceable by the landlord.

(f) No provision of this section shall be deemed to be a bar to the applicability of supplementary rights afforded by any public local law enacted by the General Assembly or any ordinance or local law enacted by any municipality or political subdivision of this State; provided, however, that no such law can diminish or limit any right or remedy granted under the provisions of this section.

(g) (1) Any lease provision which is prohibited by terms of this section shall be unenforceable by the landlord.

(2) If the landlord includes in any lease a provision prohibited by this section or made unenforceable by § 8-105 or § 8-203 of this title, at any time subsequent to July 1, 1975, and tenders a lease containing such a provision or attempts to enforce or makes known to the tenant an intent to enforce any such provision, the tenant may recover any actual damages incurred as a reason thereof, including reasonable attorney's fees.

(h) If any word, phrase, clause, sentence, or any part or parts of this section shall be held unconstitutional by any court of competent jurisdiction such unconstitutionality shall not affect the validity of the remaining parts of this section.

§8–208.1.

(a) (1) For any reason listed in paragraph (2) of this subsection, a landlord of any residential property may not:

(i) Bring or threaten to bring an action for possession against a tenant;

(ii) Arbitrarily increase the rent or decrease the services to which a tenant has been entitled; or

(iii) Terminate a periodic tenancy.

(2) A landlord may not take an action that is listed under paragraph (1) of this subsection for any of the following reasons:

(i) Because the tenant or the tenant's agent has provided written or actual notice of a good faith complaint about an alleged violation of the lease, violation of law, or condition on the leased premises that is a substantial threat to the health or safety of occupants to:

1. The landlord; or

2. Any public agency against the landlord;

(ii) Because the tenant or the tenant's agent has:

1. Filed a lawsuit against the landlord; or

2. Testified or participated in a lawsuit involving the landlord; or

(iii) Because the tenant has participated in any tenants' organization.

(b) (1) A landlord's violation of subsection (a) of this section is a "retaliatory action".

(2) A tenant may raise a retaliatory action of a landlord:

(i) In defense to an action for possession; or

(ii) As an affirmative claim for damages resulting from a retaliatory action of a landlord occurring during a tenancy.

(c) (1) If in any proceeding the court finds in favor of the tenant because the landlord engaged in a retaliatory action, the court may enter judgment against the landlord for damages not to exceed the equivalent of 3 months' rent, reasonable attorney fees, and court costs.

(2) If in any proceeding the court finds that a tenant's assertion of a retaliatory action was in bad faith or without substantial justification, the court may enter judgment against the tenant for damages not to exceed the equivalent of 3 months' rent, reasonable attorney fees, and court costs.

(d) The relief provided under this section is conditioned on the tenant being current on the rent due and owing to the landlord at the time of the alleged retaliatory action, unless the tenant withholds rent in accordance with the lease, § 8–211 of this subtitle, or a comparable local ordinance.

(e) An action by a landlord may not be deemed to be retaliatory for purposes of this section if the alleged retaliatory action occurs more than 6 months after a tenant's action that is protected under subsection (a)(2) of this section.

(f) As long as a landlord's termination of a tenancy is not the result of a

retaliatory action, nothing in this section may be interpreted to alter the landlord's or the tenant's rights to terminate or not renew a tenancy.

(g) If any county has enacted or enacts an ordinance comparable in subject matter to this section, this section shall supersede the provisions of the ordinance to the extent that the ordinance provides less protection to a tenant.

§8–208.2.

(a) Notwithstanding the provisions of § 8-208.1 of this subtitle, a landlord of real property subject to the provisions of Title 6, Subtitle 8 of the Environment Article may not evict or take any other retaliatory action against a tenant primarily as a result of the tenant providing information to the landlord under Title 6, Subtitle 8 of the Environment Article.

(b) For purposes of this section, a retaliatory action includes:

(1) An arbitrary refusal to renew a lease;

(2) Termination of a tenancy;

(3) An arbitrary rent increase or decrease in services to which the tenant is entitled; or

(4) Any form of constructive eviction.

(c) A tenant subject to an eviction or retaliatory action under this section is entitled to the relief, and is eligible for reasonable attorney's fees and costs, authorized under § 8-208.1 of this subtitle.

(d) Nothing in this section may be interpreted to alter the landlord's or the tenant's rights arising from a breach of any provision of a lease.

§8–208.3.

Every landlord shall maintain a records system showing the dates and amounts of rent paid to the landlord by the tenant or tenants and showing also the fact that a receipt of some form was given to each tenant for each cash payment of rent.

§8–210.

(a) (1) The landlord of any residential rental property shall include in a written lease or post a sign in a conspicuous place on that property listing the name, address, and telephone number of:

(i) The landlord; or

(ii) The person, if any, authorized to accept notice or service of process on behalf of the landlord.

(2) If a landlord fails to comply with paragraph (1) of this subsection, notice or service of process shall be deemed to be proper if the tenant sends notice or service of process by any of the following means:

(i) To the person to whom the rent is paid;

(ii) To the address where the rent is paid; or

(iii) To the address where the tax bill is sent.

(b) (1) This subsection applies only in Montgomery County.

(2) In this subsection, "development" has the meaning provided in § 11B-101 of this article.

(3) (i) Before execution by a tenant of a lease for an initial term of 125 days or more, the owner of any residential rental property within any condominium or development shall provide to the prospective tenant, to the extent applicable, a copy of the rules, declaration, and recorded covenants and restrictions that limit or affect the use and occupancy of the property or common areas and to which the owner is obligated.

(ii) The written lease shall include a statement, if applicable, that the obligations of the owner that limit or affect the use and occupancy of the property are enforceable against the owner's tenant.

§8–211.

(a) The purpose of this section is to provide tenants with a mechanism for encouraging the repair of serious and dangerous defects which exist within or as part of any residential dwelling unit, or upon the property used in common of which the dwelling unit forms a part. The defects sought to be reached by this section are those which present a substantial and serious threat of danger to the life, health and safety of the occupants of the dwelling unit, and not those which merely impair the aesthetic value of the premises, or which are, in those locations governed by such codes, housing code violations of a nondangerous nature. The intent of this section is not to provide a remedy for dangerous conditions in the community at large which exists apart from the leased premises or the property in common of which the leased premises forms a part.

(b) It is the public policy of Maryland that meaningful sanctions be imposed upon those who allow dangerous conditions and defects to exist in leased premises, and that an effective mechanism be established for repairing these conditions and halting their creation.

(c) This section applies to residential dwelling units leased for the purpose of human habitation within the State of Maryland. This section does not apply to farm tenancies.

(d) This section applies to all applicable dwelling units whether they are (1) publicly or privately owned or (2) single or multiple units.

(e) This section provides a remedy and imposes an obligation upon landlords to repair and eliminate conditions and defects which constitute, or if not promptly corrected will constitute, a fire hazard or a serious and substantial threat to the life, health or safety of occupants, including, but not limited to:

(1) Lack of heat, light, electricity, or hot or cold running water, except where the tenant is responsible for the payment of the utilities and the lack thereof is the direct result of the tenant's failure to pay the charges;

(2) Lack of adequate sewage disposal facilities;

(3) Infestation of rodents in two or more dwelling units;

(4) The existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; or

(5) The existence of any condition which presents a health or fire hazard to the dwelling unit.

(f) This section does not provide a remedy for the landlord's failure to repair and eliminate minor defects or, in those locations governed by such codes, housing code violations of a nondangerous nature. There is a rebuttable presumption that the following conditions, when they do not present a serious and substantial threat to the life, health and safety of the occupants, are not covered by this section:

(1) Any defect which merely reduces the aesthetic value of the leased premises, such as the lack of fresh paint, rugs, carpets, paneling or other decorative amenities;

(2) Small cracks in the walls, floors or ceilings;

(3) The absence of linoleum or tile upon the floors, provided that they are otherwise safe and structurally sound; or

(4) The absence of air conditioning.

(g) In order to employ the remedies provided by this section, the tenant shall notify the landlord of the existence of the defects or conditions. Notice shall be given by (1) a written communication sent by certified mail listing the asserted conditions or defects, or (2) actual notice of the defects or conditions, or (3) a written violation, condemnation or other notice from an appropriate State, county, municipal or local government agency stating the asserted conditions or defects.

(h) The landlord has a reasonable time after receipt of notice in which to make the repairs or correct the conditions. The length of time deemed to be reasonable is a

question of fact for the court, taking into account the severity of the defects or conditions and the danger which they present to the occupants. There is a rebuttable presumption that a period in excess of 30 days from receipt of notice is unreasonable.

(i) If the landlord refuses to make the repairs or correct the conditions, or if after a reasonable time the landlord has failed to do so, the tenant may bring an action of rent escrow to pay rent into court because of the asserted defects or conditions, or the tenant may refuse to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense to an action for distress for rent or to any complaint proceeding brought by the landlord to recover rent or the possession of the leased premises.

(j) (1) Whether the issue of rent escrow is raised affirmatively or defensively, the tenant may request one or more of the forms of relief set forth in this section.

(2) In addition to any other relief sought, if within 90 days after the court finds that the conditions complained of by the tenant exist the landlord has not made the repairs or corrected the conditions complained of, the tenant may file a petition of injunction in the District Court requesting the court to order the landlord to make the repairs or correct the conditions.

(k) Relief under this section is conditioned upon:

(1) Giving proper notice, and where appropriate, the opportunity to correct, as described by subsection (h) of this section.

(2) Payment by the tenant, into court, of the amount of rent required by the lease, unless this amount is modified by the court as provided in subsection (m) of this section.

(3) In the case of tenancies measured by a period of one month or more, the court having not entered against the tenant 3 prior judgments of possession for rent due and unpaid in the 12–month period immediately prior to the initiation of the action by the tenant or by the landlord.

(4) In the case of periodic tenancies measured by the weekly payment of rent, the court having not entered against the tenant more than 5 judgments of possession for rent due and unpaid in the 12–month period immediately prior to the initiation of the action by the tenant or by the landlord, or, if the tenant has lived on the premises six months or less, the court having not entered against the tenant 3 judgments of possession for rent due and unpaid.

(l) It is a sufficient defense to the allegations of the tenant that the tenant, the tenant's family, agent, employees, or assignees or social guests have caused the asserted defects or conditions, or that the landlord or the landlord's agents were denied reasonable and appropriate entry for the purpose of correcting or repairing the asserted conditions or defects.

(m) The court shall make appropriate findings of fact and make any order that

the justice of the case may require, including any one or a combination of the following:

(1) Order the termination of the lease and return of the leased premises to the landlord, subject to the tenant's right of redemption;

(2) Order that the action for rent escrow be dismissed;

(3) Order that the amount of rent required by the lease, whether paid into court or to the landlord, be abated and reduced in an amount determined by the court to be fair and equitable to represent the existence of the conditions or defects found by the court to exist; or

(4) Order the landlord to make the repairs or correct the conditions complained of by the tenant and found by the court to exist.

(n) After rent escrow has been established, the court:

(1) Shall, after a hearing, if so ordered by the court or one is requested by the landlord, order that the moneys in the escrow account be disbursed to the landlord after the necessary repairs have been made;

(2) May, after an appropriate hearing, order that some or all moneys in the escrow account be paid to the landlord or the landlord's agent, the tenant or the tenant's agent, or any other appropriate person or agency for the purpose of making the necessary repairs of the dangerous conditions or defects;

(3) May, after a hearing if one is requested by the landlord, appoint a special administrator who shall cause the repairs to be made, and who shall apply to the court to pay for them out of the moneys in the escrow account;

(4) May, after an appropriate hearing, order that some or all moneys in the escrow account be disbursed to pay any mortgage or deed of trust on the property in order to stay a foreclosure;

(5) May, after a hearing, if one is requested by the tenant, order, if no repairs are made or if no good faith effort to repair is made within six months of the initial decision to place money in the escrow account, that the moneys in the escrow account be disbursed to the tenant. Such an order will not discharge the right on the part of the tenant to pay rent into court and an appeal will stay the forfeiture; or

(6) May, after an appropriate hearing, order that the moneys in the escrow account be disbursed to the landlord if the tenant does not regularly pay, into that account, the rent owed.

(o) Except as provided in § 8–211.1(e) of this subtitle, in the event any county or Baltimore City is subject to a public local law or has enacted an ordinance or ordinances comparable in subject matter to this section, commonly referred to as a "Rent Escrow Law", any such ordinance or ordinances shall supersede the provisions of this section.

§8–211.1.

(a) Notwithstanding any provision of law or any agreement, whether written or oral, if a landlord fails to comply with the applicable risk reduction standard under § 6-815 or § 6-819 of the Environment Article, the tenant may deposit the tenant's rent in an escrow account with the clerk of the District Court for the district in which the premises are located.

(b) The right of a tenant to deposit rent in an escrow account does not preclude the tenant from pursuing any other right or remedy available to the tenant at law or equity and is in addition to them.

(c) Money deposited in an escrow account shall be released under the following terms and conditions:

(1) To the lessor upon compliance by the lessor with the applicable risk reduction standard; or

(2) To the lessee or any other person who has complied with the applicable risk reduction standard on presentation of a bill for the reasonable costs of complying with the applicable risk reduction standard.

(d) A lessee may not be evicted, the tenancy may not be terminated, and the rent may not be raised for a lessee who elects to seek the remedies under this section. It shall be presumed that any attempt to evict the lessee, to terminate the tenancy, or to raise the rent, except for nonpayment of rent, within two months after compliance with the applicable risk reduction standard is in retaliation for the lessee's proceeding under this section and shall be void.

(e) This section shall preempt any public local law or ordinance concerning the deposit of rent into an escrow account based upon the existence of paint containing lead pigment on surfaces in or on a rental dwelling unit in the State and disposition of that rent.

§8–212.1.

Notwithstanding any other provision of this title, if a person who is on active duty with the United States military enters into a residential lease of property and subsequently receives permanent change of station orders or temporary duty orders for a period in excess of 3 months, any liability of the person for rent under the lease may not exceed:

(1) 30 days' rent after written notice and proof of the assignment is given to the landlord; and

(2) The cost of repairing damage to the premises caused by an act or omission of the tenant.

§8–212.2.

(a) This section does not apply to a tenant under a residential lease that contains a liquidated damages clause or early termination clause that:

(1) Requires written notice to vacate of 1 month or less; and

(2) Imposes liability for rent less than or equal to 2 months' rent after the date on which the tenant vacates the leased premises.

(b) Subject to subsection (a) of this section and notwithstanding any other provision of this title, if a tenant under a residential lease meets the conditions set forth in subsection (c) of this section, the tenant's liability for rent under the lease may not exceed 2 months' rent after the date on which the tenant vacates the leased premises.

(c) To qualify for the limitation of liability under subsection (b) of this section, the tenant shall provide to the landlord before the tenant vacates the leased premises:

(1) Subject to the provisions of subsection (d) of this section, a written certification from a physician regarding an individual who is a named party in, or an authorized occupant under the terms of, the lease that states in substantially the following form:

"I, (name of physician), hereby certify that my patient, (name of patient), is no longer able to live at his or her leased premises, (address of leased premises), because the patient has a medical condition that:

(1) Substantially restricts the physical mobility of the patient within, or from entering and exiting, the leased premises; or

(2) Requires the patient to move to a home, facility, or institution to obtain a higher level of care than can be provided at the leased premises.

I certify further that the expected duration of the patient's medical condition will continue beyond the termination date of the patient's lease, which the patient states is (termination date of lease)."; and

(2) A written notice of the termination of the lease stating the date by when the tenant will vacate the leased premises.

(d) A certification that is provided to a landlord under subsection (c)(1) of this section shall be:

(1) Written by a physician who is licensed by the State Board of Physicians to practice medicine in the State under Title 14 of the Health Occupations Article;

(2) Prepared on the letterhead or printed prescription form of the

physician; and

(3) Signed by the physician.

§8–212.3.

(a) (1) In this section the following words have the meanings indicated.

(2) "Affected dwelling unit" has the meaning stated in § 7–309 of the Public Utilities Article.

(3) "Landlord" has the meaning stated in § 7–309 of the Public Utilities Article.

(4) "Tenant" has the meaning stated in § 7–309 of the Public Utilities Article.

(5) "Utility service" has the meaning stated in § 7–309 of the Public Utilities Article.

(6) "Utility service provider" has the meaning stated in § 7–309 of the Public Utilities Article.

(b) A tenant may deduct from rent due to a landlord the amount of payments made to a utility service provider for utility service if:

(1) An oral or written lease for an affected dwelling unit requires the landlord to pay the utility bill; and

(2) (i) The tenant pays all or part of the utility bill, including payments made on a new utility service account; or

(ii) The tenant pays any security deposit required to obtain a new utility service account.

(c) A tenant's rights under this section may not be waived in any lease.

§8–213.

(a) An application for a lease shall contain a statement which explains:

(1) The liabilities which the tenant incurs upon signing the application; and

(2) The provisions of subsections (b) and (c) of this section.

(b) (1) (i) If a landlord requires from a prospective tenant any fees other than a security deposit as defined by § 8-203(a) of this subtitle, and these fees exceed $25, then the landlord shall return the fees, subject to the exceptions below, or be liable

for twice the amount of the fees in damages.

(ii) The return shall be made not later than 15 days following the date of occupancy or the written communication, by either party to the other, of a decision that no tenancy shall occur.

(2) The landlord may retain only that portion of the fees actually expended for a credit check or other expenses arising out of the application, and shall return that portion of the fees not actually expended on behalf of the tenant making application.

(c) This section does not apply to any landlord who offers four or less dwelling units for rent on one parcel of property or at one location, or to seasonal or condominium rentals.

§8–214.

(a) (1) In this section the following words have the meanings indicated.

(2) "Elderly person" means an individual who is 60 years old or older.

(3) "Landlord" means an owner of residential rental property who offers more than 3 dwelling units for rent on 1 parcel of property or at 1 location.

(b) This section applies only to Montgomery County.

(c) If a tenant is an elderly person, a landlord may not prohibit the tenant from keeping a household pet, unless specifically prohibited in writing at the time occupancy took place.

(d) A tenant is liable for any damage done to the premises by the tenant's pet.

(e) A landlord may establish reasonable rules governing the type, size, and number of pets allowed, disposal of pet waste, and aspects of pet conduct and pet control related to protection of the health and safety of other tenants and the property of the landlord.

§8–215.

(a) In this section, "affected property" and "owner" have the meanings stated in § 6–801 of the Environment Article.

(b) (1) If an owner of an affected property fails to comply with the applicable risk reduction standard under § 6–815 or § 6–819 of the Environment Article, the owner, on the written request of the tenant, shall:

(i) Immediately release the tenant from the terms of the lease or rental agreement for that property; and

(ii) Pay to the tenant all reasonable relocation expenses, not to

exceed $2,500, directly related to the permanent relocation of the tenant to a lead–free dwelling unit or another dwelling unit that has satisfied the risk reduction standard in accordance with § 6–815 of the Environment Article.

(2) A tenant's written request to the landlord under paragraph (1) of this subsection shall include any risk reduction certification information provided by the Department of the Environment.

(3) Within 3 business days of receipt of a tenant's written request under paragraph (1) of this subsection, an owner may provide to the tenant:

(i) A current and valid risk reduction certificate;

(ii) A lead–free certificate;

(iii) A statement of verification by the owner and tenant of work performed in accordance with § 6–819(g) of the Environment Article for the affected property; or

(iv) The final report of an inspector verifying that work was performed on the affected property in accordance with § 6–819(g) of the Environment Article.

(c) (1) If an owner fails to provide information in accordance with subsection (b)(3) of this section or to comply with the tenant's written request under subsection (b)(1) of this section within 3 business days of receipt of the request, the tenant may bring an action in District Court for the:

(i) Lease termination;

(ii) Reimbursement of reasonable relocation expenses; and

(iii) Reasonable attorney's fees.

(2) A tenant does not have a cause of action under this subsection if the owner of an affected property provides information in accordance with subsection (b)(3) of this section.

(d) The right of a tenant to request release in accordance with subsection (b) of this section does not preclude the tenant from pursuing any other right or remedy available to the tenant at law or equity and is in addition to them.

(e) Any action or inaction of the owner of an affected property or tenant under this section or any finding in a proceeding under this section may not be construed to have any effect on:

(1) Any civil action; or

(2) Any administrative proceeding brought under this title or Title 6 of the Environment Article.

§8–216.

(a) (1) In this section the following words have the meanings indicated.

(2) "Threaten to take possession" means using words or actions intended to convince a reasonable person that the landlord intends to take imminent possession of the property in violation of this section.

(3) (i) "Willful diminution of services" means intentionally interrupting or causing the interruption of heat, running water, hot water, electricity, or gas by the landlord for the purpose of forcing a tenant to abandon the property.

(ii) "Willful diminution of services" does not include a landlord choosing not to continue to pay for utility service for residential property after a final court order awarding possession of the residential property, if the landlord has provided the tenant reasonable notice of the landlord's intention and the opportunity for the tenant to open an account in the tenant's name for that service.

(b) (1) Except as provided in paragraph (2) of this subsection, a landlord may not take possession or threaten to take possession of a dwelling unit from a tenant or tenant holding over by locking the tenant out or any other action, including willful diminution of services to the tenant.

(2) A landlord may take possession of a dwelling unit from a tenant or tenant holding over only:

(i) In accordance with a warrant of restitution issued by a court and executed by a sheriff or constable; or

(ii) If the tenant has abandoned or surrendered possession of the dwelling unit.

(c) (1) If in any proceeding the court finds in favor of the tenant because the landlord violated subsection (b) of this section, the tenant may recover:

(i) Actual damages; and

(ii) Reasonable attorney's fees and costs.

(2) The remedies set forth in this subsection are not exclusive.

(d) This section may not be construed to prevent a landlord from taking temporary measures, including changing the locks, to secure an unsecured residential property, if the landlord makes good faith attempts to provide reasonable notice to the tenant that the tenant may promptly be restored to possession of the property.

§8–301.

(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.

(b) "Court" means the District Court.

(c) "Defendant" means a tenant.

(d) "Distress" means an action of distress filed pursuant to the provisions of this subtitle.

(e) "Goods" means goods, chattels, grain, growing crops, produce, unborn young of animals, inventory, and equipment regardless of where found or located, and includes cash money found on the leased premises. "Goods" does not include choses in action, other forms of intangible property, written contracts, securities, bonds, notes, or other instruments for the payment of money.

§8–302.

(a) Distress for rent is an action at law and shall be brought as provided in this section.

(b) Jurisdiction in a case of distress for rent is vested exclusively in the District Court regardless of the amount of rent for which distress is brought, notwithstanding any limitation imposed by law on the civil monetary jurisdiction of such court.

(c) An action of distress may be brought only for unpaid rent under a written lease for a term of more than three months, or under a tenancy at will or a periodic tenancy that has continued more than three months.

(d) An action of distress shall be brought in the county where the leased premises lie.

§8–303.

(a) An action of distress shall be brought by the landlord as plaintiff, the landlord's petition shall name the tenant as defendant and contain the following information:

(1) The name and address of the landlord;

(2) The name and address of the tenant; and

(3) The facts relating to (i) any assignment of a lease, if known, (ii) the premises leased, (iii) the date of the lease, (iv) the term of the lease, (v) the rent required to be paid by the lease, and (vi) the amount of the rent in arrears.

(b) The petition shall be under oath or affirmation of the plaintiff, or the

plaintiff's agent, that the facts recited are true and correct.

(c) If a defendant is not a resident of, or amenable to service in a county where the leased premises are located, service may be made by certified mail, return receipt requested, bearing a postmark from the United States Postal Service. If this service is returned by the Post Office Department or refused by the addressee or the addressee's agent, then process shall be sent by first-class mail and the defendant returned as summoned.

§8–304.

(a) When an action of distress is filed, the clerk shall issue an order directing the defendant to appear and show cause at a stated time why levy under an action of distress should not be made. The hearing may be not earlier than seven days from date of service on the defendant.

(b) In addition, the order shall:

(1) Direct the time within which service of the petition and show cause order shall be made on the defendant; and

(2) Inform the defendant that (i) the defendant may appear at the time stated and present evidence on the defendant's behalf; and (ii) if the defendant fails to appear, all goods on the leased premises not exempted by law may be levied on and removed by the sheriff.

§8–305.

(a) On a determination of reasonable probability, the court promptly shall issue an order directing that all goods on the leased premises not exempted by law shall be levied on. A copy of the order of levy shall be served on each tenant on the leased premises. If no tenant is found on the premises, a copy of the order shall be affixed in a prominent place on the interior of the leased premises.

(b) The officer making the levy then shall proceed to make an inventory of each article of goods distrained on and deliver a copy to each tenant found on the leased premises. If no tenant is found, the officer shall affix a copy to the premises as provided above in the case of the order.

(c) The officer serving the order shall make a return of the officer's action to the court including the date and time of return.

(d) If the plaintiff by verified petition requests the court to include in the levy goods subject to distress and claimed to be on the leased premises but not included in the levy and inventory, the court, after service of a copy of the petition on the defendant and any person claiming an interest in the goods, shall conduct a hearing on the petition. The court may amend the levy and inventory to include those goods the court finds should be included.

§8–306.

(a) The levy under an action of distress shall be made solely on goods on the leased premises, regardless of whether the goods are the property of the tenant or of some other person, except as provided in this subtitle.

(b) When the term of a lease is for more than 15 years, levy shall be made solely on the goods of the tenant or owner of the leasehold interest found on the leased premises. However, the goods of any subtenant or of any third party on the leased premises are not subject to levy under distress.

§8–307.

(a) The following are exempt from distress:

(1) Hand-powered and operated tools used by a tenant in the tenant's occupation or livelihood;

(2) Law books of an attorney;

(3) Hand-operated instruments of a physician;

(4) Medical books of a physician;

(5) Files and professional records of an attorney or physician; and

(6) The prior perfected security interest in all goods in which the tenant has an interest.

(b) The landlord in the landlord's petition shall certify as to the existence of a perfected security interest in any goods of the tenant. If the security interest was perfected prior to the levy under the distraint, the landlord either shall release the property from the distraint proceedings or pay to the holder of the security interest the balance due under the security interest. If the landlord pays the balance, it becomes a part of the costs in the distraint proceedings. However, the holder of the security interest, on demand by the landlord, shall give a true written statement of the balance due under the security interest, and, if the landlord pays the balance, the holder shall assign or release the security interest to the landlord.

§8–308.

Goods levied on under distress shall be held in custodia legis.

§8–309.

(a) In making levy under an action of distress, no forcible entry may be made into leased premises occupied and used as a dwelling without a court order. If the levying officer cannot gain entry, the plaintiff may file a verified petition with the court

for an order directing forcible entry into the leased premises.

(b) Forcible entry may be made for the purpose of levy into any property or building other than those specified in subsection (a) of this section.

(c) Levy under an action of distress may be made at any hour of the day or night.

§8–310.

On petition of any plaintiff in distress and a showing of a need for protection, the court may order the removal of any goods levied on from the leased premises to a place approved by the court pending the sale of the goods. Removal of goods may be conditioned on the giving of a bond by the plaintiff in the amount and in the form the court determines.

§8–311.

(a) Within seven days after the levy, any person who is not a tenant and whose goods are levied on under distress may file a petition with the court where the action of distress is pending for an order to exclude from levy the goods of the person not a tenant. The petition shall set forth the facts as to the ownership of the goods and shall be verified by the petitioner.

(b) A copy of the petition shall be served on the plaintiff and defendant. If service cannot be made on either, the petitioner shall certify this fact to the court in writing, stating the reason for it.

(c) After a hearing held on not more than ten days' notice, and on submission of proof satisfactory to the court that the goods are not the property of the tenant, the court shall issue an order excluding the goods from levy. This order authorizes the owner to remove the owner's goods from the leased premises at the owner's expense free of any claim of the landlord.

(d) The order shall provide that the claimant shall remove the claimant's goods at the claimant's expense from the leased premises within a time to be fixed by the court. If the claimant fails to remove the claimant's goods within the fixed time, then the goods claimed by the claimant no longer shall be excluded from distress and shall be subject to the landlord's claim for distress as though no petition for exclusion had been filed.

(e) If no petition to determine ownership of goods is filed by any third person within seven days after the date of a levy under distress, all goods on the leased premises and included in the inventory conclusively are presumed to be the goods of the tenant and may be disposed of according to the applicable provisions of this subtitle without any liability to the owner for the disposal.

§8–312.

(a) Levy on goods under distress does not affect or disturb the title to the goods. The claim or lien of the landlord under this subtitle on the goods continues until the goods are sold as provided in this subtitle.

(b) All risk of loss or destruction of goods of any nature is on the owner or the tenant of the leased premises, regardless of whether the goods were removed from the leased premises by the officer. However, the officer is responsible to the owner for willful damage to the goods.

§8–313.

(a) The expense of removal of any goods from the leased premises to any other place for storage pending sale, including the expense of removal of goods which are affixed to the property, shall be included as a part of the costs of distress.

(b) An officer does not incur liability for removal of goods which are affixed to the property. The officer may require the plaintiff to mail or deliver an indemnity bond to the officer to protect the officer from any claim for damage or injury to any person or property caused by the officer's removal for sale of goods affixed to the property.

§8–314.

(a) The defendant in an action of distress may file an answer, setting forth any defense the defendant may have to the action, including excessive rent distrained for or the rent sued is not distrainable.

(b) Hearing on the defendant's answer shall be held on not more than ten days' notice sent by regular mail to all parties and claimants. However, the court may postpone the hearing on due notice to all parties. At the hearing the court may determine and decide all issues raised, and issue an order of sale of the goods and may make any order in connection with them as required.

(c) In any final order for the sale of goods distrained, the court may increase the amount of the rent claim to an amount equal to the sum of the plaintiff's original claim plus rent accruing after the filing of the petition for distress up to the day prior to the date of sale on which rent may fall due.

(d) If the tenant named as defendant in an action for distress fails to file an answer within seven days after a levy has been made, the court, on motion of the plaintiff or on its motion, may issue an order for sale of the goods distrained.

(e) The date of sale is in the discretion of the court but shall be held as soon as feasible.

§8–315.

(a) If a tenant removes the tenant's goods from the leased premises, and the officer can find no goods of the tenant on the premises, the officer shall report that fact to the court. If the court is satisfied the goods of the tenant have been removed, it may issue an order to follow goods under distress within six months after filing of an action of distress. The order shall authorize levy on the removed goods at any place the goods can be found within the jurisdiction of the court.

(b) If the goods are removed outside the court's jurisdiction, the plaintiff may file with the court in the jurisdiction where the goods are located, a certified copy of the original action of distress, together with a verified petition setting forth (i) the fact of the original petition for distress, (ii) the premises to which the tenant has removed the goods, and (iii) the name and address of the occupant of the premises. If the occupant of the premises to which the goods are removed is a person other than the tenant, an order shall be served by first-class mail or by an officer on the other person giving the occupant seven days from the date of service of the order to protest seizure of the goods. If not protested, the order becomes final and authorizes any officer to seize and remove the goods.

(c) Entry to premises under an order to follow goods under distress may be forcible.

§8–316.

(a) Any person whose goods are levied on or seized under distress may petition the court for the return of the goods, free of any claim for distress. However, the court may require the filing of a bond with the court in a form and in an amount the court determines. The bond shall run to the State and indemnify injured persons against all claims for damage or injury resulting from the release of the goods.

(b) The court may order a complete or partial release from any claim for distress of any goods when requested in writing by all parties to the action of distress. No bond is required for release of any goods in this case.

§8–317.

If goods are levied on under distress and remain on the leased premises and the officer is unable to gain access to the goods without force, the court may issue an order authorizing the officer to enter the premises by force.

§8–318.

(a) Notice of sale of goods under an action of distress shall be given in a newspaper published at least once weekly and having general circulation within the jurisdiction of the court. The notice shall be published at least one time and an additional number of times as the court designates.

(b) If no newspaper meets the requirements of this section, notice may be made by posting it on the door of the courthouse. The notice of sale shall be published or posted at least seven days in advance of the date of the sale and the sale shall be held not more than 28 days after notice of sale.

(c) The notice shall contain the time and location of the sale.

§8–319.

Sales under distress shall be held only at public auction. The officer may remove the goods from the leased premises to some suitable place for auction or hold the sale on the leased premises. Cost of the removal of goods for sale shall be included as costs of the sale.

§8–320.

(a) Only those goods necessary to satisfy the claim for rent due and to pay all costs may be sold in a sale under distress. Any unsold goods shall be returned to the tenant if they have been removed or they shall be left on the premises. If a surplus of money remains after the sale and payment of the rent claim and all costs, it shall be returned to the tenant or paid as provided by order of the court. The cost of returning unsold goods to the premises, if removed, shall be included as costs of the sale.

(b) Before any distrainable goods of others are sold at a sale, the goods of the tenant shall be sold first and in their entirety, if necessary, to satisfy the claim for rent and costs. The sale of goods of others shall be made only to the extent necessary to satisfy the rent claim and all costs.

(c) If any surplus money or unsold goods remain in the possession of an officer on completion of proceedings in an action of distress and after payment of all claims and costs incurred, a judgment creditor or other person claiming a right to the money or goods may petition the court in which the action was brought for payment of the creditor's or claimant's judgment or claim out of the excess of money or goods, plus court costs expended by the creditor or claimant. After a hearing on the petition, the court may direct payment of the money or goods or order the sale of goods in the same manner and after proceedings similar to those in attachment or execution. Any exemption allowed by law is permitted in these proceedings if claimed.

§8–321.

The officer may require a plaintiff to indemnify the officer for the anticipated costs of sale either in the form of a surety bond or by a certified check payable to the order of the officer in an amount sufficient to pay all expenses of the sale.

§8–322.

(a) (1) The costs charged in actions of distress shall be as provided in this section.

(2) If the amount of rent distrained for is $500 or less, the cost for a petition for distress is $10 regardless of the number of defendants to be served at the leased premises.

(3) If the amount of rent distrained for exceeds $500, then in addition to the costs of paragraph (2) of this subsection, $5 shall be charged for each additional $500 or a fraction of $500 of rent distrained for.

(4) The charge for each defendant to be served at an address other than the leased premises is $2.

(5) The cost of any reissue of summons for a defendant is $2.

(6) If the distress leads to an actual sale of property, the officer may charge and collect a poundage fee not less than $3 or more than $500, computed on the sale price of the personal property sold, as follows:

(i) 3 percent of the first $5,000 of sale price;

(ii) 2 percent of the second $5,000 of sale price; and

(iii) 1 percent of any portion of the sale price over $10,000.

(7) For filing and serving a petition on one other party or claimant, the officer may charge and collect $2. There is a $2 charge for service on each additional person whether party, claimant, or attorney of record.

(8) Actual costs of sale, including publication of notice of sale, auctioneer's fees, cost of removal, storage of goods pending sale or for sale, and cost of returning unsold goods to the premises after sale shall be charged.

(b) Filing costs shall be paid at the time of filing the action, and other costs at the time of filing subsequent petitions. The award and distribution of costs are in the discretion of the court.

§8–323.

If the goods of a third party are distrained on and sold under an action of distress, the third party has a right of action against the tenant for damages for any loss sustained by the third party as a result of the levy and sale of the third party's goods under distress. The action for damages may be brought before the court before which the original action was brought, regardless of any monetary limitation of the civil jurisdiction of the court. If the action for damages is brought in any other court, only a certified copy of the record in the original court need be filed as evidence of the proceedings.

§8–324.

(a) If the plaintiff in an action of distress makes an election in writing, the court may declare the lease terminated and of no further force and effect. This election may be made only if all tenants have been served with a copy of the action of distress and after sale of all goods levied on. The court may not terminate any residential lease which runs for more than 15 years.

(b) If any tenant was not served with a copy of the action of distress, the court may declare the lease terminated if a copy of the nisi order of termination is twice returned non est as to the nonsummoned defendant.

(c) If the court declares a lease terminated under subsection (a) of this section, the court on application of the plaintiff, may issue its order or judgment of restitution of the premises. The court shall issue its warrant to the officer commanding the officer to deliver immediately to the plaintiff, possession in full and ample manner as set forth in § 8-402(b) of this title. The costs of this action are the same as in the case of a tenant holding over.

§8–325.

(a) If the amount received from a sale of goods under distress, after payment of all costs and expenses, is not sufficient to pay the plaintiff's claim, the plaintiff may file a verified petition with the court for a deficiency money judgment. Notice of the petition shall be served on the tenant, giving at least 14 days' notice of hearing on the petition. After the hearing, the court may order a money judgment entered for the deficiency against the defendant regardless of whether the amount exceeds the monetary limit of the civil jurisdiction of the court.

(b) A deficiency money judgment under a lease may be entered only against the person named in the lease as tenant, and who signed the lease as such, or against an assignee who has assumed a covenant in writing to pay rent.

(c) The general exemption laws of the State are applicable to the enforcement of any deficiency money judgment given in an action of distress.

§8–326.

In a lease naming either husband or wife as tenant, all goods on the leased premises belonging to either, or both, are subject to levy under distress to the same extent as if both were named in the lease as tenants.

§8–327.

A petition for distress, and any other petition or pleading filed, may be amended at any time on the terms the court orders.

§8–328.

(a) If a tenant under a lease dies, or, if the tenant is a corporation and ceases to exist, distress may be brought against the tenant named in the lease regardless of death or nonexistence. The plaintiff shall give notice of an action of distress to the personal representative of a deceased defendant or to any person who was an officer at the time the corporation ceased to exist and the plaintiff shall certify to the court that the plaintiff has given notice. Then the plaintiff may proceed with levy and sale as provided in this subtitle.

(b) If a tenant dies and no personal representative is appointed by a court having jurisdiction, or if an officer of the nonexistent corporation cannot be found and, therefore, service of process is returned non est, then, on application of the plaintiff, an order may be passed requiring a copy of the petition for distress to be posted at the courthouse door at least one week before the date of sale. Failure of the plaintiff to apply for the order subjects the plaintiff to suit by the personal representative of the deceased tenant, or by the officer or surviving directors of the nonexistent corporation for any loss or damage sustained. If the plaintiff makes application for the order, the plaintiff is under no liability either to the estate of the deceased tenant, or to the surviving trustees or officers of the nonexistent corporation.

§8–329.

(a) If a lease for more than three months is assigned, the assignee is liable to distress for any goods on the leased premises as though originally named in the lease as tenant.

(b) Any goods of the assignee on the leased premises shall be subject to the landlord's distress claim to the same extent as though the assignee was originally a tenant. This liability of goods exists regardless of whether the assignment was oral or written and regardless of the terms set out in the assignment. The obligation of the assignee of the lease for personal liability shall be restricted to the terms and agreements contained in the assignment of lease. The exercise of any right of the landlord against the assignee provided in this section does not bar any rights the landlord may have against the assignor.

§8–330.

Service of all process by the court following service of the original petition in distress may be made by first-class mail. Every party and claimant is charged with notice of each step of the proceeding and is bound by it. A claim of nonreceipt of a notice mailed to a party or claimant does not affect the validity of the order or notice given by first-class mail.

§8–331.

If the court finds that any notice required under this subtitle to be sent by mail actually has not been received by the person to whom the notice was addressed and

that injustice will result, the court shall order a stay of further proceedings until it is satisfied that the person has had an opportunity to protect the person's interests.

§8–332.

(a) Any aggrieved party may appeal from any final order or judgment in an action of distress to the circuit court of the county. The appeal shall be taken within 14 days from the date of the order or judgment.

(b) On appeal the case shall be tried de novo. On the application of any party to the action for a prompt hearing of the appeal, it shall be set for trial as soon as possible. Any party has the right to a jury trial on application in accordance with the rules adopted by the appellate court.

(c) An appeal does not stay or prevent a subsequent distress for rent falling due after the original petition for distress. However, the court may order a stay of all further proceedings, including those for subsequent rent, if the tenant files an appeal bond approved by the court.

(d) An appeal does not stay execution of a judgment or order unless an approved appeal bond is filed.

§8–401.

(a) Whenever the tenant or tenants fail to pay the rent when due and payable, it shall be lawful for the landlord to have again and repossess the premises.

(b) (1) Whenever any landlord shall desire to repossess any premises to which the landlord is entitled under the provisions of subsection (a) of this section, the landlord or the landlord's duly qualified agent or attorney shall file the landlord's written complaint under oath or affirmation, in the District Court of the county wherein the property is situated:

(i) Describing in general terms the property sought to be repossessed;

(ii) Setting forth the name of each tenant to whom the property is rented or any assignee or subtenant;

(iii) Stating the amount of rent and any late fees due and unpaid, less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7–309 of the Public Utilities Article;

(iv) Requesting to repossess the premises and, if requested by the landlord, a judgment for the amount of rent due, costs, and any late fees, less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7–309 of the Public Utilities Article;

(v) If applicable, stating that, to the best of the landlord's knowledge, the tenant is deceased, intestate, and without next of kin; and

(vi) If the property to be repossessed is an affected property as defined in § 6–801 of the Environment Article, stating that the landlord has registered the affected property as required under § 6–811 of the Environment Article and renewed the registration as required under § 6–812 of the Environment Article and:

1. A. If the current tenant moved into the property on or after February 24, 1996, stating the inspection certificate number for the inspection conducted for the current tenancy as required under § 6–815(c) of the Environment Article; or

B. On or after February 24, 2006, stating the inspection certificate number for the inspection conducted for the current tenancy as required under § 6–815(c), § 6–817(b), or § 6–819(f) of the Environment Article; or

2. Stating that the owner is unable to provide an inspection certificate number because:

A. The owner has requested that the tenant allow the owner access to the property to perform the work required under Title 6, Subtitle 8 of the Environment Article;

B. The owner has offered to relocate the tenant in order to allow the owner to perform work if the work will disturb the paint on the interior surfaces of the property and to pay the reasonable expenses the tenant would incur directly related to the relocation; and

C. The tenant has refused to allow access to the owner or refused to vacate the property in order for the owner to perform the required work.

(2) For the purpose of the court's determination under subsection (c) of this section the landlord shall also specify the amount of rent due for each rental period under the lease, the day that the rent is due for each rental period, and any late fees for overdue rent payments.

(3) The District Court shall issue its summons, directed to any constable or sheriff of the county entitled to serve process, and ordering the constable or sheriff to notify the tenant, assignee, or subtenant by first–class mail:

(i) To appear before the District Court at the trial to be held on the fifth day after the filing of the complaint; and

(ii) To answer the landlord's complaint to show cause why the demand of the landlord should not be granted.

(4) (i) The constable or sheriff shall proceed to serve the summons upon

the tenant, assignee, or subtenant or their known or authorized agent as follows:

1. If personal service is requested and any of the persons whom the sheriff shall serve is found on the property, the sheriff shall serve any such persons; or

2. If personal service is requested and none of the persons whom the sheriff is directed to serve shall be found on the property and, in all cases where personal service is not requested, the constable or sheriff shall affix an attested copy of the summons conspicuously upon the property.

(ii) The affixing of the summons upon the property after due notification to the tenant, assignee, or subtenant by first–class mail shall conclusively be presumed to be a sufficient service to all persons to support the entry of a default judgment for possession of the premises, together with court costs, in favor of the landlord, but it shall not be sufficient service to support a default judgment in favor of the landlord for the amount of rent due.

(5) Notwithstanding the provisions of paragraphs (1) through (4) of this subsection, in Wicomico County, in an action to repossess any premises under this section, service of process on a tenant may be directed to any person authorized under the Maryland Rules to serve process.

(6) (i) Notwithstanding the provisions of paragraphs (3) through (5) of this subsection, if the landlord certifies to the court in the written complaint required under paragraph (1) of this subsection that, to the best of the landlord's knowledge, the tenant is deceased, intestate, and without next of kin, the District Court shall issue its summons, directed to any constable or sheriff of the county entitled to serve process, and ordering the constable or sheriff to notify the occupant of the premises or the next of kin of the deceased tenant, if known, by personal service:

1. To appear before the District Court at the trial to be held on the fifth day after the filing of the complaint; and

2. To answer the landlord's complaint to show cause why the demand of the landlord should not be granted.

(ii) 1. The constable or sheriff shall proceed to serve the summons upon the occupant of the premises or the next of kin of the deceased tenant, if known, as follows:

A. If any of the persons whom the sheriff is directed to serve are found on the property or at another known address, the sheriff shall serve any such persons; or

B. If none of the persons whom the sheriff is directed to serve are found on the property or at another known address, the constable or sheriff shall affix an attested copy of the summons conspicuously upon the property.

2. The affixing of the summons upon the property shall conclusively be presumed to be a sufficient service to all persons to support the entry of a default judgment for possession of the premises, together with court costs, in favor of the landlord, but it shall not be sufficient service to support a default judgment in favor of the landlord for the amount of rent due.

(c) (1) If, at the trial on the fifth day indicated in subsection (b) of this section, the court is satisfied that the interests of justice will be better served by an adjournment to enable either party to procure their necessary witnesses, the court may adjourn the trial for a period not exceeding 1 day, except with the consent of all parties, the trial may be adjourned for a longer period of time.

(2) (i) The information required under subsection (b)(1)(vi) of this section may not be an issue of fact in a trial under this section.

(ii) If, when the trial occurs, it appears to the satisfaction of the court, that the rent, or any part of the rent and late fees are actually due and unpaid, the court shall determine the amount of rent and late fees due as of the date the complaint was filed less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7–309 of the Public Utilities Article, if the trial occurs within the time specified by subsection (b)(3) of this section.

(iii) 1. If the trial does not occur within the time specified in subsection (b)(3)(i) of this section and the tenant has not become current since the filing of the complaint, the court, if the complaint so requests, shall enter a judgment in favor of the landlord for possession of the premises and determine the rent and late fees due as of the trial date.

2. The determination of rent and late fees shall include the following:

A. Rent claimed in the complaint;

B. Rent accruing after the date of the filing of the complaint;

C. Late fees accruing in or prior to the month in which the complaint was filed; and

D. Credit for payments of rent and late fees and other fees, utility bills, or security deposits paid by a tenant under § 7–309 of the Public Utilities Article after the complaint was filed.

(iv) In the case of a residential tenancy, the court may also give judgment in favor of the landlord for the amount of rent and late fees determined to be due together with costs of the suit if the court finds that the residential tenant was personally served with a summons.

(v) In the case of a nonresidential tenancy, if the court finds that

there was such service of process or submission to the jurisdiction of the court as would support a judgment in contract or tort, the court may also give judgment in favor of the landlord for:

1. The amount of rent and late fees determined to be due;

2. Costs of the suit; and

3. Reasonable attorney's fees, if the lease agreement authorizes the landlord to recover attorney's fees.

(vi) A nonresidential tenant who was not personally served with a summons shall not be subject to personal jurisdiction of the court if that tenant asserts that the appearance is for the purpose of defending an in rem action prior to the time that evidence is taken by the court.

(3) The court, when entering the judgment, shall also order that possession of the premises be given to the landlord, or the landlord's agent or attorney, within 4 days after the trial.

(4) The court may, upon presentation of a certificate signed by a physician certifying that surrender of the premises within this 4–day period would endanger the health or life of the tenant or any other occupant of the premises, extend the time for surrender of the premises as justice may require but not more than 15 days after the trial.

(5) However, if the tenant, or someone for the tenant, at the trial, or adjournment of the trial, tenders to the landlord the rent and late fees determined by the court to be due and unpaid, together with the costs of the suit, the complaint against the tenant shall be entered as being satisfied.

(d) (1) (i) Subject to the provisions of paragraph (2) of this subsection, if judgment is given in favor of the landlord, and the tenant fails to comply with the requirements of the order within 4 days, the court shall, at any time after the expiration of the 4 days, issue its warrant, directed to any official of the county entitled to serve process, ordering the official to cause the landlord to have again and repossess the property by putting the landlord (or the landlord's duly qualified agent or attorney for the landlord's benefit) in possession thereof, and for that purpose to remove from the property, by force if necessary, all the furniture, implements, tools, goods, effects or other chattels of every description whatsoever belonging to the tenant, or to any person claiming or holding by or under said tenant.

(ii) If the landlord does not order a warrant of restitution within sixty days from the date of judgment or from the expiration date of any stay of execution, whichever shall be the later:

1. The judgment for possession shall be stricken; and

2. The judgment shall be applied to the number of judgments necessary to foreclose a tenant's right to redemption of the leased premises as established in subsection (e)(2) of this section unless the court in its discretion determines that the judgment may not apply for purposes of subsection (e)(2) of this section.

(iii) If the landlord orders a warrant of restitution but takes no action on the warrant within 60 days from the later of the date the court issues the order for the warrant or the date as otherwise extended by the court:

1. The warrant of restitution shall expire and the judgment for possession shall be stricken; and

2. The judgment shall be applied to the number of judgments necessary to foreclose a tenant's right to redemption of the leased premises as established in subsection (e)(2) of this section unless the court in its discretion determines that the judgment may not apply for purposes of subsection (e)(2) of this section.

(2) (i) The administrative judge of any district may stay the execution of a warrant of restitution of a residential property, from day to day, in the event of extreme weather conditions.

(ii) When a stay has been granted under this paragraph, the execution of the warrant of restitution for which the stay has been granted shall be given priority and completed within 3 days after the extreme weather conditions cease.

(e) (1) Subject to paragraph (2) of this subsection, in any action of summary ejectment for failure to pay rent where the landlord is awarded a judgment giving the landlord restitution of the leased premises, the tenant shall have the right to redemption of the leased premises by tendering in cash, certified check or money order to the landlord or the landlord's agent all past due amounts, as determined by the court under subsection (c) of this section, plus all court awarded costs and fees, at any time before actual execution of the eviction order.

(2) This subsection does not apply to any tenant against whom 3 judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action to which this subsection otherwise would apply.

(f) (1) The tenant or the landlord may appeal from the judgment of the District Court to the circuit court for any county at any time within 4 days from the rendition of the judgment.

(2) The tenant, in order to stay any execution of the judgment, shall give a bond to the landlord with one or more sureties, who are owners of sufficient property in the State of Maryland, with condition to prosecute the appeal with effect, and answer to the landlord in all costs and damages mentioned in the judgment, and other damages as shall be incurred and sustained by reason of the appeal.

(3) The bond shall not affect in any manner the right of the landlord to proceed against the tenant, assignee or subtenant for any and all rents that may become due and payable to the landlord after the rendition of the judgment.

§8–402.

(a) (1) A tenant under any periodic tenancy, or at the expiration of a lease, and someone holding under the tenant, who shall unlawfully hold over beyond the expiration of the lease or termination of the tenancy, shall be liable to the landlord for the actual damages caused by the holding over.

(2) The damages awarded to a landlord against the tenant or someone holding under the tenant, may not be less than the apportioned rent for the period of holdover at the rate under the lease.

(3) (i) Any action to recover damages under this section may be brought by suit separate from the eviction or removal proceeding or in the same action and in any court having jurisdiction over the amount in issue.

(ii) The court may also give judgment in favor of the landlord for the damages determined to be due together with costs of the suit if the court finds that the residential tenant was personally served with a summons, or, in the case of a nonresidential tenancy, there was such service of process or submission to the jurisdiction of the court as would support a judgment in contract or tort.

(iii) A nonresidential tenant who was not personally served with a summons shall not be subject to personal jurisdiction of the court if that tenant asserts that the appearance is for the purpose of defending an in rem action prior to the time that evidence is taken by the court.

(4) Nothing contained herein is intended to limit any other remedies which a landlord may have against a holdover tenant under the lease or under applicable law.

(b) (1) (i) Where any tenancy is for any definite term or at will, and the landlord shall desire to repossess the property after the expiration of the term for which it was leased and shall give notice in writing one month before the expiration of the term or determination of the will to the tenant or to the person actually in possession of the property to remove from the property at the end of the term, and if the tenant or person in actual possession shall refuse to comply, the landlord may make complaint in writing to the District Court of the county where the property is located.

(ii) 1. The court shall issue a summons directed to any constable or sheriff of the county entitled to serve process, ordering the constable or sheriff to notify the tenant, assignee, or subtenant to appear on a day stated in the summons before the court to show cause why restitution should not be made to the landlord.

2. The constable or sheriff shall serve the summons on the tenant, assignee, or subtenant on the property, or on the known or authorized agent of

the tenant, assignee, or subtenant.

3. If, for any reason those persons cannot be found, the constable or sheriff shall affix an attested copy of the summons conspicuously on the property.

4. After notice to the tenant, assignee, or subtenant by first-class mail, the affixing of the summons on the property shall be conclusively presumed to be a sufficient service to support restitution.

(iii) Upon the failure of either of the parties to appear before the court on the day stated in the summons, the court may continue the case to a day not less than six nor more than ten days after the day first stated and notify the parties of the continuance.

(2) (i) If upon hearing the parties, or in case the tenant or person in possession shall neglect to appear after the summons and continuance the court shall find that the landlord had been in possession of the leased property, that the said tenancy is fully ended and expired, that due notice to quit as aforesaid had been given to the tenant or person in possession and that the tenant or person in possession had refused so to do, the court shall thereupon give judgment for the restitution of the possession of said premises and shall forthwith issue its warrant to the sheriff or a constable in the respective counties commanding the tenant or person in possession forthwith to deliver to the landlord possession thereof in as full and ample manner as the landlord was possessed of the same at the time when the tenancy was made, and shall give judgment for costs against the tenant or person in possession so holding over.

(ii) Either party shall have the right to appeal therefrom to the circuit court for the county within ten days from the judgment.

(iii) If the tenant appeals and files with the District Court an affidavit that the appeal is not taken for delay, and also a good and sufficient bond with one or more securities conditioned that the tenant will prosecute the appeal with effect and well and truly pay all rent in arrears and all costs in the case before the District Court and in the appellate court and all loss or damage which the landlord may suffer by reason of the tenant's holding over, including the value of the premises during the time the tenant shall so hold over, then the tenant or person in possession of said premises may retain possession thereof until the determination of said appeal.

(iv) The appellate court shall, upon application of either party, set a day for the hearing of the appeal, not less than five nor more than 15 days after the application, and notice for the order for a hearing shall be served on the opposite party or that party's counsel at least 5 days before the hearing.

(v) If the judgment of the District Court shall be in favor of the landlord, a warrant shall be issued by the appellate court to the sheriff, who shall proceed forthwith to execute the warrant.

(3) (i) The provisions of this subsection shall apply to all cases of tenancies at the expiration of a stated term, tenancies from year to year, tenancies of the month and by the week. In case of tenancies from year to year (including tobacco farm tenancies), notice in writing shall be given three months before the expiration of the current year of the tenancy, except that in case of all other farm tenancies, the notice shall be given six months before the expiration of the current year of the tenancy; and in monthly or weekly tenancies, a notice in writing of one month or one week, as the case may be, shall be so given.

(ii) This paragraph (3), so far as it relates to notices, does not apply in Baltimore City.

(iii) In Montgomery County, except in the case of single family dwellings, the notice by the landlord shall be two months in the case of residential tenancies with a term of at least month to month but less than from year to year.

(4) When the tenant shall give notice by parol to the landlord or to the landlord's agent or representatives, at least one month before the expiration of the lease or tenancy in all cases except in cases of tenancies from year to year, and at least three months' notice in all cases of tenancy from year to year (except in all cases of farm tenancy, the notice shall be six months), of the intention of the tenant to remove at the end of that year and to surrender possession of the property at that time, and the landlord, the landlord's agent, or representative shall prove the notice from the tenant by competent testimony, it shall not be necessary for the landlord, the landlord's agent or representative to provide a written notice to the tenant, but the proof of such notice from the tenant as aforesaid shall entitle the landlord to recover possession of the property hereunder. This paragraph shall not apply in Baltimore City.

(5) Acceptance of any payment after notice but before eviction shall not operate as a waiver of any notice to quit, notice of intent to vacate or any judgment for possession unless the parties specifically otherwise agree in writing. Any payment accepted shall be first applied to the rent or the equivalent of rent apportioned to the date that the landlord actually recovers possession of the premises, then to court costs, including court awarded damages and legal fees and then to any loss of rent caused by the holdover. Any payment which is accepted in excess of the foregoing shall not bear interest but will be returned to the tenant in the same manner as security deposits as defined under § 8-203 of this title but shall not be subject to the penalties of that section.

(c) Unless stated otherwise in the written lease and initialed by the tenant, when a landlord consents to a holdover tenant remaining on the premises, the holdover tenant becomes a periodic week-to-week tenant if the tenant was a week-to-week tenant before the tenant's holding over, and a periodic month-to-month tenant in all other cases.

§8–402.1.

(a) (1) (i) Where an unexpired lease for a stated term provides that the landlord may repossess the premises prior to the expiration of the stated term if the tenant breaches the lease, the landlord may make complaint in writing to the District Court of the county where the premises is located if:

1. The tenant breaches the lease;

2. A. The landlord has given the tenant 30 days' written notice that the tenant is in violation of the lease and the landlord desires to repossess the leased premises; or

B. The breach of the lease involves behavior by a tenant or a person who is on the property with the tenant's consent, which demonstrates a clear and imminent danger of the tenant or person doing serious harm to themselves, other tenants, the landlord, the landlord's property or representatives, or any other person on the property and the landlord has given the tenant or person in possession 14 days' written notice that the tenant or person in possession is in violation of the lease and the landlord desires to repossess the leased premises; and

3. The tenant or person in actual possession of the premises refuses to comply.

(ii) The court shall summons immediately the tenant or person in possession to appear before the court on a day stated in the summons to show cause, if any, why restitution of the possession of the leased premises should not be made to the landlord.

(2) (i) If, for any reason, the tenant or person in actual possession cannot be found, the constable or sheriff shall affix an attested copy of the summons conspicuously on the property.

(ii) After notice is sent to the tenant or person in possession by first-class mail, the affixing of the summons on the property shall be conclusively presumed to be a sufficient service to support restitution.

(3) If either of the parties fails to appear before the court on the day stated in the summons, the court may continue the case for not less than six nor more than 10 days and notify the parties of the continuance.

(b) (1) If the court determines that the tenant breached the terms of the lease and that the breach was substantial and warrants an eviction, the court shall give judgment for the restitution of the possession of the premises and issue its warrant to the sheriff or a constable commanding the tenant to deliver possession to the landlord in as full and ample manner as the landlord was possessed of the same at the time when the lease was entered into. The court shall give judgment for costs against the tenant or person in possession.

(2) Either party may appeal to the circuit court for the county, within ten days from entry of the judgment. If the tenant (i) files with the District Court an affidavit that the appeal is not taken for delay; (ii) files sufficient bond with one or more securities conditioned upon diligent prosecution of the appeal; (iii) pays all rent in arrears, all court costs in the case; and (iv) pays all losses or damages which the landlord may suffer by reason of the tenant's holding over, the tenant or person in possession of the premises may retain possession until the determination of the appeal. Upon application of either party, the court shall set a day for the hearing of the appeal not less than five nor more than 15 days after the application, and notice of the order for a hearing shall be served on the other party or that party's counsel at least five days before the hearing. If the judgment of the District Court is in favor of the landlord, a warrant shall be issued by the court which hears the appeal to the sheriff, who shall execute the warrant.

(c) (1) Acceptance of any payment after notice but before eviction shall not operate as a waiver of any notice of breach of lease or any judgment for possession unless the parties specifically otherwise agree in writing.

(2) Any payment accepted shall be first applied to the rent or the equivalent of rent apportioned to the date that the landlord actually recovers possession of the premises, then to court costs, including court awarded damages and legal fees and then to any loss of rent caused by the breach of lease.

(3) Any payment which is accepted in excess of the rent referred to in paragraph (2) of this subsection shall not bear interest but will be returned to the tenant in the same manner as security deposits as defined under § 8-203 of this title but shall not be subject to the penalties of that section.

§8–402.2.

(a) (1) This section applies to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(2) This section does not apply to residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units.

(b) Whenever, in a case that involves a 99–year ground lease renewable forever, at least 6 months ground rent is in arrears and the landlord has the lawful right to reenter for the nonpayment of the rent, the landlord, no less than 45 days after sending

to the tenant by certified mail, return receipt requested, at the tenant's last known address, and also by first–class mail to the title agent or attorney listed on the deed to the property or the intake sheet recorded with the deed, a bill for the ground rent due, may bring an action for possession of the property under § 14–108.1 of this article; if the tenant cannot be personally served or there is no tenant in actual possession of the property, service by posting notice on the property may be made in accordance with the Maryland Rules. Personal service or posting in accordance with the Maryland Rules shall stand in the place of a demand and reentry.

(c) (1) Before entry of a judgment the landlord shall give written notice of the pending entry of judgment to each mortgagee of the lease, or any part of the lease, who before entry of the judgment has recorded in the land records of each county where the property is located a timely request for notice of judgment. A request for notice of judgment shall:

(i) Be recorded in a separate docket or book that is indexed under the name of the mortgagor;

(ii) Identify the property on which the mortgage is held and refer to the date and recording reference of that mortgage;

(iii) State the name and address of the holder of the mortgage; and

(iv) Identify the ground lease by stating:

1. The name of the original lessor;

2. The date the ground lease was recorded; and

3. The office, docket or book, and page where the ground lease is recorded.

(2) The landlord shall mail the notice by certified mail return receipt requested to the mortgagee at the address stated in the recorded request for notice of judgment. If the notice is not given, judgment in favor of the landlord does not impair the lien of the mortgagee. Except as otherwise provided in this subsection, the property is discharged from the lease and the rights of all persons claiming under the lease are foreclosed unless, within 6 calendar months after execution of the judgment for possession, the tenant or any other person claiming under the lease:

(i) Pays the ground rent, arrears, and all costs awarded against that person; and

(ii) Commences a proceeding to obtain relief from the judgment.

(d) This section does not bar the right of any mortgagee of the lease, or any part of the lease, who is not in possession at any time before expiration of 6 calendar months after execution of the judgment awarding the landlord possession, to pay all costs and

damages sustained by the landlord and to perform all the covenants and agreements that are to be performed by the tenant.

§8–402.3.

(a) (1) In this section the following words have the meanings indicated.

(2) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(3) (i) "Ground lease holder" means the holder of the reversionary interest under a ground lease.

(ii) "Ground lease holder" includes an agent of the ground lease holder.

(4) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(5) "Leasehold interest" means the tenancy in real property created under a ground lease.

(6) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(7) "Property" means property subject to a ground lease against which a lien is intended to be imposed under this section.

(b) (1) This section applies to residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units.

(2) This section does not apply to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(c) (1) Notwithstanding any provision of a ground lease giving the ground lease holder the right to reenter, the establishment of a lien under this section is the remedy for nonpayment of a ground rent.

(2) This section does not affect the right of a ground lease holder to bring a civil action against the leasehold tenant seeking a money judgment for the amount

of the past due ground rent.

(d) (1) Subject to §§ 8–111 and 8–111.1 of this title and paragraph (2) of this subsection, if a ground rent is unpaid 6 months after its due date, the ground lease holder may obtain a lien under this section in the amount of the ground rent due.

(2) The ground lease holder may not obtain a lien under this section unless:

(i) The ground lease is registered with the State Department of Assessments and Taxation under Subtitle 7 of this title; and

(ii) The ground lease holder has mailed a bill for the payment due to the last known address of the leasehold tenant and to the address of the property subject to the ground lease in accordance with § 14–116.1 of this article.

(e) (1) A ground lease holder seeking to create a lien under this section shall give written notice to:

(i) The leasehold tenant; and

(ii) Each mortgagee or trustee of the property whose lien is on record.

(2) (i) Notice under this subsection shall be served on the leasehold tenant by:

1. Certified mail, return receipt requested, addressed to the leasehold tenant or the leasehold tenant's successor in interest at the individual's current address; or

2. Personal delivery to the leasehold tenant or the leasehold tenant's successor in interest.

(ii) If the ground lease holder is unable to serve the leasehold tenant under subparagraph (i) of this paragraph, notice under this subsection shall be given by:

1. Mailing the notice to the leasehold tenant's last known address; and

2. Posting the notice in a conspicuous manner on the property on the door or other front part of the property by the ground lease holder in the presence of a competent witness.

(iii) Notice to any mortgagee or trustee under this subsection shall be given by sending the notice by certified and first–class mail to the most current address for notices as set forth in the land records or, if no such address is contained in the land records, to the mortgagee's or trustee's current address.

(3) A notice under this subsection shall include:

(i) The name and address of the party seeking to create the lien;

(ii) A statement of intent to create a lien;

(iii) An identification of the ground lease;

(iv) A statement that the ground lease is registered with the State Department of Assessments and Taxation;

(v) The amount of ground rent alleged to be due;

(vi) A description of the property sufficient to identify the property;

(vii) A statement that the party to whom notice is given under this subsection has the right to object to the establishment of a lien by filing a complaint in the circuit court and the right to a hearing;

(viii) An explanation of the procedure to file a complaint and request a hearing; and

(ix) A statement that, unless the past due ground rent is paid or a complaint is filed under subsection (f) of this section within 45 days after the notice is served, a lien will be imposed on the property.

(f) (1) A party to whom notice is given under subsection (e) of this section may, within 45 days after the notice is served on the party, file a complaint in the circuit court for the county in which the property is located to determine whether a lien should be established.

(2) A complaint filed under this subsection shall include:

(i) The name of the complainant and the name of the party seeking to establish the lien;

(ii) A copy of the notice served under subsection (e) of this section; and

(iii) An affidavit containing a statement of facts that would preclude establishment of the lien for the unpaid ground rent alleged in the notice.

(3) A party filing a complaint under this subsection may request a hearing at which any party may appear to present evidence.

(g) If a complaint is filed, the party seeking to establish the lien has the burden of proof.

(h) Before any hearing held under subsection (f) of this section, the party

seeking to establish a lien may supplement, by means of an affidavit, any information contained in the notice given under subsection (e) of this section.

(i) If a complaint is filed under subsection (f) of this section, the court shall review any pleadings filed, including any supplementary affidavit filed under subsection (h) of this section, and shall conduct a hearing if requested under subsection (f)(3) of this section.

(j) (1) If the court determines that a lien should be established, it shall enter an order finding the amount of ground rent due and imposing a lien on the property identified in the notice under subsection (e) of this section.

(2) If the court determines that a lien should not be established, it shall enter an order denying a lien.

(3) The court may award to the prevailing party in an action under this section:

(i) Court costs; and

(ii) Reasonable expenses and attorney's fees not exceeding $500.

(k) (1) (i) If a complaint was filed under subsection (f) of this section, the amount of the lien shall be for the ground rent found by the court to be due and any costs, expenses, and attorney's fees awarded by the court.

(ii) If a complaint was not filed under subsection (f) of this section and the past due ground rent was not paid, the amount of the lien shall be for the amount alleged to be due in the notice under subsection (e) of this section and reasonable expenses and attorney's fees not exceeding $150.

(2) The amount of the lien shall increase by the amount of ground rent accruing after the filing of the statement of lien in the land records plus simple interest at the rate prescribed by law accruing from the date of the filing of the statement of lien in the land records.

(l) (1) If the court orders a lien to be imposed under subsection (j) of this section, or if the leasehold tenant or any mortgagee of the property fails to pay the amount of the lien under subsection (k)(1)(ii) of this section or file a complaint under subsection (f) of this section, the ground lease holder may file a statement of lien in the land records of the county in which the property is located.

(2) A lien imposed under this subtitle has priority from the date the ground lease was created.

(m) A statement of lien is sufficient for purposes of this section if it is in substantially the following form:

"STATEMENT OF LIEN

This is to certify that the property described as _____ is subject to a lien under § 8–402.3 of the Real Property Article, Annotated Code of Maryland, in the amount of $_____. The property is owned by _____.

I hereby affirm under the penalty of perjury that notice was given under § 8–402.3(e) of the Real Property Article on _____, and that the information contained in the foregoing statement of lien is true and correct to the best of my knowledge, information, and belief.

_____

(name of party claiming lien)".

(n) (1) A lien under this section may be enforced and foreclosed by the party who obtained the lien in the same manner and subject to the same requirements, as the foreclosure of a mortgage or deed of trust containing neither a power of sale nor an assent to decree.

(2) A foreclosure sale may not be made if, at any time before the sale, the lien is satisfied and the costs of giving notice of the sale are paid.

(3) If the property subject to the lien is sold at a foreclosure sale, the ground lease holder shall be paid out of the proceeds of the sale:

(i) For a redeemable ground rent, the amount of the lien and the redemption amount under § 8–110(b)(2) of this title and the purchaser shall take title to the property free and clear of the ground lease; and

(ii) For an irredeemable ground rent, the amount of the lien and the purchaser shall take title to the property subject to the ground lease.

(o) If the lienholder cannot be located, the lien may be satisfied and the redeemable ground rent redeemed in accordance with § 8–110(f) of this title by paying the amount of the lien and the amount set forth in § 8–110(f)(4) of this title.

§8–403.

(a) If the court in any case brought under § 8-401, § 8-402, or § 8-402.4 of this subtitle orders an adjournment of the trial for a longer period than provided for in the section under which the case has been instituted, the tenant or the person in possession shall pay into the court exercising jurisdiction in the case an amount and in the manner determined by the court to be appropriate as specified in § 8-118 of this title or, in the case of wrongful detainer, § 8-118.1 of this title.

(b) However, the court may order a tenant to pay rents due and as come due into an administrative agency of any county which is empowered by local law to hold

rents in escrow pending investigation and disposition of complaints by tenants; the court also may refer that case to the administrative agency for investigation and report to the court.

(c) The payment into the court shall be due before the date to which the trial is adjourned or within 5 days after adjournment if the trial is adjourned more than 5 days, or to the administrative agency within 5 days after the court has ordered the rent paid into an administrative agency.

(d) If, on motion of the plaintiff and after hearing, the court determines that the payment was not made as ordered by the court and that there is no legal justification for the failure to pay, the court shall give judgment in favor of the plaintiff and issue a warrant for possession in accordance with the provisions of the section under which the case is brought.

§8–404.

(a) In this section, "claimant" means the person identified by a tenant or person in possession as someone who claims title to the property leased or possessed by the tenant or person in possession.

(b) (1) In any action brought under § 8-401, § 8-402, or § 8-402.4 of this subtitle, if the tenant or person in possession shall allege that the title to the property is disputed and in the case of a lease, that title is claimed by a claimant whom the tenant shall name, by virtue of a right or title accruing or happening since the commencement of the lease, by descent or deed from or by devise under the last will or testament of the landlord and, otherwise, if the person in possession or any claimant is alleged to have title, then the court shall, upon determination that title is relevant, forbear to give judgment for possession and costs.

(2) The tenant or person in possession so claiming shall cause a summons to be immediately issued to the claimant by the District Court and made returnable within 5 days next following.

(3) The claimant shall appear before the court and shall under oath, declare that the claimant claims title to the property which is the subject of the action and shall, with two sufficient securities, enter into bond to the plaintiff or parties in interest, in such sum as the court shall determine to be proper and reasonable security to said plaintiff or parties in interest, to prosecute with effect the claimant's claim in the circuit court for the county.

(4) If the said claim shall not be commenced in the circuit court within 10 days of the first appearance of the claimant in the District Court, the District Court shall proceed to give judgment for possession and costs and issue its warrant.

§8–405.

(a) If a tenant under a lease dies intestate and without next of kin, the landlord

may bring an action for summary ejectment under § 8–401 of this subtitle against the tenant named in the lease notwithstanding the tenant's death.

(b) The landlord shall certify to the court in the written complaint required under § 8–401(b)(1) of this subtitle that, to the best of the landlord's knowledge, the tenant is deceased, intestate, and without next of kin.

(c) Property or income from property that a landlord holds for a deceased, intestate tenant without next of kin shall be presumed abandoned in accordance with Title 17 of the Commercial Law Article.

§8–501.

No written agreement between a landlord and tenant shall provide for a longer notice period to be furnished by the tenant to the landlord in order to terminate the tenancy than that required of the landlord to the tenant in order to terminate the tenancy.

§8–5A–01.

(a) In this subtitle the following words have the meanings indicated.

(b) "Legal occupant" means an occupant who resides on the premises with the actual knowledge and permission of the landlord.

(c) "Offender" means a person who commits an act of domestic violence or commits a sexual assault offense.

(d) "Peace order" means an enforceable final peace order.

(e) "Protective order" means an enforceable final protective order.

(f) "Victim of domestic violence" means a person who is:

(1) A victim of domestic abuse, as defined in § 4–501 of the Family Law Article; and

(2) A person eligible for relief, as defined in § 4–501 of the Family Law Article.

(g) "Victim of sexual assault" means a person who is a victim of:

(1) A sexual crime under Title 3, Subtitle 3 of the Criminal Law Article;

(2) Child sexual abuse under § 3–602 of the Criminal Law Article; or

(3) Sexual abuse of a vulnerable adult under § 3–604 of the Criminal Law Article.

§8–5A–02.

(a) Subject to the requirements of subsections (b) and (c) of this section, a tenant may terminate the tenant's future liability under a residential lease if the tenant or legal occupant is:

(1) A victim of domestic violence; or

(2) A victim of sexual assault.

(b) If a tenant or legal occupant is a victim of domestic violence or a victim of sexual assault, the tenant may provide to the landlord the written notice required under § 8–5A–03 or § 8–5A–04 of this subtitle and, if the written notice is provided, the tenant shall have 30 days to vacate the leased premises from the date of providing the written notice.

(c) A tenant who vacates leased premises under this section is responsible for rent only for the 30 days following the tenant providing notice of an intent to vacate.

(d) If a tenant does not vacate the leased premises within 30 days of providing to the landlord the written notice required under § 8–5A–03 or § 8–5A–04 of this subtitle, the landlord is, at the landlord's option and with written notice to the tenant, entitled to:

(1) All legal remedies against a tenant holding over available under § 8–402 of this title; or

(2) Deem the tenant's notice of an intent to vacate to have been rescinded and the terms of the original lease to be in full force and effect.

(e) The termination of a tenant's future liability under a residential lease under this section does not terminate or in any other way impact the future liability of a tenant who is the respondent in the action that results in:

(1) A protective order issued for the benefit of the victim tenant or victim legal occupant under § 4–506 of the Family Law Article; or

(2) A peace order issued for the benefit of the victim tenant or victim legal occupant for which the underlying act was sexual assault under § 3–1505 of the Courts Article.

§8–5A–03.

(a) If a tenant or legal occupant is a victim of domestic violence, the tenant may terminate the tenant's future liability under a residential lease under § 8–5A–02 of this subtitle if the tenant provides the landlord with written notice by first–class mail or hand delivery of an intent to vacate the premises and notice of the tenant's or legal occupant's status as a victim of domestic violence.

(b) The notice provided under subsection (a) of this section shall include a copy of a protective order issued for the benefit of the tenant or legal occupant under § 4–506 of the Family Law Article.

§8–5A–04.

(a) If a tenant or legal occupant is a victim of sexual assault, the tenant may terminate the tenant's future liability under a residential lease under § 8–5A–02 of this subtitle if the tenant provides the landlord with written notice by first–class mail or hand delivery of an intent to vacate the leased premises, including the tenant's or legal occupant's status as a victim of sexual assault.

(b) The notice provided under subsection (a) of this section shall include:

(1) A copy of a protective order issued for the benefit of the tenant or legal occupant under § 4–506 of the Family Law Article; or

(2) A copy of a peace order issued for the benefit of the tenant or legal occupant for which the underlying act was sexual assault under § 3–1505 of the Courts Article.

§8–5A–05.

(a) This section applies to an action for possession of property under § 8–402.1 of this title against a tenant or legal occupant who is a victim of domestic violence or a victim of sexual assault in which the basis for the alleged breach is an act or acts of domestic violence or sexual assault.

(b) (1) A tenant is deemed to have raised a rebuttable presumption that the alleged breach of the lease does not warrant an eviction if the tenant provides to the court:

(i) A copy of a protective order issued for the benefit of the tenant or legal occupant under § 4–506 of the Family Law Article; or

(ii) A copy of a peace order issued for the benefit of the tenant or legal occupant for which the underlying act was sexual assault under § 3–1505 of the Courts Article.

(2) If domestic violence or sexual assault is raised as a defense in an action for possession of property under § 8–402.1 of this title, the court, in its discretion, may enter a judgment in favor of a tenant who does not provide the evidence described in paragraph (1) of this subsection.

§8–5A–06.

(a) A person who is a victim of domestic violence or a victim of sexual assault and who is a tenant under a residential lease may provide to the landlord a written

request to change the locks of the leased premises if the protective order or peace order issued for the benefit of the tenant or legal occupant requires the respondent to refrain from entering or to vacate the residence of the tenant or legal occupant.

(b) The written request provided under subsection (a) of this section shall include:

(1) A copy of a protective order issued for the benefit of the tenant or legal occupant under § 4–506 of the Family Law Article; or

(2) A copy of a peace order issued for the benefit of the tenant or legal occupant for which the underlying act was sexual assault under § 3–1505 of the Courts Article.

(c) (1) The landlord shall change the locks on the leased premises by the close of the next business day after receiving a written request under subsection (a) of this section.

(2) If the landlord fails to change the locks as required under paragraph (1) of this subsection, the tenant:

(i) May have the locks changed by a certified locksmith on the leased premises without permission from the landlord; and

(ii) Shall give a duplicate key to the landlord or the landlord's agent by the close of the next business day after the lock change.

(d) If a landlord changes the locks on a tenant's leased premises under subsection (c) of this section, the landlord:

(1) Shall provide a copy of the new key to the tenant who made the request for the change of locks at a mutually agreed time not to exceed 48 hours following the lock change; and

(2) May charge a fee to the tenant not exceeding the reasonable cost of changing the locks.

(e) (1) If a landlord charges a fee to the tenant for changing the locks on a tenant's leased premises under subsection (d) of this section, the tenant shall pay the fee within 45 days of the date the locks are changed.

(2) If a tenant does not pay a fee as required under paragraph (1) of this subsection, the landlord may:

(i) Charge the fee as additional rent; or

(ii) Withhold the amount of the fee from the tenant's security deposit.

§8–601.

Any party to an action brought in the District Court under this title in which the amount in controversy meets the requirements for a trial by jury may, in accordance with this subtitle, demand a trial by jury.

§8–602.

(a) A jury demand must be made by a separate written pleading. Except as provided in subsection (b) of this section, a jury demand under this subsection shall be filed with the court as provided in item (1) or (2) of this subsection or the right to trial by jury is waived:

(1) In nonresidential cases, within fifteen days of posting or personal service, or at the parties' first scheduled appearance before the court, whichever occurs sooner; and

(2) In residential cases, at the parties' first scheduled appearance before the court.

(b) The time for filing the jury demand may be extended by agreement of all parties and that extension shall not be later than the first scheduled appearance of the parties.

§8–603.

(a) A provision contained within a residential lease in which a tenant is occupying the space as that tenant's primary residence which waives a trial by jury shall be invalid and unenforceable.

(b) A provision in any lease other than that specified in subsection (a) of this section which waives a trial by jury shall be valid and enforceable.

§8–604.

(a) A demand for trial by jury under this subtitle shall be subject to review by the District Court.

(b) If the jury demand is filed at the first scheduled appearance in accordance with § 8-602(b) of this subtitle, then any party to the action contesting the jury demand shall, at the first scheduled appearance, object to the jury demand and describe the basis of the invalidity of the jury demand.

(c) If the jury demand is filed at a time other than the first scheduled appearance in accordance with § 8-602(a) or (b) of this subtitle, then any other party to the action contesting the validity of the jury demand shall file an "objection to jury demand" within 10 days of the filing of the jury demand which such objection shall describe the basis of the invalidity of the jury demand, provided, however, that

the "objection to jury demand" shall be filed at the first scheduled appearance if that occurs prior to the expiration of the period set forth in § 8-602 of this subtitle.

(d) In the event that a jury demand and an "objection to jury demand" is filed in accordance with § 8-602 of this subtitle and subsection (b) of this section:

(1) If an "objection to jury demand" is filed under subsection (b) of this section, the court shall consider the validity of the jury demand at the time of the first scheduled appearance of the parties;

(2) If an "objection to jury demand" is filed under subsection (c) of this section at a time other than trial, the court shall set the objection in for a hearing before the trial; or

(3) If the "objection to jury demand" is filed at the time of trial under subsection (c) of this section, the court shall consider the validity of the jury demand at trial.

(e) In the event a jury demand is filed prior to the first scheduled appearance and the time for filing an objection under subsection (c) of this section shall not have expired prior to the first scheduled appearance, and all other parties to the action file a "nonobjection to jury demand" at least 1 day prior to the first scheduled appearance, or if the time for filing an objection under subsection (c) of this section shall have expired prior to the first scheduled appearance and no objection having been filed, then the action shall be removed from the docket and transferred to the circuit court.

(f) In the event that a jury demand is made under this subtitle, the District Court shall not be divested of jurisdiction and the matter shall not be removed to the circuit court until such time as the District Court has reviewed the jury demand, provided, however, that any hearing on the validity of a jury demand under this subtitle must occur within 10 days of the date of jury demand.

(g) (1) The District Court's review of the validity of a jury demand shall be limited to:

(i) Timeliness of the jury demand;

(ii) The amount in controversy; and

(iii) The existence of a valid waiver.

(2) In the event that the District Court finds that the jury demand is invalid, the matter shall proceed in the District Court; however, upon conclusion of the District Court trial any party filing a jury demand determined invalid by the court may include the validity of the jury demand in an appeal, as set forth under the Maryland Rules.

§8–701.

(a) In this subtitle the following words have the meanings indicated.

(b) "Current ground rent deed of record" means the document that vests title to the reversionary interest in the current ground lease holder.

(c) "Department" means the State Department of Assessments and Taxation.

(d) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(e) (1) "Ground lease holder" means the holder of the reversionary interest under a ground lease.

(2) "Ground lease holder" includes an agent of the ground lease holder.

(f) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(g) "Leasehold interest" means the tenancy in real property created under a ground lease.

(h) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

§8–702.

(a) This subtitle applies to residential property that was or is used, intended to be used, or authorized to be used for four or fewer dwelling units.

(b) This subtitle does not apply to property:

(1) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(2) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(3) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

§8–703.

(a) The Department shall maintain an online registry of properties that are subject to ground leases.

(b) The Department is not responsible for the completeness or accuracy of the

contents of the online registry.

§8–704.

(a) A ground lease holder shall register a ground lease with the Department by submitting:

(1) A registration form that the Department requires; and

(2) The registration fee for each ground lease as provided under subsection (c) of this section.

(b) The registration form shall include:

(1) The premise address and tax identification number of the property for which the ground lease was created;

(2) The name and address of the ground lease holder;

(3) The name and address of the leasehold tenant;

(4) The name and address of the person to whom the ground rent payment is sent;

(5) The amount and payment dates of the ground rent installments;

(6) To the best of the ground lease holder's knowledge, a statement of the range of years in which the ground lease was created; and

(7) The liber and folio information for the current ground rent deed of record.

(c) The registration fee for a ground lease per ground lease holder is:

(1) $10 for the first ground lease; and

(2) $5 for each additional ground lease.

§8–705.

(a) The Department shall register a ground lease when the Department receives:

(1) A registration form; and

(2) The appropriate registration fee for each ground lease.

(b) If for any reason the Department is unable to register a ground lease for which a registration form and appropriate fee has been submitted, the Department

shall notify the ground lease holder of that ground lease, within 30 days of processing the registration form, of any information needed by the Department so as to complete the registration.

§8–706.

After a ground lease is registered, the ground lease holder shall promptly notify the Department of:

(1) A change in the name or address of the ground lease holder, leasehold tenant, or person to whom the ground rent payment is sent;

(2) A redemption of the ground lease; and

(3) Any other information the Department requires.

§8–707.

If a ground lease is not registered in accordance with this subtitle, the ground lease holder may not:

(1) Collect any ground rent payments due under the ground lease;

(2) Bring a civil action against the leasehold tenant to enforce any rights the ground lease holder may have under the ground lease; or

(3) Obtain a lien under § 8–402.3 of this title.

§8–708.

The Department shall work with the State Archives to coordinate the recordation, indexing, and linking of ground leases registered under this subtitle.

§8–709.

(a) The Department shall credit all fees collected under this subtitle to the fund established under § 1–203.3 of the Corporations and Associations Article.

(b) Fees received shall be held in a ground lease registry account in that fund and shall help defray the costs of the registry created under this subtitle.

§8–710.

The Department shall adopt regulations to carry out this subtitle.

§8A–101.

(a) In this title the following words have the meanings indicated.

(b) "Gratuity" includes donation, bonus, fee, or gift.

(c) (1) "Mobile home" means a structure:

(i) Transportable in one or more sections;

(ii) 8 or more body feet in width and 30 or more body feet in length;

(iii) Built on a permanent chassis; and

(iv) Designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities.

(2) "Mobile home" includes the plumbing, heating, air conditioning, and electrical systems contained in the structure.

(d) "Park" means any property leased or held out for lease to two or more residents or prospective residents.

(e) "Park fee" means any fee, charge, or assessment charged for the use of the park or for services rendered.

(f) "Park owner" means any person who has interest in the park and includes any person acting as the agent of a park owner as to the managerial or operations acts taken as the agent of the owner.

(g) "Premises" means any:

(1) Lot, plot, site, or parcel in the park; or

(2) Building, structure, or mobile home in the park.

(h) "Rent" means any money or other consideration given for the right of use, possession, and occupancy of the premises.

(i) "Rental agreement" means any written understanding between a resident and park owner whereby the resident is entitled to place his mobile home on a site in the park for payment of consideration to the park owner.

(j) (1) "Resident" means a mobile home owner who leases or rents a site for residential use and resides in a mobile home park.

(2) "Resident" includes a person who maintains a permanent residence with the mobile home owner, and who obtains title to the mobile home after the death of the owner under the terms of a will or by operation of law.

(k) "Rule" means any rule established by the owner.

(l) "Security deposit" means any payment of money, including payment of last

month's rent in advance of the time it is due, given to a park owner by a resident in order to protect the park owner against nonpayment of rent or damage to the leased premises.

(m) "Utility service" means any service available to the premises from a private or public central source. Such services may include sewer, water, electricity, telephone, gas, oil, and cable television.

§8A–201.

(a) Before a current or prospective resident signs a rental agreement or occupies the premises, a park owner shall:

(1) Provide the prospective resident with a written notice identifying the availability, capacity, and connection fee of all utility services at the proposed site in order to assure the proper and adequate installation of the mobile home. The prospective resident shall furnish to the park owner a written acknowledgment of this notification and acceptance of the site as proposed.

(2) Deliver a copy of the rules and an explanation of any provision for amendment of the rule.

(3) Deliver a copy of the rental agreement which shall contain the following:

(i) A specific identification of the site to be leased;

(ii) A term of tenancy of at least 1 year;

(iii) A stipulation of:

1. The total amount of annual rental for the site;

2. The term of payment, whether monthly, quarterly, semiannually, or annually;

3. The amount due for each installment;

4. The amount of any late payment fee; and

5. All park fees, in a manner that identifies the service to be provided for each park fee;

(iv) A description of each general obligation of the resident and park owner;

(v) A description of each service, facility, and utility service that the park owner will provide;

(vi) A description of any termination and renewal option;

(vii) The text of § 8A–202(c) of this subtitle, which defines "qualified resident"; and

(viii) A specific reference to this title as the law that governs the relationships between the resident and park owner.

(b) (1) A rental agreement may not require an annual payment of rent for a site.

(2) A prospective resident may request and a park owner may agree that the resident make an annual payment of rent for the site.

§8A–202.

(a) A park owner shall offer all current and prospective year-round residents a rental agreement for a period of not less than 1 year.

(b) Upon the expiration of the initial term, the resident shall be on a month-to-month term, unless a longer term is agreed to by the parties, subject to the modified provisions relating to the amount and payment of rent.

(c) (1) In this subsection, "qualified resident" means a year–round resident who:

(i) Has made rental payments on the due date or within any grace period commonly permitted in the park during the preceding year;

(ii) Within the preceding 6–month period has not committed a repeated violation of any rule or provision of the rental agreement and, at the time the term expires, no substantial violation exists; and

(iii) Owns a mobile home that meets the standards of the park.

(2) (i) Before the expiration of a 1–year term, or upon request of the resident at any time during a month–to–month term, a park owner shall offer to a qualified resident a rental agreement for a 1–year period.

(ii) An offer of a rental agreement for a 1–year term to a qualified resident shall:

1. Be delivered to the resident no later than 30 days before the expiration of the existing term;

2. Explain, in clear language, a qualified resident's right to the 1–year term; and

3. Contain a statement that, if the resident chooses not to

enter into a 1–year agreement, the lease will continue on a month–to–month term that can be discontinued by either party, upon 30 days' notice.

(3) If the use of land is changed:

(i) All residents shall be entitled to a 1–year prior written notice of termination notwithstanding the provisions of a longer term in a rental agreement; and

(ii) The park owner shall send to the local governing body of the county or municipal corporation in which the park is located a copy of the written notice of termination sent to the residents under item (i) of this paragraph.

(4) If a resident's rental agreement is not renewed on the basis that the resident is not a qualified resident, the park owner shall, within 5 days, provide the resident with a written statement of the specific reason for nonrenewal of the rental agreement.

(5) A resident who has been offered a 1–year rental agreement under this section, and who has selected a month–to–month term and has not requested a 1–year rental agreement under this section, is not entitled to a 1–year rental agreement after a notice to terminate is delivered by certified mail to the resident by the park owner.

(d) If any rental agreement contains a provision calling for an automatic renewal of the lease term unless prior notice is given by the party or parties seeking to terminate the rental agreement, that provision shall be distinctly set apart from any other provision of the rental agreement and provide a space for the written acknowledgment of the resident's agreement to the automatic renewal provision. Such provision not specifically accompanied by either the resident's initials, signature, or witnessed mark is unenforceable by the park owner.

(e) A rental agreement may not contain:

(1) A provision whereby the resident authorizes any person to confess judgment on a claim arising out of the rental agreement.

(2) A provision whereby the resident agrees to waive or to forego any right or remedy provided by applicable law.

(3) Any provision whereby the resident waives his right to a jury trial.

(4) Any provision authorizing the park owner to take possession of the leased premises, or the resident's personal property therein unless the rental agreement has been terminated by action of the parties or by operation of law, and such personal property has been abandoned by the mobile home resident without the benefit of formal legal process.

(f) Any rental agreement offered under this section shall contain the same terms, including rent, fees, and conditions, as a rental agreement offered to a resident

or prospective resident on a month-to-month term.

(g) (1) Within 30 days after obtaining ownership of a mobile home, a resident as defined under § 8A-101(j)(2) of this title shall:

(i) Offer the mobile home for sale;

(ii) Apply to the park owner to enter into a rental agreement; or

(iii) Take reasonable steps to remove the mobile home from the park.

(2) A park owner may not unreasonably deny an application submitted under paragraph (1)(ii) of this subsection.

(3) Notwithstanding any other provision of law, a resident as defined under § 8A-101(j)(2) of this title shall remove the resident's mobile home from the park:

(i) If settlement on a sale offered under paragraph (1)(i) of this subsection has not occurred within 1 year of the resident's obtaining ownership; or

(ii) Within 6 months after an application submitted under paragraph (1)(ii) of this subsection is denied.

§8A–301.

(a) (1) A park owner shall establish reasonable rules related to the order, peace, health, safety, and qualification standards of mobile homes, residents, and the operation of the park.

(2) A rule established under paragraph (1) of this subsection may not be enforced unless it is in writing and is delivered to each resident in the park.

(b) (1) A park owner shall prescribe reasonable, written standards for the mobile homes to be placed or retained in the park, their size, quality, appearance, material specification, construction and safety condition.

(2) A rule adopted pursuant to paragraph (1) of this subsection setting a standard for the size, quality, material specification, or construction of mobile homes may not be enforced against any individual:

(i) Who, at the time the standard is adopted, is the owner or tenant of a mobile home in the park, as to that mobile home; or

(ii) Who purchases a mobile home from the individual who owned the home at the time the standard was adopted.

(c) A park owner shall prescribe reasonable, written maintenance standards for any mobile home in the park or immediate area surrounding the mobile home, in accordance with the State or county health laws or regulations.

(d) All rules and standards shall be fair and reasonable and, except as provided in paragraph (b)(2) of this section, shall apply uniformly to all residents in the park.

(e) A rule or standard is not enforceable unless the park owner:

(1) Delivers a copy of the rule or standard to each resident affected thereby; and

(2) Posts a copy of the rule or standard in a conspicuous place in the park.

(f) An amendment to a rule or standard is not effective until the later of:

(1) The date specified in the amendment; or

(2) 30 days after the park owner delivers to each resident written notice of the proposed amendment.

§8A–401.

(a) A park owner may increase a park fee only if the park owner delivers to each resident a notice in writing of the increase at least 30 days before the effective date of the increased park fee.

(b) If a park owner fails to so notify a resident affected by the increase, the park owner may not collect the increased amount of the park fee from the resident.

§8A–402.

(a) An entrance or exit fee is prohibited.

(b) A fee may not be charged:

(1) In connection with the renewal of a rental agreement; or

(2) To determine if a resident is qualified under § 8A-202(c) of this title.

(c) Except if a material change results in the deterioration of the home, a park owner may not charge a fee for inspecting a home for resale more than one time within a 12-month period.

(d) The fee for inspecting a home for resale may not exceed $60.

§8A–403.

(a) A park owner may charge the resident a reasonable service fee, based on an amount that the park owner directly incurs, for installing, placing on, or removing a mobile home from the site.

(b) In each case where a fee has been charged by a park owner, a written

description detailing the fee shall be provided by the park owner to the resident.

§8A–404.

A park owner may charge a late payment fee if:

(1) The rental agreement provides for the fee;

(2) The fee does not exceed 5 percent of the rent due or $5, whichever is higher; and

(3) The rent is not paid within 5 days after the due date specified in the rental agreement.

§8A–405.

A park owner may not charge a resident or his guest any fee to enter, leave, or remain on the site unless, without the consent of the park owner, the guest stays more than 15 consecutive days, or during a year, 30 total days.

§8A–406.

A park owner shall provide to a resident, on request, a written receipt for a park fee or other financial transaction between the park owner and resident.

§8A–501.

A park owner may not:

(1) Require, as a condition of tenancy, the purchase of any permanent improvement that would become the property of the park owner;

(2) Require any current resident or prospective resident to purchase from any particular person a mobile home, materials, or equipment, including the equipment required by the applicable law, necessary for installation of the mobile home, except in connection with the initial leasing or renting of a newly-constructed lot not previously leased or rented to any other person;

(3) Restrict the supplier of any product or service that the park owner does not supply to all residents in the park, except as the restriction directly relates to the safety of the residents;

(4) Restrict the installation, service, or maintenance of any electric or gas appliance if the installation complies with the applicable building code and other laws;

(5) Restrict any interior improvement of a mobile home if the improvement complies with the applicable code and other laws;

(6) Directly or indirectly, receive, collect, or accept any gratuity from

any person that is made to facilitate, influence, or procure any advantage over other prospective residents in connection with the lease, use, or occupation of the premises; or

(7) (i) Enforce the designation of an area in a park for exclusive occupancy by adults against any individual who, at the time the designation is made, is the owner or tenant of a mobile home in the park, as to that mobile home at its location at the time of the designation.

(ii) Subparagraph (i) does not apply if only a part of the park is so designated, and

1. The park owner:

A. Has made available to the individual, under comparable terms and conditions, another reasonably equivalent site for the mobile home in an area of the park that is not so designated and the individual shall accept or reject the proposed site within 60 days from the time the equivalent site is made available; and

B. Has assumed the responsibility of moving the mobile home at the park owner's expense; or

2. The mobile home is not moved.

§8A–502.

In any action to recover any gratuity, the court shall award:

(1) A double amount of the gratuity; and

(2) The court costs.

§8A–503.

A park owner who purchases from a publicly regulated utility any electricity, gas, or other utility service for resale to a resident may not charge directly or indirectly for the resale an amount that exceeds the amount that the utility charges the park owner.

§8A–601.

A park owner may not:

(1) Prevent a resident from selling his mobile home in the park; and

(2) Require the resident to remove the mobile home from the park because of the sale of the mobile home.

§8A–602.

A park owner may prescribe by rule that, in any sale of a mobile home by which the mobile home is to be retained in the park, he reserves the right to approve the buyer and the standards of the mobile home. A park owner may not unreasonably withhold approval of a buyer.

§8A–603.

A park owner may collect a commission in connection with the sale of a mobile home only if he has acted as an agent for either party to the sale pursuant to a separate written agreement.

§8A–604.

A resident shall provide the park owner with a 30-day prior written notice of the resident's intention to sell the mobile home which will be removed from the site or retained on the site after resale, subject to the provisions of this title.

§8A–605.

(a) (1) This subsection applies to a person who sells a mobile home and, in connection with the sale:

(i) Is, or acts as an agent for, the owner of the park in which the home is to be located; and

(ii) Negotiates with the buyer to place the home in a park.

(2) Prior to the execution of a contract for the sale of a mobile home, the seller of the mobile home shall provide to the buyer a copy of any rules established under Subtitle 3 of this title by the owner of the park in which the mobile home is to be located.

(3) A contract is unenforceable by a person described in paragraph (1) of this subsection if the person does not comply with paragraph (2) of this subsection.

(b) If subsection (a) of this section does not apply, the seller shall provide the buyer with a notice, in writing, separate from the contract, and in substantially the following form:

> "If the mobile home you are purchasing is to be placed in a mobile home park, the park may have rules and lease provisions that affect you and your home.
>
> You should contact the park office to obtain and carefully review a copy of the lease and rules for the park before you enter into a contract to purchase a mobile home.

Due to land use restrictions in many areas in this State, a mobile home may be placed only on property that is within a mobile home park."

§8A–701.

(a) A park owner shall assure the resident that the resident, peaceably and quietly, may enter on the leased premises at the beginning of the term of any lease.

(b) If the park owner fails to provide the resident with possession of the site at the beginning of the term of any lease, the rent payable under the rental agreement shall abate until possession is delivered. The resident on written notice to the park owner before possession is delivered may terminate, cancel, and rescind the rental agreement.

§8A–702.

On termination of the rental agreement under this subtitle, the park owner shall refund to the resident all money or property given as prepaid rent, deposit, or security.

§8A–703.

If due to the fault of the park owner, the park owner fails to provide the resident with possession of the site at the beginning of the term of any lease, whether or not the lease is terminated under this section, the park owner is liable to the prospective resident for consequential damages actually suffered by him subsequent to the prospective resident giving notice to the park owner of his inability to enter on the leased premises.

§8A–704.

(a) A park owner has at all reasonable times a right of entry onto the mobile home site to repair or replace any utility and to protect the park. Except in the case of an emergency, the entry may not be made in a manner and at a time that interferes unreasonably with the quiet enjoyment of the site by the resident.

(b) Except in the case of an emergency or to prevent imminent danger to a mobile home or its occupant, a park owner does not have any right of entry to the mobile home without the prior written consent of the resident. The resident may revoke at any time and in writing a consent to entry.

§8A–801.

(a) The park owner at all times shall:

(1) Comply with all applicable building, housing, zoning, and health codes;

(2) Keep in good repair the leased site and all permanent fixtures that the park owner provides;

(3) Keep in a good state of appearance, repair, safety, and cleanliness the common areas and buildings;

(4) Provide at all reasonable times for the benefit of residents access to common areas, including their buildings and improvements, which access may not infringe on the leased site of any resident; and

(5) Keep in good repair each utility service.

(b) A park owner or operator of a mobile home park, or his agent or employee, may not refuse, withhold from, or deny to any person any of the accommodations, advantages, facilities, or privileges of the mobile home park or leases to the premises because of race, creed, color, sex, or national origin of that person.

§8A–901.

A resident and his guest at all times shall:

(1) Comply with park rules by conducting himself in a manner that does not disturb unreasonably other residents and that does not constitute a breach of the peace;

(2) Comply with all obligations imposed on the residents by applicable building, housing, zoning, and health codes; and

(3) Keep clean and sanitary the leased site.

§8A–1001.

(a) (1) A park owner may not impose a security deposit in excess of the equivalent of 2 months' rent, or $50, whichever is greater. If a security deposit exceeds this amount, the resident may recover up to threefold the extra money charged, plus reasonable attorney's fees.

(2) (i) After receiving payment of the initial security deposit from the resident, a park owner may not increase the security deposit.

(ii) If the resident was not required to pay a security deposit during a prior lease or rental term, a park owner may not impose a security deposit.

(b) An action under this section may be brought at any time during the tenancy or within 2 years after its termination.

(c) (1) The park owner shall give the resident a receipt for the security deposit.

(2) The receipt may be included in a written rental agreement.

(3) The park owner shall be liable to the resident in the sum of $25 if the park owner fails to provide a written receipt for the security deposit.

(4) The receipt or rental agreement shall contain language informing the resident of his rights under this section to receive from the park owner a written list of all existing damages if the resident makes a written request of the park owner within 15 days of the resident's occupancy.

(d) (1) If the park owner imposes a security deposit, on written request, he promptly shall provide the resident with a written list of all existing damages. The request must be made within 15 days of the resident's occupancy.

(2) Failure to provide the resident with this written statement renders the park owner liable to the resident for threefold the amount of the security deposit. The total amount of damages shall be subject to a setoff for damages and unpaid rent which reasonably could be withheld under this section.

(e) (1) The park owner shall maintain all security deposits in a banking or savings institution in the State. This account shall be devoted exclusively to security deposits and bear interest.

(2) A security deposit shall be deposited in the account within 30 days after the park owner receives it.

(3) In the event of sales or transfer of any sort, including receivership or bankruptcy, the security deposit is binding on the successor in interest to the person to whom the deposit is given. Security deposits are free from any attachment by creditors.

(4) Any successor in interest is liable to the resident for failure to return the security deposit, together with interest, as provided in this section.

(f) (1) (i) Within 45 days after the end of the tenancy, the park owner shall return the security deposit to the resident together with simple interest which has accrued at the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld.

(ii) For any year in which the park owner has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

1. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and

2. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the

deposit was held that year and the denominator of which is 12.

(2) Interest shall accrue at 6–month intervals from the day the resident gives the park owner the security deposit. Interest is not compounded.

(3) Interest shall be payable only on security deposits of $50 or more.

(4) If the park owner, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days after the termination of the tenancy, the resident has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(g) (1) The security deposit, or any portion of the security deposit, may be withheld for unpaid rent, damage due to breach of the rental agreement, or damage to the leased premises by the resident or the resident's family, agents, employees, or social guests in excess of ordinary wear and tear.

(2) The resident has the right to be present when the park owner or his agent inspects the premises in order to determine if any damage was done to the premises, if the resident notifies the park owner in writing of his intention to move, the date of moving and his new address. The notice to be furnished by the resident to the park owner shall be mailed at least 15 days prior to the date of moving. Upon receipt of the notice, the park owner shall notify the resident in writing of the time and date when the premises are to be inspected. The date of inspection shall occur within 5 days after the moving as designated in the resident's notice. The resident shall be advised of his rights under this subsection in writing which may be included in the rental agreement at the time of his payment of the security deposit. Failure by the park owner to comply with this requirement forfeits the right of the park owner to withhold any part of the security deposit for damages.

(h) A park owner is entitled to rely on the list of yield curve rates or the customized calculator maintained by the Department of Housing and Community Development under § 8–203(k) of this article when calculating the interest on a security deposit.

§8A–1101.

(a) A park owner may only evict a resident for:

(1) Nonpayment of rent; or

(2) The following violations:

(i) Making or causing to be made, with knowledge, any false or misleading statement on an application for tenancy;

(ii) Violation of a federal, State, or local law that is detrimental to the safety and welfare of other residents in the park; or

(iii) Repeated violation of any rule or provision of the rental agreement occurring within a 6–month period.

(b) A park owner shall deliver to the resident by certified mail, regular mail, or personal delivery a written notice of the violation at least 30 days before the date the resident is required to vacate the premises. The notice shall be specifically addressed to the resident in question and shall provide a specific reason for the eviction.

§8A–1102.

(a) (1) In this section the following words have the meanings indicated.

(2) "Threaten to take possession" means using words or actions intended to convince a reasonable person that the park owner intends to take imminent possession of the leased premises in violation of this section.

(3) (i) "Willful diminution of services" means intentionally interrupting or causing the interruption of heat, running water, hot water, electricity, or gas by the park owner for the purpose of forcing a resident to abandon the property.

(ii) "Willful diminution of services" does not include a park owner choosing not to continue to pay for utility service for the leased premises after a final court order awarding possession of the leased premises, if the park owner has provided the resident reasonable notice of the owner's intention and the opportunity for the resident to open an account in the resident's name for that service.

(b) (1) Except as provided in paragraph (2) of this subsection, a park owner may not take possession or threaten to take possession of leased premises from a resident or resident holding over by locking the resident out or any other action, including willful diminution of services to the resident.

(2) A park owner may take possession of leased premises from a resident or resident holding over only:

(i) In accordance with a warrant of restitution issued by a court and executed by a sheriff or constable; or

(ii) If the resident has abandoned or surrendered possession of the leased premises.

(c) (1) If in any proceeding the court finds in favor of the resident because the park owner violated subsection (b) of this section, the resident may recover:

(i) Actual damages; and

(ii) Reasonable attorney's fees and costs.

(2) The remedies set forth in this subsection are not exclusive.

§8A–1201.

(a) When a mobile home park owner submits an application for a change in the land use of a park, the owner shall submit, as part of the application, a relocation plan for park residents who will be dislocated as a result of the change.

(b) (1) If a mobile home park owner does not submit a relocation plan for the park residents or does not comply with the terms of an approved plan, the mobile home park owner is in default of the plan and the application for change of land use submitted under subsection (a) of this section may not be approved until the owner submits and complies with a plan.

(2) A relocation plan for park residents shall include:

(i) A complete list of park residents, including household sizes, addresses, and contact information for residents;

(ii) A relocation calendar or timeline and written monthly updates on the progress of the relocation;

(iii) If the plan is for closing a park with more than 38 sites, a budget reflecting the amount of relocation assistance allocated by the mobile home park owner to be given to each household as described in subsection (c)(1) of this section;

(iv) A description of the requirement that a resident provide written notice of the resident's intention to vacate the park and the timetable for the owner to pay relocation assistance, as provided under subsection (c)(2) of this section;

(v) A list of area mobile home parks with vacancies; and

(vi) A list of area companies that relocate mobile homes.

(3) If a mobile home park owner undertakes a reasonable, good faith inquiry to obtain the information required under paragraph (2) of this subsection and the information in the relocation plan is based on the owner's reasonable, good faith inquiry, the owner shall not incur any liability and may not be estopped from obtaining possession of the premises because of a failure to provide accurate information in the relocation plan.

(4) A relocation plan may not require, as a condition of approval by the local governing body of the plan or the change in land use submitted under subsection (a) of this section, that:

(i) Relocation assistance be paid unless the mobile home park owner sends a notice of park closure to each resident;

(ii) The amount of relocation assistance exceed the amount described in subsection (c)(1) of this section;

(iii) Except as provided in subsection (c) of this section, any amount of relocation assistance be paid to a resident before possession of the premises is returned to the owner; or

(iv) The owner assure the relocation of any resident.

(5) If an owner rescinds a notice of park closure, the owner is not required to pay relocation assistance after the date the notice of rescission is sent to the residents.

(6) An owner is not required to pay relocation assistance to any potential resident who, after receiving written notice of the application for change in land use or written notice of park closure, signs an agreement to rent premises in the park.

(c) (1) If a mobile home park with more than 38 sites is closed, the relocation assistance paid to each household shall equal the amount of rent for the premises, excluding taxes and utilities, paid for the 10 months immediately preceding the date the resident vacates the premises.

(2) The relocation assistance shall be paid in the following manner:

(i) One half of the relocation assistance shall be paid to a resident within 30 days after the mobile home park owner receives written notice of:

1. The resident's intention to vacate the park; and

2. The date on which the resident will return possession of the premises to the owner; and

(ii) One half of the relocation assistance shall be paid to a resident within 30 days after the resident returns possession of the premises to the owner.

(3) If a resident fails to return possession of the premises by removing the mobile home from the premises on or before the date specified in the resident's notice of intention to vacate, the resident shall forfeit the balance of any relocation assistance due unless the mobile home park owner agrees in writing to a different date.

(d) (1) The local governing body of the county or municipal corporation in which a mobile home park is located may provide additional relocation assistance to residents.

(2) A mobile home park owner is not responsible for any payments made under paragraph (1) of this subsection.

§8A–1301.

(a) (1) For any reason listed in paragraph (2) of this subsection, a park owner may not:

(i) Bring or threaten to bring an action for possession against a resident;

(ii) Arbitrarily increase the rent or decrease the services to which a resident has been entitled; or

(iii) Terminate a periodic tenancy.

(2) A park owner may not take an action that is listed under paragraph (1) of this subsection for any of the following reasons:

(i) Because the resident or the resident's agent has provided written or actual notice of a good faith complaint about an alleged violation of the rental agreement, violation of law, or condition on the leased premises that is a substantial threat to the health or safety of occupants to:

1. The park owner; or

2. Any public agency against the park owner;

(ii) Because the resident or the resident's agent has:

1. Filed a lawsuit against the park owner; or

2. Testified or participated in a lawsuit involving the park owner; or

(iii) Because the resident has participated in any tenant's organization.

(b) (1) A park owner's violation of subsection (a) of this section is a "retaliatory action".

(2) A resident may raise a retaliatory action of a park owner:

(i) In defense to an action for possession; or

(ii) As an affirmative claim for damages resulting from a retaliatory action of a park owner occurring during a tenancy.

(c) If in any proceeding the court finds in favor of the resident because the park owner engaged in a retaliatory action, the court may enter judgment against the park owner for damages not to exceed the equivalent of 3 months' rent, reasonable attorney's fees, and court costs.

(d) An action by a park owner may not be deemed to be retaliatory for purposes of this section if the alleged retaliatory action occurs more than 6 months after a resident's action that is protected under subsection (a)(2) of this section.

(e) As long as a park owner's termination of a tenancy is not the result of a retaliatory action, nothing in this section may be interpreted to alter the park owner's or the resident's rights arising from breach of any provision of a rental agreement or rule, or either party's right to terminate or not renew a rental agreement pursuant to the terms of the rental agreement or the provisions of other applicable law.

(f) If any county has enacted or enacts an ordinance comparable in subject matter to this section, this section shall supersede the provisions of the ordinance to the extent that the ordinance provides less protection to a resident.

§8A–1501.

(a) This title and each rental agreement made under it impose an obligation of good faith in performance and enforcement.

(b) (1) A resident or a park owner may enforce by civil action any right or duty under this title.

(2) If either the park owner or the resident fails to comply with the rental agreement or with this title, the aggrieved party may recover the damages caused by the noncompliance.

(3) In an action by or against a resident, if the resident prevails and if the rental agreement contains a provision that allows attorney's fees to the park owner, the court also may allow reasonable attorney's fees to the resident.

(4) In an action by a resident, the court may award equitable relief that it considers necessary, including the enjoining of further violations. The losing party may be liable for court costs and reasonable attorney's fees incurred by the prevailing party.

§8A–1502.

(a) If it is claimed or appears to the court that a rental agreement or park rule may be unconscionable, the court may give to the parties a reasonable opportunity to present evidence as to the meaning of the rental agreement or park rule, relationship of the parties, purpose, and other relevant factors to aid the court in making a determination.

(b) A park rule that does not apply uniformly to all residents in a park creates a rebuttable presumption of unfairness.

(c) In determining if a provision of a rental agreement or of a park rule is unconscionable the court may consider if the provision:

(1) Promotes the convenience, safety, or welfare of residents;

(2) Preserves from abusive use property of the park owner;

(3) Promotes a fair distribution of services or facilities held out to residents generally;

(4) Relates reasonably to its purpose;

(5) Applies to all residents in a fair manner;

(6) Are sufficiently explicit for a resident to comply; and

(7) Is for the purpose of evading an obligation of the park owner.

(d) If a court finds that any provision of a rental agreement or park rule is unconscionable, the court may:

(1) Refuse to enforce the rental agreement or park rule;

(2) Enforce the remainder of the rental agreement or park rule without the unconscionable provision; or

(3) Limit the application of any unconscionable provision as to avoid any unconscionable result.

(e) If the effect of any provision of a rental agreement is to indemnify the park owner, hold him harmless, or preclude or exonerate him from any liability to a mobile home resident, or to any other person, for any injury, loss, damage, or liability arising from any omission, fault, negligence, or other misconduct of the park owner on or about the leased premises not within the exclusive control of the mobile home resident, the provision is against public policy and void. An insurer may not claim a right of subrogation by reason of the invalidity of this provision.

§8A–1601.

(a) In an action by the park owner for eviction based on nonpayment of rent or for recovery of unpaid rent, the resident may raise:

(1) A defense of material noncompliance with this title if, before the due date of rent, the resident gave to the park owner written notice that based on the noncompliance the resident did not intend to pay rent and specified in detail the provision of noncompliance; or

(2) Any other legal or equitable defense.

(b) If, in an action by the park owner for eviction based on nonpayment of rent, the resident raises a defense other than payment, the resident may petition the circuit court for the appointment of a trustee to receive the rent of the resident, apply the same to correcting the deficiency complained of and make a full accounting thereof to the court. The court shall give the parties a reasonable opportunity to present evidence as to the controversy before a trustee is appointed.

§8A–1701.

(a) Whenever the resident under any rental agreement, express or implied, verbal or written, shall fail to pay the rent when due and payable, it shall be lawful for the park owner to have again and repossess the premises so rented.

(b) Whenever any park owner shall desire to repossess any premises to which he is entitled, he or his duly qualified agent or attorney, shall make his written complaint under oath or affirmation, before the District Court of the county wherein the property is situated, describing in general terms the property sought to be repossessed, and also setting forth the name of the resident to whom the property is rented or his assignee or subtenant with the amount of rent due and unpaid; and praying by warrant to repossess the premises, together with judgment for the amount of rent due and costs. The District Court shall issue its summons, directed to any constable or sheriff of the county entitled to serve process, and ordering him to notify by first-class mail the tenant, assignee, or subtenant to appear before the District Court at the trial to be held on the fifth day after the filing of the complaint, to answer the park owner's complaint to show cause why the prayer of the park owner should not be granted, and the constable or sheriff shall proceed to serve the summons upon the resident, assignee, or subtenant in the property or upon his known or authorized agent, but if for any reason, neither the resident, assignee, or subtenant, nor his agent, can be found, then the constable or sheriff shall affix an attested copy of the summons conspicuously upon the mobile home. The affixing of the summons upon the mobile home after due notification to the resident, assignee, or subtenant by first-class mail shall conclusively be presumed to be a sufficient service to all persons to support the entry of a default judgment for possession of the premises, together with court costs, in favor of the park owner, but it shall not be sufficient service to support a default judgment in favor of the park owner for the amount of rent due.

(c) (1) If, at the trial on the fifth day indicated in subsection (b) of this section, the court is satisfied that the interests of justice will be better served by an adjournment to enable either party to procure his necessary witnesses, he may adjourn the trial for a period not exceeding 1 day, except that if the consent of all parties is obtained, the trial may be adjourned for a longer period of time.

(2) If, when the trial occurs, it appears to the satisfaction of the court, that the rent, or any part of the rent, is actually due and unpaid, the court shall determine the amount of rent due and enter a judgment in favor of the park owner for possession of the premises. The court may also give judgment in favor of the park owner for the amount of rent determined to be due together with costs of the suit if the court finds that the actual service of process made on the defendant would have been sufficient to support a judgment in an action in contract or tort.

(3) The court, when entering the judgment, shall also order the resident to yield and render possession of the premises to the park owner, or his agent or attorney, within 30 days after the trial.

(4) The court may, upon presentation of a certificate signed by a physician certifying that surrender of the premises within this 30-day period would endanger the health or life of the resident or any other occupant of the premises, extend the time for surrender of the premises as justice may require. However, the court may not extend the time for the surrender of the premises beyond 45 days after the trial.

(5) However, if the resident, or someone for him, at the trial, or adjournment of the trial, tenders to the park owner the rent determined by the court to be due and unpaid, together with the costs of the suit, the complaint against the resident shall be entered as being satisfied.

(d) If judgment is given in favor of the park owner, and the resident fails to comply with the requirements of the order within 15 days, the court shall, at any time after the expiration of the 15 days, issue its warrant, directed to any official of the county entitled to serve process, ordering him to cause the park owner to have again and repossess the property by putting him (or his duly qualified agent or attorney for his benefit) in possession thereof, and for that purpose to remove from the property, by force if necessary, the mobile home and all additions or attachments of every description whatsoever belonging to the resident, or to any person claiming or holding by or under said resident. If the park owner does not order a warrant of restitution within 60 days from the date of judgment or from the expiration date of any stay of execution, whichever shall be the later, the judgment for possession shall be stricken.

(e) In any action of summary ejectment for failure to pay rent where the park owner is awarded a judgment giving him restitution of the leased premises, the resident shall have the right to redemption of the leased premises by tendering in cash, certified check, or money order to the park owner or his agent all past due rent and late fees, plus all court awarded costs and fees, at any time before actual execution of the eviction order. This subsection does not apply to any resident against whom 3 judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action to which this subsection otherwise would apply.

(f) The resident or the park owner may appeal from the judgment of the District Court to the circuit court for any county at any time within 2 days from the rendition of the judgment. The resident, in order to stay any execution of the judgment, shall give a bond to the park owner with one or more sureties, who are owners of sufficient property in the State of Maryland, with condition to prosecute the appeal with effect, and answer to the park owner in all costs and damages mentioned in the judgment, and such other damages as shall be incurred and sustained by reason of the appeal. The bond shall not affect in any manner the right of the park owner to proceed against the resident, assignee, or subtenant for any and all rents that may become due and payable to the park owner after the rendition of the judgment.

§8A–1702.

(a) (1) A resident under any lease or someone holding under him, who shall unlawfully hold over beyond the termination of the rental agreement, shall be liable to

the park owner for the actual damages caused by the holding over.

(2) The damages awarded to a park owner against the resident or someone holding under him, may not be less than the apportioned rent for the period of holdover at the rate under the rental agreement.

(3) Any action to recover damages under this section may be brought by suit separate from the eviction or removal proceeding or in the same action and in any court having jurisdiction over the amount in issue.

(4) Nothing contained herein is intended to limit any other remedies which a park owner may have against a holdover resident under the rental agreement or under applicable law.

(b) (1) Where any interest in property shall be leased for any definite term or at will, and the park owner shall desire to repossess the property after the expiration of the term for which it was leased and shall give notice in writing 1 month before the expiration of the term or determination of the will to the resident or to the person actually in possession of the property to remove from the property at the end of the term, and if the resident or person in actual possession shall refuse to comply, the park owner may make complaint in writing to the District Court of the county where the property is located. The court shall issue its summons to the resident or person in possession that he appear on a day stated in the summons before the court to show cause (if any he have) why restitution of the possession of the estate leased should not be made to the park owner. Upon the failure of either of the parties to appear before the court on the day stated in the summons, the court may continue the case to a day not less than 6 nor more than 10 days after the day first stated and notify the parties of the continuance.

(2) If upon hearing the parties, or in case the resident or person in possession shall neglect to appear after the summons and continuance the court shall find that the park owner had been in possession of the leased property, that the said lease or estate is fully ended and expired, that due notice to quit as aforesaid had been given to the resident or person in possession and that he had refused so to do, the court shall thereupon give judgment for the restitution of the possession of said premises and shall forthwith issue its warrant to the sheriff or a constable in the respective counties commanding him forthwith to deliver to the park owner possession thereof in as full and ample manner as the park owner was possessed of the same at the time when the leasing was made, and shall give judgment for costs against the resident or person in possession so holding over. Either party shall have the right to appeal therefrom to the circuit court for the county within ten days from the judgment. If the resident appeals and files with the District Court an affidavit that the appeal is not taken for delay, and also a good and sufficient bond with one or more securities conditioned that he will prosecute the appeal with effect and well and truly pay all rent in arrears and all costs in the case before the District Court and in the appellate court and all loss or damage which the park owner may suffer by reason of the resident's holding over, including the value of the premises during the time he shall so hold over, then the resident or person in possession of said premises may retain possession thereof

until the determination of said appeal. The appellate court shall, upon application of either party, set a day for the hearing of the appeal, not less than 5 nor more than 15 days after the application, and notice for the order for a hearing shall be served on the opposite party or his counsel at least 5 days before the hearing. If the judgment of the District Court shall be in favor of the park owner, a warrant shall be issued by the appellate court to the sheriff, who shall proceed forthwith to execute the warrant.

(3) The provisions of this section shall apply to all cases of tenancies from year to year, tenancies of the month and by the week. In case of tenancies from year to year, notice in writing shall be given 3 months before the expiration of the current year of the tenancy, and in monthly or weekly tenancies, a notice in writing of 1 month, shall be so given; and the same proceeding shall apply, so far as may be, to cases of forcible entry and detainer.

(4) When the resident shall give notice by parole to the park owner or to his agent or representatives, at least 1 month before the expiration of the lease or tenancy in all cases except in cases of tenancies from year to year, and at least 3 months' notice in all cases of tenancy from year to year, of the intention of the tenant to remove at the end of that year and to surrender possession of the property at that time, and the park owner, his agent, or representative shall prove the notice from the resident by competent testimony, it shall not be necessary for the park owner, his agent or representative to provide a written notice to the resident, but the proof of such notice from the resident as aforesaid shall entitle the park owner to recover possession of the property hereunder.

§8A–1703.

(a) When a rental agreement provides that the park owner may repossess the premises if the resident breaches the rental agreement, and the park owner has given the resident 1 month's written notice that the resident is in violation of the rental agreement and the park owner desires to repossess the premises, and if the resident or person in actual possession refuses to comply, the park owner may make complaint in writing to the District Court of the county where the premises is located. The court shall summons immediately the resident or person in possession to appear before the court on a day stated in the summons to show cause, if any, why restitution of the possession of the leased premises should not be made to the park owner. If either of the parties fails to appear before the court on the day stated in the summons, the court may continue the case for not less than 6 nor more than 10 days and notify the parties of the continuance.

(b) If the court determines that the resident breached the terms of the rental agreement and that the breach warrants an eviction, the court shall give judgment for the restitution of the possession of the premises and issue its warrant to the sheriff or a constable commanding him to deliver possession to the park owner in as full and ample manner as the park owner was possessed of the same at the time when the rental agreement was entered into. The court shall give judgment for costs against the resident or person in possession. Either party may appeal to the circuit court for the

county within 10 days from entry of the judgment. If the resident (1) files with the District Court an affidavit that the appeal is not taken for delay; (2) files sufficient bond with one or more securities conditioned upon diligent prosecution of the appeal; (3) pays all rent in arrears, all court costs in the case; and (4) pays all losses or damages which the park owner may suffer by reason of the resident's holding over, the resident or person in possession of the premises may retain possession until the determination of the appeal. Upon application of either party, the court shall set a day for the hearing of the appeal not less than 5 nor more than 15 days after the application, and notice of the order for a hearing shall be served on the other party or his counsel at least 5 days before the hearing. If the judgment of the District Court is in favor of the park owner, a warrant shall be issued by the court which hears the appeal to the sheriff, who shall execute the warrant.

§8A–1801.

No provision of this title shall be deemed to be a bar to the applicability of supplementary rights afforded by any public local law enacted by the General Assembly or any ordinance or any local law enacted by any municipality or political subdivision of this State; provided, however, that no such law can diminish or limit any right or remedy granted under the provisions of this title.

§8A–1802.

(a) To the extent that a violation of any provision of this title affects a resident or prospective resident, that violation shall be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General, as described in Title 13 of the Commercial Law Article.

(b) The provisions of this title shall otherwise be enforced by each agency of the State within the scope of its authority.

§8A–1803.

This title may be cited as the Maryland Mobile Home Parks Act of 1980.

§8B–101.

(a) In this title the following words have the meanings indicated.

(b) "Attached to a permanent foundation" means anchored to real property by attachment to a permanent foundation and connected to utilities, including water, gas, electricity, or sewer or septic service.

(c) "Certificate of origin" has the meaning stated in § 13–101 of the Transportation Article.

(d) "Certificate of title" means a title issued by the Motor Vehicle Administration for a manufactured home under Title 13 of the Transportation Article.

(e) "Convert" means to make a manufactured home that is attached to a permanent foundation considered as permanently affixed to a parcel of real property and treated as an integral part of the parcel.

(f) (1) "Lien" means an interest in a manufactured home, whether as personal property or real property, or in the parcel of real property to which the manufactured home is or will be affixed, that secures payment of a debt or performance of an obligation.

(2) "Lien" includes:

(i) A mortgage, deed of trust, security agreement, or other instrument creating an encumbrance on the property; or

(ii) An encumbrance arising by operation of law.

(g) "Manufactured home" has the meaning stated in § 9–102(a) of the Commercial Law Article.

(h) "Owner" means a person that has an ownership interest in a manufactured home.

(i) "Sever" means to separate a manufactured home that has been converted to real property from the parcel of real property to which it has been affixed.

§8B–102.

(a) Except as provided in subsection (b) of this section, on satisfaction of the requirements of Subtitle 2 of this title:

(1) A manufactured home shall be:

(i) Converted to real property; and

(ii) Governed by the laws applicable to real property and not subject to Title 13 of the Transportation Article;

(2) Any lien that can attach to real property shall attach in the same manner to a manufactured home that is converted to real property as to the parcel of real property to which the manufactured home has been affixed; and

(3) The title and all rights to a manufactured home shall be transferred by deed with the transfer of the parcel of real property to which the manufactured home has been affixed.

(b) This section does not apply to a manufactured home for which an affidavit of severance has been recorded under § 8B–302 of this title.

§8B–103.

An affidavit of affixation is not necessary to convey or encumber a manufactured home.

§8B–104.

The property tax status of a manufactured home shall be governed by the Tax – Property Article.

§8B–201.

A manufactured home shall be converted to real property when all of the following events have occurred:

(1) The manufactured home is attached to a permanent foundation;

(2) The ownership interests in the manufactured home and the parcel of real property to which the manufactured home is affixed are identical; and

(3) An affidavit of affixation complying with the requirements of § 8B–202 of this subtitle has been recorded with the clerk of the court of the county in which the parcel of real property to which the manufactured home is affixed is located.

§8B–202.

(a) An affidavit of affixation shall contain or be accompanied by:

(1) A description of the manufactured home, including:

(i) The name of the manufacturer, make, model name, model year, dimensions, and manufacturer's serial number; and

(ii) A statement whether the manufactured home is new or used;

(2) The street address and legal description of the parcel of real property to which the manufactured home is or will be affixed;

(3) A statement that the ownership interests in the manufactured home and the parcel of real property to which the manufactured home is or will be affixed are identical or will be identical after filing the affidavit of affixation in the land records; and

(4) A statement that the manufactured home is or will be attached to the real property described at the time of the filing of the affidavit of affixation in the land records.

(b) (1) Except as provided in paragraph (2) of this subsection, an affidavit of affixation shall be accompanied by:

(i) An original certificate of title issued by the Motor Vehicle Administration for the manufactured home that:

1. Has the word "surrendered" clearly written on its face; and

2. If the certificate of title indicates that there is a lien on the manufactured home, is accompanied by a release from each party that is indicated to have a lien on the manufactured home; or

(ii) A manufacturer's certificate of origin for the manufactured home that:

1. Has the word "surrendered" clearly written on its face; and

2. If the manufacturer's certificate of origin indicates that there is a lien on the manufactured home, is accompanied by a release from each party that is indicated to have a lien on the manufactured home.

(2) If the owner is unable to locate an original certificate of title or a manufacturer's certificate of origin, the affidavit of affixation shall be accompanied by a report prepared and acknowledged by an attorney licensed to practice in the State or a title insurance producer licensed to do business in the State that:

(i) Identifies the party preparing the report;

(ii) States that a search has been conducted of:

1. The land records of the county in which the parcel of real property to which the manufactured home is or will be affixed is located; and

2. The records maintained by the Motor Vehicle Administration; and

(iii) Identifies all liens on the manufactured home, including for each lien:

1. The name of the lien holder;

2. The nature of the lien;

3. The date the lien was created; and

4. The amount of the lien.

(c) (1) If an affidavit of affixation is accompanied by an original certificate of title, the affidavit shall be accompanied by:

(i) A statement that it is the intent of the owner to surrender the certificate of title; and

(ii) A statement that:

1. There is no lien on the manufactured home; or

2. Any lien on the manufactured home has been satisfied and the appropriate releases are attached and made a part of the affidavit of affixation.

(2) If an affidavit of affixation is accompanied by a manufacturer's certificate of origin, the affidavit shall be accompanied by:

(i) A statement that a certificate of title has not been issued for the manufactured home;

(ii) A statement that it is the intent of the owner to surrender the manufacturer's certificate of origin; and

(iii) A statement that:

1. There is no lien on the manufactured home; or

2. Any lien on the manufactured home has been satisfied and the appropriate releases are attached and made a part of the affidavit of affixation.

(3) If an affidavit of affixation is accompanied by a statement from an attorney or title insurance producer, the affidavit also shall be accompanied by:

(i) A statement that the owner is unable to locate a certificate of title or a manufacturer's certificate of origin for the manufactured home; and

(ii) A statement that identifies all liens on the manufactured home, including for each lien:

1. The name of the lien holder;

2. The nature of the lien;

3. The date the lien was created; and

4. The amount of the lien.

(d) An affidavit of affixation shall be signed under penalty of perjury and acknowledged.

(e) The clerk of the circuit court of the county in which the parcel of real property to which a manufactured home is or will be affixed is located:

(1) Shall accept an affidavit of affixation and any attachments for recordation and indexing; and

(2) May charge a reasonable fee for the recordation.

(f) The recordation of an affidavit of affixation does not represent a sale or transfer of real property for the purpose of the collection of any tax or fee charged by the State or any county or municipality.

(g) (1) Immediately after filing an affidavit of affixation with the clerk of the circuit court, the owner of the property to which a manufactured home has been affixed shall send a certified copy of the affidavit and any attachments to the Motor Vehicle Administration.

(2) On receipt of a certified copy of an affidavit of affixation and any attachments under paragraph (1) of this subsection, the Motor Vehicle Administration shall record the affidavit and attachments in the Administration's records.

§8B–203.

The Motor Vehicle Administration shall make available records for manufactured homes to attorneys, title insurance producers, and other individuals authorized to conduct a title search.

§8B–301.

If a manufactured home for which an affidavit of affixation has been recorded is to be severed from real property, the owner shall record and file an affidavit of severance as provided under § 8B–302 of this subtitle.

§8B–302.

(a) An affidavit of severance shall contain or be accompanied by:

(1) A statement identifying the owner of the real property from which the manufactured home is to be severed, including the name, residence, and mailing address of the owner;

(2) A description of the manufactured home, including the name of the manufacturer, the make, model name, model year, dimensions, manufacturer's serial number, and a statement whether the manufactured home is new or used;

(3) The liber and folio number for and the recordation date of the affidavit of affixation for the manufactured home; and

(4) A statement by an attorney admitted to practice law in the State, or a title insurance producer licensed by the State, that states that the manufactured home and the real property from which the manufactured home is to be severed are free and clear of any lien, security interest, or encumbrance.

(b) An affidavit of severance shall be acknowledged in writing and notarized.

(c) The clerk of the circuit court of the county in which the real property from which a manufactured home is to be severed is located:

(1) Shall accept an affidavit of severance and any attachments for recordation and indexing; and

(2) May charge a reasonable fee for the recordation.

(d) In accordance with regulations adopted by the Motor Vehicle Administration, the Administration shall:

(1) Accept a certified copy of a recorded affidavit of severance for filing; and

(2) Issue a certificate of title for the severed manufactured home.

§9–101.

(a) In this subtitle the following words have the meanings indicated.

(b) "Building" includes any unit of a nonresidential building that is leased or separately sold as a unit.

(c) "Contract" means an agreement of any kind or nature, express or implied, for doing work or furnishing material, or both, for or about a building as may give rise to a lien under this subtitle.

(d) "Contractor" means a person who has a contract with an owner.

(e) "Land" means the land to which a lien extends under this subtitle or the land within the boundaries established by proceedings in accordance with the Maryland Rules. "Land" includes the improvements to the land.

(f) "Owner" means the owner of the land except that, when the contractor executes the contract with a tenant for life or for years, "owner" means the tenant.

(g) "Subcontractor" means a person who has a contract with anyone except the owner or his agent.

§9–102.

(a) Every building erected and every building repaired, rebuilt, or improved to the extent of 15 percent of its value is subject to establishment of a lien in accordance with this subtitle for the payment of all debts, without regard to the amount, contracted for work done for or about the building and for materials furnished for or about the building, including the drilling and installation of wells to supply water, the construction or installation of any swimming pool or fencing, the sodding, seeding or planting in or about the premises of any shrubs, trees, plants, flowers or nursery

products, the grading, filling, landscaping, and paving of the premises, the provision of building or landscape architectural services, engineering services, land surveying services, or interior design services that pertain to interior construction and are provided by a certified interior designer, and the leasing of equipment, with or without an operator, for use for or about the building or premises.

(b) If the owner of land or the owner's agent contracts for the installation of waterlines, sanitary sewers, storm drains, or streets to service all lots in a development of the owner's land, each lot and its improvements, if any, are subject, on a basis pro rata to the number of lots being developed, to the establishment of a lien as provided in subsection (a) of this section for all debts for work and material in connection with the installation.

(c) Any machine, wharf, or bridge erected, constructed, or repaired within the State may be subjected to a lien in the same manner as a building is subjected to a lien in accordance with this subtitle.

(d) However, a building or the land on which the building is erected may not be subjected to a lien under this subtitle if, prior to the establishment of a lien in accordance with this subtitle, legal title has been granted to a bona fide purchaser for value.

(e) The filing of a petition under § 9–105 shall constitute notice to a purchaser of the possibility of a lien being perfected under this subtitle.

§9–103.

(a) A lien established in accordance with this subtitle shall extend to the land covered by the building and to as much other land, immediately adjacent and belonging in like manner to the owner of the building, as may be necessary for the ordinary and useful purposes of the building. The quantity and boundaries of the land may be designated as provided in this section.

(b) An owner of any land who desires to erect any building or to contract with any person for its erection may define, in writing, the boundaries of the land appurtenant to the building before the commencement of construction, and then file the boundaries for record with the clerk of the circuit court for the county. The designation of boundaries shall be binding on all persons. If the boundaries are not designated before the commencement of a building, the owner of the land or any person having a lien or encumbrance on the land by mortgage, judgment, or otherwise entitled to establish a lien in accordance with this subtitle may apply, by written petition, to the circuit court for the county to designate the boundaries.

(c) (1) If a building is commenced and not finished, a lien established in accordance with this subtitle shall attach to the extent of the work done or material furnished.

(2) If a building is erected or repaired, rebuilt, or improved to the extent

of 25 percent of its value, by a tenant for life or years or by a person employed by the tenant, any lien established in accordance with this subtitle applies only to the extent of the tenant's interest.

§9–104.

(a) (1) A subcontractor doing work or furnishing materials or both for or about a building other than a single family dwelling being erected on the owner's land for his own residence is not entitled to a lien under this subtitle unless, within 120 days after doing the work or furnishing the materials, the subcontractor gives written notice of an intention to claim a lien substantially in the form specified in subsection (b) of this section.

(2) A subcontractor doing work or furnishing materials or both for or about a single family dwelling being erected on the owner's land for his own residence is not entitled to a lien under this subtitle unless, within 120 days after doing work or furnishing materials for or about that single family dwelling, the subcontractor gives written notice of an intention to claim a lien in accordance with subsection (a)(1) of this section and the owner has not made full payment to the contractor prior to receiving the notice.

(b) The form of notice is sufficient for the purposes of this subtitle if it contains the information required and is substantially in the following form:

"Notice to Owner or Owner's Agent of

Intention to Claim a Lien

.....

(Subcontractor)

did work or furnished material for or about the building generally designated or briefly described as

.....

.....

The total amount earned under the subcontractor's undertaking to the date hereof is $ ..... of which $ ..... is due and unpaid as of the date hereof. The work done or materials provided under the subcontract were as follows: (insert brief description of the work done and materials furnished, the time when the work was done or the materials furnished, and the name of the person for whom the work was done or to whom the materials were furnished).

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing notice are true to the best of the affiant's knowledge, information, and belief.

.....

(Individual)

on behalf of .....

(Subcontractor)

(Insert if subcontractor is not an individual)"

(c) The notice is effective if given by registered or certified mail, return receipt requested, or personally delivered to the owner by the claimant or his agent.

(d) If there is more than one owner, the subcontractor may comply with this section by giving the notice to any of the owners.

(e) If notice cannot be given on account of absence or other causes, the subcontractor, or his agent, in the presence of a competent witness and within 120 days, may place the notice on the door or other front part of the building. Notice by posting according to this subsection is sufficient in all cases where the owner of the property has died and his successors in title do not appear on the public records of the county.

(f) (1) On receipt of notice given under this section, the owner may withhold, from sums due the contractor, the amount the owner ascertains to be due the subcontractor giving the notice.

(2) If the subcontractor giving notice establishes a lien in accordance with this subtitle, the contractor shall receive only the difference between the amount due him and that due the subcontractor giving the notice.

(3) Notwithstanding any other provision of this section to the contrary, the lien of the subcontractor against a single family dwelling being erected on the land of the owner for his own residence shall not exceed the amount by which the owner is indebted under the contract at the time the notice is given.

§9–105.

(a) In order to establish a lien under this subtitle, a person entitled to a lien shall file proceedings in the circuit court for the county where the land or any part of the land is located within 180 days after the work has been finished or the materials furnished. The proceedings shall be commenced by filing with the clerk, the following:

(1) A petition to establish the mechanic's lien, which shall set forth at least the following:

(i) The name and address of the petitioner;

(ii) The name and address of the owner;

(iii) The nature or kind of work done or the kind and amount of

materials furnished, the time when the work was done or the materials furnished, the name of the person for whom the work was done or to whom the materials were furnished, and the amount or sum claimed to be due, less any credit recognized by the petitioner;

(iv) A description of the land, including a statement whether part of the land is located in another county, and a description adequate to identify the building; and

(v) If the petitioner is a subcontractor, facts showing that the notice required under § 9–104 of this subtitle was properly mailed or served upon the owner, or, if so authorized, posted on the building. If the lien is sought to be established against two or more buildings on separate lots or parcels of land owned by the same person, the lien will be postponed to other mechanics' liens unless the petitioner designates the amount he claims is due him on each building;

(2) An affidavit by the petitioner or some person on his behalf, setting forth facts upon which the petitioner claims he is entitled to the lien in the amount specified; and

(3) Either original or sworn, certified, or photostatic copies of material papers or parts thereof, if any, which constitute the basis of the lien claim, unless the absence thereof is explained in the affidavit.

(b) The clerk shall docket the proceedings as an action in equity, and all process shall issue out of and all pleadings shall be filed in the one action.

§9–106.

(a) (1) When a petition to establish a mechanic's lien is filed, the court shall review the pleadings and documents on file and may require the petitioner to supplement or explain any of the matters therein set forth. If the court determines that the lien should attach, it shall pass an order that directs the owner to show cause within 15 days from the date of service on the owner of a copy of the order, together with copies of the pleadings and documents on file, why a lien upon the land or building and for the amount described in the petition should not attach. Additionally, the order shall inform the owner that:

(i) He may appear at the time stated in the order and present evidence in his behalf or may file a counteraffidavit at or before that time; and

(ii) If he fails to appear and present evidence or file a counteraffidavit, the facts in the affidavit supporting the petitioner's claim shall be deemed admitted and a lien may attach to the land or buildings described in the petition.

(2) If the owner desires to controvert any statement of fact contained in the affidavit supporting the petitioner's claim, he must file an affidavit in support of

his answer showing cause. The failure to file such opposing affidavit shall constitute an admission for the purposes of the proceedings of all statements of fact in the affidavit supporting the petitioner's claim, but shall not constitute an admission that such petition or affidavit in support thereof is legally sufficient.

(3) An answer showing cause why a lien should not be established in the amount claimed shall be set down for hearing at the earliest possible time.

(b) (1) If the pleadings, affidavits and admissions on file, and the evidence, if any, show that there is no genuine dispute as to any material fact and that the lien should attach as a matter of law, then a final order shall be entered establishing the lien for want of any cause shown to the contrary. Further, if it appears that there is no genuine dispute as to any portion of the lien claim, then the validity of that portion shall be established and the action shall proceed only on the disputed amount of the lien claim.

(2) If the pleadings, affidavits and admissions on file and the evidence, if any, show that there is no genuine dispute as to any material fact and that the petitioner failed to establish his right to a lien as a matter of law, then a final order shall be entered denying the lien for cause shown.

(3) If the court determines from the pleadings, affidavits and admissions on file, and the evidence, if any, that the lien should not attach, or should not attach in the amount claimed, as a matter of law, by any final order, but that there is probable cause to believe the petitioner is entitled to a lien, the court shall enter an interlocutory order which:

(i) Establishes the lien;

(ii) Describes the boundaries of the land and the buildings to which the lien attaches;

(iii) States the amount of the claim for which probable cause is found;

(iv) Specifies the amount of a bond that the owner may file to have the land and building released from the lien;

(v) May require the claimant to file a bond in an amount that the court believes sufficient for damages, including reasonable attorney's fees; and

(vi) Assigns a date for the trial of all the matters at issue in the action, which shall be within a period of six months. The owner or any other person interested in the property, however, may, at any time, move to have the lien established by the interlocutory order modified or dissolved.

(c) The amount of and the surety on any bond shall be determined and approved pursuant to the Maryland Rules except as set forth in this subtitle. The petitioner, or any other person interested in the property, however, if not satisfied

with the sufficiency of a surety or with the amount of any bond given, may, at any time before entry of a final decree, apply to the court for an order requiring an additional bond, and upon notice to the other parties involved, the court may order the giving of such additional bond as it may deem proper. In lieu of filing bond, any party may deposit money in an amount equal to the amount of the bond which would otherwise be required, pursuant to the Maryland Rules.

(d) Until a final order is entered either establishing or denying the lien, the action shall proceed to trial on all matters at issue, as in the case of any other proceedings in equity.

§9–107.

(a) If any part of the land is located within another county and the petitioner desires that the lien attach to the land in that county, the petitioner shall file a certified copy of the docket entries, of the court order, and of any required bond with the clerk of the circuit court for that county.

(b) A lien attaches to the land or building in a county as of the time the documents required to be filed under subsection (a) of this section are filed with the clerk of the circuit court of that county.

§9–108.

If all or any part of the land or buildings against which a mechanic's lien has been established pursuant to this subtitle shall be sold under foreclosure or a judgment, execution or any other court order, all liens and encumbrances on such property shall be satisfied in accordance with their priority, subject to the limitation in the next sentence of this section. If the proceeds of the sale are insufficient to satisfy all liens established pursuant to this subtitle, then all proceeds available to satisfy each such lien shall be stated by the court auditor as one fund, and the amount to be disbursed to satisfy each lien established pursuant to this subtitle shall bear the same proportion to that fund as the amount of such lien bears to the total amount secured by all such liens, without regard to priority among such liens.

§9–109.

The right to enforce any lien established under this subtitle expires at the end of one year from the day on which the petition to establish the lien was first filed. During this time the claimant may file a petition in the lien proceedings to enforce the lien or execute on any bond given to obtain a release of the land and building from the lien. If such petition is filed within the one-year period, the right to a lien or the lien, or any bond given to obtain a release of lien, shall remain in full force and effect until the conclusion of the enforcement proceedings and thereafter only in accordance with the decree entered in the case.

§9–110.

No person having the right to establish a mechanics' lien waives the right by granting a credit, or receiving a note or other security, unless it is received as payment or the lien right is expressly waived.

§9–111.

Nothing in this subtitle affects the right of any person, to whom any debt is due for work done or material furnished, to maintain any personal action against the owner of the building or any other person liable for the debt.

§9–112.

This law is remedial and shall be so construed to give effect to its purpose. Any amendment shall be made in the proceedings, commencing with the claim or lien to be filed and extending to all subsequent proceedings, as may be necessary and proper. However, the amount of the claim or lien filed may not be enlarged by amendment.

§9–113.

(a) An executory contract between a contractor and any subcontractor that is related to construction, alteration, or repair of a building, structure, or improvement may not waive or require the subcontractor to waive the right to:

(1) Claim a mechanics' lien; or

(2) Sue on a contractor's bond.

(b) A provision in an executory contract between a contractor and a subcontractor that is related to construction, alteration, or repair of a building, structure, or improvement and that conditions payment to the subcontractor on receipt by the contractor of payment from the owner or any other third party may not abrogate or waive the right of the subcontractor to:

(1) Claim a mechanics' lien; or

(2) Sue on a contractor's bond.

(c) Any provision of a contract made in violation of this section is void as against the public policy of this State.

§9–114.

(a) At the time of settlement or payment in full between a contractor and an owner, the contractor shall give to the owner a signed release of lien from each material supplier and subcontractor who provided work or materials under the contract.

(b) An owner is not subject to a lien and is not otherwise liable for any work or

materials included in the release under subsection (a) of this section.

§9–201.

(a) For the purposes of this subtitle, "managing agent" means an employee of a contractor or subcontractor who is responsible for the direction over or control of money held in trust by the contractor or subcontractor under subsection (b) of this section.

(b) (1) Any moneys paid under a contract by an owner to a contractor, or by the owner or contractor to a subcontractor for work done or materials furnished, or both, for or about a building by any subcontractor, shall be held in trust by the contractor or subcontractor, as trustee, for those subcontractors who did work or furnished materials, or both, for or about the building, for purposes of paying those subcontractors.

(2) An officer, director, or managing agent of a contractor or subcontractor who has direction over or control of money held in trust by a contractor or subcontractor under paragraph (1) of this subsection is a trustee for the purpose of paying the money to the subcontractors who are entitled to it.

(c) (1) Nothing contained in this subtitle shall be construed as requiring moneys held in trust by a contractor or subcontractor under subsection (b) of this section to be placed in a separate account.

(2) If a contractor or subcontractor commingles moneys held in trust under this section with other moneys, the mere commingling of the moneys does not constitute a violation of this subtitle.

§9–202.

Any officer, director, or managing agent of any contractor or subcontractor, who knowingly retains or uses the moneys held in trust under § 9-201 of this subtitle, or any part thereof, for any purpose other than to pay those subcontractors for whom the moneys are held in trust, shall be personally liable to any person damaged by the action.

§9–204.

(a) This subtitle applies to contracts subject to Title 17, Subtitle 1 of the State Finance and Procurement Article, known as the "Maryland Little Miller Act", as well as property subject to § 9-102 of this title.

(b) This subtitle does not apply to:

(1) A contract for the construction and sale of a single family residential dwelling; or

(2) A home improvement contract by a contractor licensed under the Maryland Home Improvement Law.

(c) In this subtitle, "owner", "contractor", and "subcontractor" have the same meanings as in § 9-101 of this title.

§9–301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Contract" means an agreement of any kind or nature, express or implied, for doing work or furnishing materials, or both, for or about a building.

(2) "Contract" includes an agreement for:

(i) The erection, repair, rebuilding, or improvement of a building;

(ii) The drilling and installation of wells to supply water;

(iii) The construction or installation of any swimming pool or fencing;

(iv) The grading, filling, landscaping, and paving of the premises;

(v) The installation of waterlines, sanitary sewers, storm drains, or streets; or

(vi) The erection, repair, rebuilding, or improvement of a wharf.

(c) "Contractor" means a person who has a contract with an owner.

(d) "Owner" means:

(1) The owner of the land; or

(2) An owner's tenant for life or for years, provided the tenant enters into the contract with the contractor.

(e) (1) "Subcontractor" means a person who has a contract with anyone except the owner or the owner's agent.

(2) "Subcontractor" includes a supplier.

(f) "Undisputed amount" means an amount owed on a contract for which there is no good faith dispute, including any retainage withheld.

§9–302.

(a) Except for work done or materials furnished under a contract enumerated in § 9–305 of this subtitle, a contractor or subcontractor who does work or furnishes material under a contract shall be entitled to prompt payment under subsection (b) of this section.

(b) (1) If the contract is with an owner, the owner shall:

(i) If the contract does not provide for specific dates or times of payment, pay to the contractor undisputed amounts owed under the terms of the written contract, within the earlier of:

1. 30 days after the day on which the occupancy permit is granted; or

2. 30 days after the day on which the owner or the owner's agent takes possession; or

(ii) If the contract provides for specific dates or times of payment, pay to the contractor undisputed amounts owed within 7 days after the date or time specified in the contract.

(2) Paragraph (1) of this subsection does not apply to any contract between the contractor and:

(i) The State;

(ii) A county;

(iii) A municipal corporation;

(iv) A board of education; or

(v) A public authority or instrumentality.

(3) If the contract is not with an owner, the contractor or subcontractor shall pay undisputed amounts owed to its subcontractors within 7 days after receipt by the contractor or subcontractor of each payment received for its subcontractors' work or materials.

§9–303.

(a) In addition to any other remedy provided under any other provision of law, a court of competent jurisdiction, for good cause shown may:

(1) Award any equitable relief for prompt payment of undisputed amounts that it considers necessary, including the enjoining of further violations; and

(2) In any action, award to the prevailing party:

(i) Interest from the date the court determines that the amount owed was due; and

(ii) Any reasonable costs incurred.

(b) If a court determines that an owner, contractor, or subcontractor has acted in bad faith by failing to pay any undisputed amounts owed as required under § 9-302 of this subtitle, the court may award to the prevailing party reasonable attorney's fees.

§9–304.

(a) In this section, "retention proceeds" means moneys earned but retained under the terms of a contract or subcontract:

(1) By an owner to guarantee performance of the contract by a contractor;

(2) By a contractor to guarantee performance of a subcontract by a subcontractor; or

(3) By a subcontractor to guarantee performance of a subcontract by another subcontractor.

(b) This section does not apply to:

(1) A contract in an amount less than $250,000; or

(2) A contract or subcontract for a project funded wholly or in part by or through the Department of Housing and Community Development.

(c) Except as provided in this section:

(1) If a contractor has furnished 100% security to guarantee the performance of a contract and 100% security to guarantee payment for labor and materials, including leased equipment:

(i) The retention proceeds under the terms of a contract may not exceed 5% of the contract price; and

(ii) The retention proceeds of any payment due under the terms of a contract from an owner to a contractor may not exceed 5% of the payment;

(2) The retention proceeds of any payment due under the terms of a contract from a contractor to a subcontractor may not exceed the percentage of retention proceeds from the owner to the contractor; and

(3) The retention proceeds of any payment due under the terms of a contract from a subcontractor to another subcontractor may not exceed the percentage of retention proceeds from the contractor to the subcontractor.

(d) This section may not be construed to prohibit the withholding of any amount due:

(1) From the owner to the contractor if the owner reasonably determines that the contractor's performance under the contract provides reasonable grounds for

withholding the additional amount;

(2) From the contractor to any subcontractor if the contractor reasonably determines that the subcontractor's performance under the subcontract provides reasonable grounds for withholding the additional amount; or

(3) From a subcontractor to another subcontractor if the subcontractor determines that the other subcontractor's performance under the subcontract provides reasonable grounds for withholding the additional amount.

§9–305.

This subtitle does not:

(1) Affect the rights of contracting parties under Subtitle 1 of this title;

(2) Apply to a contract for the construction and sale of a single family residential dwelling;

(3) Apply to any transaction under the Custom Home Protection Act, Title 10, Subtitle 5 of this article; and

(4) Apply to a home improvement contract by a contractor licensed under the Maryland Home Improvement Law.

§10–101.

(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.

(b) "Down payment" means the payment made by the purchaser to the vendor on account of the purchase price at or before the time of the execution of a land installment contract.

(c) "Land installment contract" means a legally binding executory agreement under which:

(1) The vendor agrees to sell an interest in property to the purchaser and the purchaser agrees to pay the purchase price in five or more subsequent payments exclusive of the down payment, if any; and

(2) The vendor retains title as security for the purchaser's obligation.

(d) "Property" means improved property or improved chattels real, occupied or to be occupied by the purchaser as a dwelling, or an unimproved, subdivided lot or lots intended to be improved for residential purposes.

(e) "Purchaser" means a natural person who purchases property subject to a land installment contract, or any legal successor in interest to him regardless of

whether the person has entered into an agreement as to extension, default, or refund.

(f) "Vendor" means any person who makes a sale of property by means of a land installment contract.

§10–102.

(a) Every land installment contract shall be evidenced by a contract signed by all parties to it and containing all the terms to which they have agreed.

(b) At or before the time the purchaser signs the instrument, the vendor shall deliver to him an exact copy and the purchaser shall give the vendor a receipt showing that he has received the copy of the instrument. If the copy was not executed by the vendor at the time the purchaser signed, the vendor shall deliver a copy of the instrument signed by him within 15 days after he receives notice that the purchaser has signed and the purchaser shall give the vendor a receipt showing that he has received the copy. If the vendor fails to deliver the copy within 15 days, the contract signed by the purchaser is void at his option, and the vendor, immediately, on demand, shall refund to the purchaser all payments and deposits that have been made.

(c) The receipt for the delivery of a copy of a contract shall be printed in 12–point bold type or larger, typewritten or written in legible handwriting. If contained in the contract, the receipt shall be printed, typewritten, or written immediately below the signature on the contract and shall be signed separately.

(d) Until the purchaser signs a land installment contract and receives a copy signed by the vendor, the purchaser has an unconditional right to cancel the contract and to receive immediate refund of all payments and deposits made on account of or in contemplation of the contract. A request for a refund operates to cancel the contract.

(e) When any payment or deposit is accepted by the vendor from a purchaser, before the purchaser signs a land installment contract and receives a copy, the vendor immediately shall deliver to him a receipt, which clearly states in 12–point type or larger, in typewriting or in legible handwriting, his rights under subsection (d) of this section.

(f) Within 15 days after the contract is signed by both the vendor and purchaser, the vendor shall cause the contract to be recorded among the land records of the county where the property lies and shall mail the recorder's receipt to the purchaser. This duty of recordation and mailing of receipt shall be written clearly or printed on the contract. Failure to do so, or to record as required under this section within the time stipulated, gives the purchaser the unconditional right to cancel the contract and to receive immediate refund of all payments and deposits made on account of or in contemplation of the contract, if the purchaser exercises the right to cancel before the vendor records the contract.

§10–103.

(a) Every land installment contract shall contain all the following information:

(1) The full name, the place of residence, and post office address of every party to the contract;

(2) The date when signed by the purchaser;

(3) A legal description of the property covered by the contract;

(4) A disclosure, with respect to the six–month period prior to the date of purchase, of every transfer of title to the property, the sale price of each transfer, and the substantiated cost to the vendor of repairs or improvements;

(5) A provision that the vendee has the right to accelerate any installment payment;

(6) Provisions stating clearly (i) any collateral security taken for the purchaser's obligation under the contract, and (ii) whether or not the vendor has received any written notice from any public agency requiring any repairs or improvements to be made to the property described in the contract;

(7) The following notice in 12–point bold type or larger, typewritten or handwritten legibly directly above the space reserved in the contract for the signature of the purchaser:

Notice to Purchaser

You are entitled to a copy of this contract at the time you sign it;

(8) The following notice, in 12–point bold type or larger, typewritten or handwritten legibly, directly below the space reserved in the contract for the signature of the purchaser acknowledging the receipt of a copy of the contract:

In the event of default, the purchaser may be liable to a default judgment.

(b) The contract also shall recite in simple tabular form, the following separate items in the following order:

(1) The cash price of the property sold;

(2) Any charge or fee for any service which is included in the contract separate from the cash price;

(3) The cost to the purchaser of any insurance coverage from the date of the contract, for the payment of which credit is to be extended to the purchaser, the amount or extent and expiration date of the coverage, a concise description of the type

of coverage, and every party to whom the insurance is payable;

(4) The sum of items (1), (2), and (3);

(5) The amount of any down payment on behalf of the purchaser;

(6) The principal balance owed, which is the sum of item (4) less item (5);

(7) The amount and time of each installment payment and the total number of periodic installments;

(8) The interest on the unpaid balance not exceeding the percentage per annum allowed by § 12–404(b) of the Commercial Law Article, provided that points may not be charged;

(9) Any ground rent, taxes, and other public charges.

(c) The installment payments first shall be applied by the vendor to the payment of:

(1) Taxes, assessments, and other public charges levied or assessed against the property and paid by the vendor;

(2) Any ground rent paid by the vendor;

(3) Insurance premiums on the property paid by the vendor;

(4) Interest on unpaid balance owed by the purchaser at a rate not exceeding the percentage per annum allowed by § 12–404(b) of the Commercial Law Article;

(5) Principal balance owed by purchaser.

(d) No vendor may place or hold any mortgage on any property sold under a land installment contract in any amount greater than the balance due under the contract, nor may any mortgage require payments in excess of the periodic payments required under the contract.

§10–104.

Every land installment contract shall be indexed and recorded among the land records in the office of the clerk of the circuit court of the county where the property which is the subject of the contract is located. With regard to any person who claims any interest in or lien on the property arising after the time of recording, the property is deemed to be held from the time of recording by the then record owner of fee simple or leasehold title to the property, subject to the rights and interest of the purchaser of the contract as stated in the contract.

§10–105.

(a) If the contract fixes no earlier period, when 40 percent or more of the original cash price of the property is paid, the purchaser may demand a grant of the premises mentioned in the contract, on the condition that he execute a purchase money mortgage to the vendor, or to a mortgagee procured by the purchaser. If any mortgage is executed pursuant to the purchaser's demand for grant under this subsection, the purchaser is liable for expenses, such as title search, drawing deed and mortgage, one half of cost of federal and State revenue stamps, notary fees, recording, reasonable building association fees, judgment reports, and tax lien report.

(b) The periodic principal and interest payments required by the mortgage may not exceed the periodic principal and interest payments otherwise required by the land installment contract, except with the consent of the mortgagor. This consent may be evidenced by the execution of a mortgage.

(c) The mortgagee may require the usual covenants by the mortgagor for the payment of the mortgage debt, the taxes on the mortgaged property, any ground rent, and the premiums on fire and extended coverage insurance in an amount equal to the mortgage indebtedness, if obtainable, and if not, then in the highest amount of insurance obtainable. The mortgage also may require the usual remedies on default by way of a power of sale to the mortgagee, his assigns, or his attorney or assent to a decree for sale by the mortgagor pursuant to the Maryland Rules, or both.

(d) The deed and mortgage executed pursuant to this section shall supersede entirely the land installment contract.

§10–106.

If the purchaser, on or before the date designated in a notice from the vendor of intention to terminate a land installment contract due to the purchaser's default, complies with the terms and conditions in respect to which the default has occurred, the contract continues in full force and effect, notwithstanding any contrary provision in the contract.

§10–107.

(a) Every vendor under a land installment contract shall mail or deliver a statement to the purchaser:

(1) When 40 percent of the original cash price has been paid; and

(2) (i) Annually within 30 days of January 1; or

(ii) On demand of the purchaser no more than twice a year.

(b) The statement shall show:

(1) The total amount paid for any ground rent, insurance, taxes, and any other periodic charge;

(2) The amount credited to principal and interest; and

(3) The balance due.

§10–108.

If a vendor fails to comply with the provisions of § 10-105 or § 10-107 of this subtitle, the purchaser has the right to enforce these sections in a court of equity. If the court finds that the vendor has failed to comply with these provisions, the court shall grant appropriate relief and shall require the vendor to assume all court costs as well as a reasonable counsel fee for the purchaser's attorney.

§10–201.

(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.

(b) "Improvements" includes every newly constructed private dwelling unit, and fixture and structure which is made a part of a newly constructed private dwelling unit at the time of construction by any building contractor or subcontractor.

(c) "Purchaser" means the original purchaser of improved realty, and the heirs and personal representatives of the original purchaser.

(d) "Realty" includes both freehold estates and redeemable leasehold estates.

(e) "Vendor" means any person engaged in the business of erecting or otherwise creating an improvement on realty, or to whom a completed improvement has been granted for resale in the course of his business.

§10–202.

(a) Express warranties by a vendor are created as follows:

(1) Any written affirmation of fact or promise which relates to the improvement and is made a part of the basis of the bargain between the vendor and the purchaser creates an express warranty that the improvement conforms to the affirmation or promise.

(2) Any written description of the improvement, including plans and specifications of it, which is made a part of the basis of the bargain between the vendor and the purchaser creates an express warranty that the improvement conforms to the description.

(3) Any sample or model which is made a part of the basis of the

bargain between the vendor and the purchaser creates an express warranty that the improvement conforms substantially to the sample or model.

(b) To create an express warranty, it is not necessary to use formal words, such as "warranty" or "guarantee", or that there be a specific intention to make a warranty. However, an affirmation merely of the value of the improvement or a statement purporting to be an opinion or commendation of the improvement does not create a warranty.

(c) If an express warranty is made under subsection (a) of this section, neither words in the contract of sale, the deed, other instrument of grant, nor merger of the contract of sale into the deed or any other instrument of grant is effective to exclude or modify the warranty. At any time after the execution of the contract of sale, the warranty may be excluded or modified wholly or partially by a written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent of the purchaser to exclusion or modification, and the terms of the new agreement with respect to it.

§10–203.

(a) Except as provided in subsection (b) of this section or unless excluded or modified pursuant to subsection (d) of this section, in every sale, warranties are implied that, at the time of the delivery of the deed to a completed improvement or at the time of completion of an improvement not completed when the deed is delivered, the improvement is:

(1) Free from faulty materials;

(2) Constructed according to sound engineering standards;

(3) Constructed in a workmanlike manner; and

(4) Fit for habitation.

(b) The warranties of subsection (a) of this section do not apply to any condition that an inspection of the premises would reveal to a reasonably diligent purchaser at the time the contract is signed.

(c) If the purchaser, expressly or by implication, makes known to the vendor the particular purpose for which the improvement is required, and it appears that the purchaser relies on the vendor's skill and judgment, there is an implied warranty that the improvement is reasonably fit for the purpose.

(d) Neither words in the contract of sale, nor the deed, nor merger of the contract of sale into the deed is effective to exclude or modify any implied warranty. However, if the contract of sale pertains to an improvement then completed, an implied warranty may be excluded or modified wholly or partially by a written instrument, signed by the purchaser, setting forth in detail the warranty to be excluded or modified, the consent

of the purchaser to exclusion or modification, and the terms of the new agreement with respect to it.

§10–204.

(a) If any warranty provided for in this subtitle is breached, the court may award legal or equitable relief, or both, as justice requires.

(b) Unless an express warranty specifies a longer period of time, the warranties provided for in this subtitle expire:

(1) In the case of a dwelling completed at the time of the delivery of the deed to the original purchaser, one year after the delivery or after the taking of possession by the original purchaser, whichever occurs first;

(2) In the case of a dwelling not completed at the time of delivery of the deed to the original purchaser, one year after the date of the completion or taking of possession by the original purchaser, whichever occurs first; and

(3) In the case of structural defects, two years after the date of completion, delivery, or taking possession, whichever occurs first.

(c) The warranties provided under this section do not expire on the subsequent sale of a dwelling by the original purchaser to a subsequent purchaser, but continue to protect the subsequent purchaser until the warranties provided under subsection (b) of this section expire. The warranties provided under this section do not apply to any defect caused by the original purchaser.

(d) Any action arising under this subtitle shall be commenced within two years after the defect was discovered or should have been discovered or within two years after the expiration of the warranty, whichever occurs first.

§10–205.

If a vendor grants an improvement to an intermediate purchaser to evade any liability to a user and purchaser imposed by this subtitle, the vendor is liable on the subsequent sale of the improvement by the intermediate purchaser as if the subsequent sale had been effectuated by the vendor without regard to the intervening grant.

§10–301.

(a) If, in connection with the sale and purchase of a new single–family residential unit, the construction of which has not begun or, if begun, is not completed at the time of contracting the sale, the vendor or builder obligates the purchaser to pay and the vendor or builder receives any sum of money before completion of the unit and grant of the realty to the purchaser, the builder or vendor shall:

(1) Deposit or hold the sum in an escrow account segregated from all other

funds of the vendor or builder to assure the return of the sum to the purchaser in the event the purchaser becomes entitled to a return of the sum;

(2) Obtain and maintain a corporate surety bond in the form and in the amounts set forth in § 10–302 of this subtitle, conditioned on the return of the sum to the purchaser in the event the purchaser becomes entitled to the return of the money; or

(3) Obtain and maintain an irrevocable letter of credit issued by a Maryland bank in the form and in the amounts set forth in § 10–303 of this subtitle.

(b) (1) Except as provided in paragraph (2) of this subsection, the vendor or builder shall maintain the escrow account, surety bond, or irrevocable letter of credit until the happening of the earlier of:

(i) The granting of a deed to the property on which a completed residential unit is located to the purchaser;

(ii) The return of the sum of money to the purchaser; or

(iii) The forfeiture of the sum by the purchaser, under the terms of the contract of sale relating to the purchase of the residential unit.

(2) The vendor or builder may make withdrawals from an escrow account established under subsection (a)(1) of this section that consists of sums received to finance the construction of a residential unit to pay, in accordance with a draw schedule agreed to by the purchaser in writing, documented claims of persons who have furnished labor or material for the construction of the residential unit.

(c) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Banking institution" has the meaning stated in § 1–101 of the Financial Institutions Article.

(iii) "National banking association" has the meaning stated in § 1–101 of the Financial Institutions Article.

(2) A banking institution or national banking association at which an escrow account established under subsection (a)(1) of this section is maintained is not responsible for a withdrawal from the escrow account made by the vendor or builder.

§10–301.1.

(a) Any sum of money received by a vendor or builder in connection with the sale and purchase of a new single–family residential unit shall be held in trust for the benefit of the purchaser.

(b) Any payments made for labor or material in connection with the construction of the residential unit shall be consistent with the trust obligation required under subsection (a) of this section.

§10–301.2.

(a) A vendor or builder may deposit trust moneys in:

(1) A noninterest bearing checking account;

(2) One or more savings accounts; or

(3) Any combination of accounts in any bank or savings and loan association authorized by federal or State law to do business in the State.

(b) Trust moneys in the hands of the vendor or builder may be invested in any other investment vehicle specified by the client or beneficial owner or as they and the licensee may agree.

§10–302.

(a) The bond shall be payable to the State for the use and benefit of every person protected by the provisions of this subtitle. The vendor or purchaser shall deposit the bond with the Consumer Protection Division of the Office of the Attorney General.

(b) The corporate surety bond obtained pursuant to the provisions of § 10–301(a) of this subtitle shall be in a form approved by the Consumer Protection Division of the Office of the Attorney General. The bond may be either in the form of an individual bond for each deposit accepted by a vendor or builder or if the total amount of money and deposits accepted by the builder or vendor exceeds $10,000, it may be in the form of a blanket bond assuring the return of the deposits received by the vendor or builder.

(c) If the bond is a blanket bond, the penalty of the bond shall be in accordance with the following schedule:

Total Amount of Deposits Held	Penalty of Bond
(1) $10,000 to $75,000	Full amount of deposit held
(2) $75,000 to $200,000	$ 75,000
(3) $200,000 to $500,000	$200,000
(4) Over $500,000	$500,000

(d) For the purpose of determining the penalty of any blanket bond which the vendor or builder maintains in any calendar year, the total amount of deposits considered held by a vendor or builder shall be determined as of May 31 of any given

calendar year and the penalty of the bond shall be in accordance with the amount of deposits held as of May 31.

§10–303.

(a) An irrevocable letter of credit obtained under § 10-301 of this subtitle shall be:

(1) Payable to the Office of the Attorney General for the use and benefit of every person protected by the provisions of this subtitle; and

(2) In a form approved by the Consumer Protection Division of the Office of the Attorney General.

(b) An irrevocable letter of credit may be either in the form of an individual letter of credit for each deposit accepted by a vendor or builder or if the total amount of money and deposits accepted by the builder exceeds $10,000, the letter of credit may be in the form of a blanket letter of credit assuring the return of the deposits received by the vendor or builder.

(c) If the letter of credit is a blanket letter of credit, the amount of the letter of credit shall be in accordance with the following schedule:

Total Amount of Deposits Held	Amount of Letter of Credit
(1) $10,000 to $75,000	Full amount of deposit held
(2) $75,000 to $200,000	$75,000
(3) $200,000 to $500,000	$200,000
(4) Over $500,000	$500,000

(d) For the purpose of determining the amount of any blanket letter of credit which the vendor or builder maintains in any calendar year, the total amount of deposits considered held by a vendor or builder shall be determined as of May 31 of any given calendar year and the amount of the letter of credit shall be in accordance with the amount of deposits held as of May 31.

§10–303.1.

The Consumer Protection Division of the Office of the Attorney General shall adopt regulations for the administration of the provisions of this subtitle relating to bonds and letters of credit.

§10–304.

The provisions of this subtitle do not apply to a sale by or through a licensed real

estate broker in connection with which all sums of money in the nature of deposits, escrow money, or binder money are paid to a broker to be held in the escrow account of the broker.

§10–305.

(a) If a person willfully and knowingly fails to obtain and maintain a corporate surety bond or irrevocable letter of credit or to hold sums of money in an escrow account as required under this subtitle, the person is guilty of a felony and, on conviction, shall make restitution to the purchaser as determined by the court, and be subject to a fine not exceeding $10,000 or imprisonment not exceeding 15 years or both.

(b) In addition to any other penalty or relief afforded by law or equity, any conduct that fails to comply with this subtitle is an unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article and is subject to all of the provisions of that title except § 13-411 of the Commercial Law Article.

(c) Any officer, director, or employee of a corporation, who knowingly participates in any act or omission which is part of the violation, is subject to the penalties of this section.

§10–306.

(a) The Division of Consumer Protection of the Office of the Attorney General shall develop and make available a standard new home disclosure form that advises purchasers of the purchasers' rights under this subtitle.

(b) Prior to the execution of any contract for the sale of a new home under this subtitle, the vendor or builder shall:

(1) Provide the purchaser with a copy of the new home disclosure form as provided in subsection (a) of this section; and

(2) Obtain the purchaser's signature certifying that the purchaser has received the disclosure form.

§10–401.

When the buyer is not in possession of the property, no recorded contract for the sale of the property is enforceable or constitutes an encumbrance of the title, as against persons other than the original parties, unless within five years after the date set out in the recorded contract for the delivery of the deed, an action or proceeding is commenced to enforce the contract. If no date for the delivery of the deed is designated in the recorded contract, any action or proceeding shall be commenced within five years after the date when, according to the terms of the recorded contract, the final payment or installment of the purchase price was required to be paid. The existence of a disability on the part of either party to the contract at the commencement of this five-year period does not operate to extend this five-year period.

§10–402.

A recorded instrument, recorded modification, or any amendment of a recorded instrument or recorded modification creating an option to purchase property, or any memorandum of option recorded under § 3-101(f) of this article ceases to be actual or constructive notice to any person or to put any person on inquiry as to existence or exercise of the option, if:

(1) The instrument according to its terms has expired;

(2) One year has elapsed since the time of expiration; and

(3) No grant or other instrument has been recorded showing that the option has been exercised.

§10–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Buyer" means any person who seeks or enters into a contract for the construction of a custom home.

(c) "Custom home" means a single-family dwelling constructed for the buyer's residence on land currently or previously owned by the buyer.

(d) "Custom home builder" means any person who seeks, enters into, or performs custom home contracts.

(e) "Custom home contract" means any contract entered into with the buyer, with a value equal to or greater than $20,000, to furnish labor and material in connection with the construction, erection, or completion of a custom home. A custom home contract does not mean an agreement for work to be done by a licensed home improvement contractor and subject to the provisions of Maryland Home Improvement Law.

(f) "Deposit" means any sum paid to a custom home builder at the time of the execution of a custom home contract.

(g) "Draw schedule" means a form that sets forth with particularity the sum to which the custom home builder shall be entitled as progress payment on the custom home contract after certain specified items of work have been completed on the custom home.

(h) "Person" includes an individual, corporation, business trust, statutory trust, estate, partnership, association, 2 or more persons having a joint or common interest, or any other legal or commercial entity.

§10–502.

Any consideration received by a custom home builder in connection with a custom home contract shall be held in trust for the benefit of the buyer. Payments made to subcontractors or suppliers in connection with the custom home contract shall be consistent with the trust.

§10–503.

Except with the express written approval of the buyer not to pay, in the event a subcontractor or supplier fails, in the opinion of the custom home builder, to perform in accordance with the contract between the subcontractor or the supplier and the custom home builder, the failure of a custom home builder to pay or cause to be paid the lawful claims of any person furnishing labor or material, including fuel, within a reasonable period after the receipt from the buyer of consideration paid to satisfy the claims, shall create a rebuttable presumption that the consideration received by the custom home builder has been used or appropriated in violation of the trust established by this subtitle.

§10–504.

(a) (1) Except as provided under paragraph (4) of this subsection and in subsection (e) of this section, a custom home builder who receives consideration from a buyer in connection with the performance of a custom home contract shall place the consideration into an escrow account to the extent that the consideration is a payment in advance of the completion of the labor or the receipt of the materials for which the consideration is paid.

(2) The escrow account under paragraph (1) of this subsection shall be separate and apart from the regular funds of the builder in order to assure that the advance payment in the escrow account can be returned to the buyer if the buyer becomes entitled to the return of the advance payment. However, a builder may place advance payments received in connection with more than one home into a single escrow account.

(3) If the advance payment under paragraph (1) of this subsection is made in the form of a check or draft, a custom home builder may accept the advance payment only in the name of the escrow account.

(4) If consideration received under the home contract in advance of the completion of the labor or the receipt of materials for which the consideration is paid does not total in excess of 5 percent of the home contract price, that consideration need not be placed in an escrow account under paragraph (1) of this subsection.

(b) A custom home builder may make withdrawals from an escrow account established in compliance with subsection (a)(1) of this section solely for the purpose of:

(1) Returning all or a portion of the sum of money to the buyer;

(2) Paying documented claims of persons who have furnished labor or material, including fuel, according to the draw schedule in the custom home contract for which the funds were advanced;

(3) Paying a sum of money to the custom home builder if the buyer forfeits the sum under the terms of the contract of sale; or

(4) Final payment upon the issuance of an occupancy permit or possession.

(c) In lieu of the escrow account required under subsection (a) of this section, a custom home builder may establish and maintain a separate escrow account for each custom home contract for which he receives consideration that he would be required to place into escrow under subsection (a) of this section. Each individual escrow account shall require the signature of both the buyer and the custom home builder for any withdrawal. Deposits and withdrawals to and from this account shall be governed by the requirements of subsections (a) and (b) of this section.

(d) (1) In lieu of the escrow accounts required under subsection (a) or (c) of this section, a custom home builder may obtain and maintain a corporate surety bond in the form and in the amounts required of a vendor or builder under § 10–302 of this title.

(2) The surety bond obtained shall be conditioned on the return of the sum to the buyer in the event the buyer becomes entitled to the return of the money.

(3) The custom home builder shall maintain the surety bond until the custom home builder complies with § 9–114 of this article.

(e) This section does not apply to:

(1) A custom home contract financed by a mortgage loan issued by a federally chartered financial institution or a financial institution regulated under the Financial Institutions Article; and

(2) A sale by or through a licensed real estate broker in connection with which all sums of money in the nature of deposits, escrow money, or binder money are paid to a broker to be held in the escrow account of the broker.

§10–505.

Every custom home contract between a custom home builder and the buyer must be in writing. The custom home contract shall:

(1) Include a draw schedule that shall be set forth on a separate sheet of paper and that shall be separately signed by the buyer and the custom home builder;

(2) Identify to the extent known the names of the primary subcontractors who will be working on the custom home;

(3) Expressly state that any and all changes that are to be made to the contract shall be recorded as "change orders" that specify the change in the work ordered and the effect of the change on the price of the house;

(4) Set forth in bold type whether or not the vendor or builder is covered by a warranty program guaranteed by a third party;

(5) Require the vendor or builder to deliver to the purchaser within 30 days after each progress payment a list of the subcontractors, suppliers, or materialmen who have provided more than $500 of goods or services to date and indicate which of them have been paid by the vendor or builder; and

(6) Require that the custom home builder provide waivers of liens from all applicable subcontractors, suppliers, or materialmen within a reasonable time after the final payment for the goods or services they provide.

§10–506.

(a) (1) A custom home builder must include in each custom home contract a disclosure concerning the buyer's risk under mechanics' lien laws.

(2) The disclosure concerning the buyer's risk under mechanics' lien laws under paragraph (3) of this subsection shall:

(i) Be on a separate page of the custom home contract; and

(ii) Be separately signed by the buyer.

(3) The disclosure required under paragraph (1) of this subsection shall state:

"BUYER'S RISK UNDER MECHANICS' LIEN LAWS

Unless your builder pays each subcontractor, materialman, or supplier, the subcontractor, materialman, or supplier may become entitled to place a lien against your property in order to ensure payment to the subcontractor, materialman, or supplier for services rendered or goods delivered on or to your home. This could mean that your home could be sold to satisfy the lien. Your builder is required by law to give you periodic reports that list the subcontractors, suppliers, and materialmen who have provided more than $500 of goods or services to your custom home, and indicate whether they have been paid. If at any time you have any questions or concerns about whether a subcontractor has been properly paid you should discuss them with your builder, your subcontractor, and your financing institution."

(b) (1) A custom home builder shall include in each custom home contract a certification by the builder.

(2) The certification by the builder under paragraph (3) of this subsection

shall be:

(i) On a separate page of the custom home contract; and

(ii) Separately signed by the buyer.

(3) Except as provided under paragraph (4) of this subsection, the certification required under paragraph (1) of this subsection shall state:

"CERTIFICATION BY BUILDER

I (name of builder) hereby certify that to the best of my knowledge, both I and any business entity in which I had an ownership interest in excess of 51 percent have not:

(1) Within the past 3 years been adjudged by a court of competent jurisdiction in Maryland to have failed to comply with any provision of the Custom Home Protection Act or the Consumer Protection Act as it applies to the construction of new homes; or

(2) Been adjudged liable for a final judgment in connection with a custom home contract, which judgment currently remains unsatisfied."

(4) If a custom home builder is unable to execute the certification under paragraph (2) of this subsection truthfully, then another certification shall be substituted, which shall state:

"CERTIFICATION BY BUILDER

I (name of builder) hereby certify that, to the best of my knowledge, the information provided below includes all instances in which I or any business entity in which I had an ownership interest in excess of 51 percent have:

(1) Within the past 3 years been adjudged by a court of competent jurisdiction in Maryland to have failed to comply with any provision of the Custom Home Protection Act or the Consumer Protection Act as it applies to the construction of a new home.

(2) Been adjudged liable for a currently unsatisfied final judgment in connection with a custom home contract.

Adverse adjudication(s):
( ).
Unsatisfied judgment(s):
( )."

(c) (1) A custom home builder shall include in each custom home contract an escrow account requirement notice under paragraph (3) of this subsection.

(2) The escrow account requirement notice under paragraph (3) of this subsection shall:

(i) Be on a separate page of the custom home contract; and

(ii) Be separately signed by the buyer.

(3) The escrow account requirement notice required under paragraph (1) of this subsection shall state:

"ESCROW ACCOUNT REQUIREMENT

Unless your contract is financed by a mortgage issued by a federally chartered financial institution or a financial institution supervised under the Financial Institutions Article of the Annotated Code of Maryland, or unless all deposits, escrow money, binder money, or any other money paid in advance, or is paid to the licensed real estate broker, to be held in the escrow account of the broker, Maryland law requires that all consideration exceeding 5 percent of the total contract price which is paid by a buyer to a custom home builder in advance of the completion of the custom home shall be deposited in an escrow account and paid out of that account only for certain purposes specified by law. To ensure this, the law requires that your builder may only accept such payment in the name of the escrow account. Thus, you should make out your check to "(name of builder), escrow account". Records of payments out of this account must be carefully maintained by your builder, and the builder must permit you reasonable access to escrow account records. Your builder, however, may choose to establish a separate escrow account for your project which will require your signature for any withdrawals."

§10–507.

(a) In addition to any other penalty provided elsewhere in the Annotated Code, any conduct that fails to comply with this subtitle, or any breach of any trust created by this subtitle, is:

(1) An unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article; and

(2) Is subject to all of the provisions of that title except § 13-411 of the Commercial Law Article.

(b) (1) A person is guilty of a felony, if the person willfully and knowingly:

(i) Fails to obtain and maintain a corporate surety bond or to hold sums of money in an escrow account as required under this subtitle;

(ii) Fails to make a disclosure required under § 10-506(b)(4) of this subtitle; or

(iii) Commits a breach of the trust provided in § 10-502 of this subtitle.

(2) A person convicted under paragraph (1) of this subsection shall make restitution to the purchaser as determined by the court and be subject to a fine not exceeding $10,000 or imprisonment not exceeding 15 years or both.

(3) Other than the conduct described in paragraph (1) of this subsection, any conduct that fails to comply with this subtitle, or any breach of any trust created by this subtitle, is a misdemeanor, and on conviction, any violator is subject to a fine not exceeding $1,000 or imprisonment not exceeding 1 year, or both.

(c) (1) Subject to the limitations under paragraph (2) of this subsection, a court may order, in addition to any other penalty provided elsewhere in the Annotated Code, that an individual violating this subtitle may not be permitted to seek, enter into, or perform any contract for the construction of real property in the State for a period of time to be specified by the court.

(2) A court may make an order under paragraph (1) of this subsection only if the court determines:

(i) That a criminal offense that resulted in financial losses to the victims has been committed by a violation of this subtitle or by a breach of any trust created by this subtitle; and

(ii) That it would not be inconsistent with a plan for restitution ordered in any other proceeding brought to enforce this subtitle.

§10–509.

This subtitle may be cited as the Maryland Custom Home Protection Act.

§10–601.

(a) In this subtitle the following words have the meanings indicated.

(b) "Appliances, fixtures, and items of equipment" means furnaces, boilers, oil tanks and fittings, air purifiers, air handling equipment, ventilating fans, air conditioning equipment, water heaters, pumps, stoves, refrigerators, garbage disposals, compactors, dishwashers, automatic door openers, washers and dryers, bathtubs, sinks, toilets, faucets and fittings, lighting fixtures, circuit breakers, and other similar items.

(c) "Builder" means any person, corporation, partnership or other legal entity:

(1) That is engaged in the business of erecting or otherwise constructing a new home; or

(2) That purchases a completed new home for resale in the course of its

business.

(d) "Division" means the Consumer Protection Division of the Office of the Attorney General.

(e) "Electrical systems" means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

(f) "Heating, cooling, and ventilating systems" means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

(g) "Load–bearing portions of the home" means the load–bearing portions of the:

(1) Foundation system and footings;

(2) Beams;

(3) Girders;

(4) Lintels;

(5) Columns;

(6) Walls and partitions;

(7) Floor systems; and

(8) Roof framing system.

(h) "Local jurisdiction" means any county and any municipal corporation in Maryland subject to the provisions of Article XI–E of the Constitution.

(i) (1) "New home" means every newly constructed private dwelling unit in the State and the fixtures and structure that are made a part of a newly constructed private dwelling unit at the time of construction.

(2) "New home" does not include:

(i) Outbuildings, including detached garages and detached carports, except outbuildings that contain plumbing, electrical, heating, cooling, or ventilation systems serving the new home;

(ii) Driveways;

(iii) Walkways;

(iv) Patios and decks;

(v) Boundary walls;

(vi) Retaining walls not necessary for the structural stability of the new home;

(vii) Landscaping;

(viii) Fences;

(ix) Off–site improvements;

(x) Appurtenant recreational facilities; and

(xi) Other similar items as determined by the Secretary of Labor, Licensing, and Regulation.

(j) "New home warranty" means a series of written promises made by a builder that meets the requirements of this subtitle.

(k) "New home warranty security plan" means a plan that meets the requirements of § 10–606 of this subtitle.

(l) "Owner" means the purchaser of a new home who uses the home primarily for residential purposes during the warranty period.

(m) "Plumbing systems" means:

(1) Gas supply lines and fittings;

(2) Water supply, waste, and vent pipes and their fittings;

(3) Septic tanks and their drain fields; and

(4) (i) Water, gas, and sewer service piping and their extensions to the tie–in of a public utility connection; or

(ii) On–site wells and sewage disposal systems.

(n) (1) "Structural defect" means any defect in the load–bearing portions of a new home that adversely affects its load–bearing function to the extent that the home becomes or is in serious danger of becoming unsafe, unsanitary, or otherwise uninhabitable.

(2) "Structural defect" includes damage due to subsidence, expansion, or lateral movement of soil that has been located or relocated by the builder.

(3) "Structural defect" does not include damage caused by movement of the soil:

(i) Resulting from a flood or earthquake; or

(ii) For which compensation has been provided.

(o) "Warranty date" means the first day that the owner occupies the new home, settles on the new home, makes the final contract payment on the new home, or obtains an occupancy permit for the new home if the home is built on the owner's property, whichever is earlier.

§10–602.

(a) Prior to entering into a contract for sale or construction of a new home, the builder shall disclose in writing to the owner whether:

(1) The builder participates in a new home warranty security plan through which:

(i) The builder must provide the owner with a new home warranty; or

(ii) The builder may provide a new home warranty to the owner at the owner's option; or

(2) The builder does not participate in a new home warranty security plan.

(b) The disclosure will be made on a form approved by the Division.

§10–603.

(a) If the builder does not participate in a new home warranty security plan:

(1) The builder must make a disclosure at the time of the purchase or construction contract containing an explanation in 12 point type that:

(i) The owner should be aware that builders of new homes in the State of Maryland are required to be registered with the Consumer Protection Division of the Office of the Attorney General;

(ii) Without a new home warranty or other express warranties, the owner may be afforded only certain limited implied warranties as are provided by law; and

(iii) 1. Describes any hazardous or regulated materials, including asbestos, lead-based paint, radon, methane, underground storage tanks, licensed landfills, unlicensed landfills, licensed rubble fills, unlicensed rubble fills, or other environmental hazards, present on the site of the new home of which the builder has actual knowledge; or

2. States that the builder is making no representations or warranties as to whether there is any hazardous or regulated material on the site of

the new home;

(2) The owner shall acknowledge in writing that the owner understands that the builder does not participate in a new home warranty security plan and that the owner has read and understood the disclosure pursuant to paragraph (1) of this subsection; and

(3) Any purchase or construction contract entered into which does not contain the acknowledgment required by paragraph (2) of this subsection is voidable by the owner.

(b) (1) An owner who has made the acknowledgment described in subsection (a)(2) of this section may rescind the contract within 5 working days from the date of the contract by providing the builder with written notice of the owner's rescission of the contract; and

(2) Upon rescission, the owner shall be entitled to a refund of any money paid to the builder for the new home.

§10–604.

(a) (1) Except for coverage excluded under paragraph (2) of this subsection, a new home warranty provided under a new home warranty security plan shall warrant at a minimum that:

(i) For 1 year, beginning on the warranty date, the new home is free from any defects in materials and workmanship;

(ii) For 2 years, beginning on the warranty date, the new home is free from any defect in the electrical, plumbing, heating, cooling, and ventilating systems, except that in the case of appliances, fixtures and items of equipment, the warranty may not exceed the length and scope of the warranty offered by the manufacturer; and

(iii) For 5 years, beginning on the warranty date, the new home is free from any structural defect.

(2) A new home warranty provided under a new home warranty security plan may exclude the following:

(i) Damage to real property that is not part of the home covered by the warranty or that is not included in the purchase price of the home;

(ii) Bodily injury or damage to personal property;

(iii) Any defect in materials supplied or work performed by anyone other than the builder or the builder's employees, agents, or subcontractors;

(iv) Any damage that the owner has not taken timely action to

minimize or for which the owner has failed to provide timely notice to the builder;

(v) Normal wear and tear or normal deterioration;

(vi) Insect damage, except where the builder has failed to use proper materials or construction methods designed to prevent insect infestation;

(vii) Any loss or damage that arises while the home is being used primarily for nonresidential purposes;

(viii) Any damage to the extent it is caused or made worse by negligence, improper maintenance or improper operations by anyone other than the builder or its employees, agents, or subcontractors;

(ix) Any damage to the extent it is caused or made worse by changes of the grading of the ground by anyone other than the builder, its employees, agents, or subcontractors; and

(x) Any loss or damage caused by acts of God.

(b) A builder who has disclosed that the builder participates in a new home warranty security plan shall:

(1) Furnish to the owner at the time of the purchase or construction contract:

(i) The name and phone number of the builder's new home warranty security plan;

(ii) Details of the warranty coverage provided under the plan; and

(iii) In a form to be determined by the Division, evidence that:

1. The builder currently is a participant in good standing with a plan that satisfies the requirements of § 10-606(a) of this subtitle; and

2. The new home is eligible for registration or has been registered in the builder's new home warranty security plan;

(2) Disclose to the owner at the time of the purchase or construction contract:

(i) Any actual knowledge that the builder has of any hazardous or regulated materials, including asbestos, lead-based paint, radon, methane, underground storage tanks, licensed landfills, unlicensed landfills, licensed rubble fills, unlicensed rubble fills, or other environmental hazards, present on the site of the new home; or

(ii) That the builder is making no representations or warranties as

to whether there is any hazardous or regulated material on the site of the new home; and

(3) Either:

(i) Provide the new home with a new home warranty if the builder belongs to a new home warranty security plan that:

1. Requires the builder to register every new home that the builder builds; or

2. Does not require the builder to register every new home but the builder has decided to sell the new home with a new home warranty; or

(ii) If the builder belongs to a new home warranty security plan that does not require the builder to register every new home and the builder has not decided whether or not to sell the new home with a new home warranty, give the owner the option of:

1. Purchasing the new home with the new home warranty provided by the builder's new home warranty security plan; or

2. Waiving the right to warranty coverage by making the affirmative waiver described in § 10-607 of this subtitle.

(c) (1) If the purchase or construction contract provides that the new home shall be covered by a new home warranty under a new home warranty security plan it shall constitute a material breach of the contract if either:

(i) The builder was not a participant in good standing on the date of the contract with a new home warranty security plan that satisfies the requirements of § 10-606(a) of this subtitle; or

(ii) The new home has not been registered in the plan on or before the warranty date.

(2) If there has been a material breach of the contract, the owner shall be entitled to whatever remedies are provided by law including, but not limited to:

(i) Rescission of the contract; and

(ii) Except in the case of a construction contract for a new home built on the owner's property, a refund of any money paid to the builder for the new home.

(d) (1) The builder shall notify the new home warranty security plan of each new home being constructed by the builder on the earlier of the date of the purchase or construction contract or the start of construction of the new home.

(2) Upon receipt of notification by the builder as required in paragraph (1) of this subsection, the new home shall be eligible for registration in the builder's new home warranty security plan.

(e) (1) Upon registration of the new home in the new home warranty security plan, warranty coverage which has not been waived by the owner shall be provided beginning on the warranty date for the new home constructed by the builder, provided that the builder was in good standing with the new home warranty security plan at the time of the contract.

(2) On the warranty date, the builder shall provide the owner with evidence, in a form approved by the Division that the new home is covered by a new home warranty that meets the requirements of this subtitle.

(3) Within 60 days from the warranty date, the builder's new home warranty security plan shall provide the owner with validated new home warranty documents.

(f) A new home warranty shall benefit any successor in title to the owner who occupies the home for residential purposes during the warranty period.

§10–605.

A builder who sells a new home with a new home warranty pursuant to § 10-604(b) of this title which has not been waived by the owner shall provide the owner with a notice that shall be incorporated in a conspicuous manner in the contract and that shall include the following language in type at least as large as 12 point type:

"Notice to Purchaser

Your new home will be covered by a new home warranty that meets the minimum requirements established under Title 10, Subtitle 6 of the Real Property Article of the Annotated Code of Maryland. Before you sign this contract, your builder is required to give you a copy of the warranty coverage you will receive.

The name of the new home warranty security plan in which your builder is currently a participant is ..... You are strongly encouraged to call the new home warranty security plan at ..... to verify (i) that your builder is in good standing with this company, and (ii) that your new home will be covered by a warranty from this company.

If the builder is not a participant in good standing with this company on the date of this contract, or if the new home has not been registered in the plan on or before the warranty date, then it is a material breach of the contract and you are entitled to whatever remedies are provided by law, including, but not limited to, rescission or cancellation of this contract and, except in the case of a construction contract for a new home built on your own property, a refund of any money paid to the builder for your new home.

On the day that you first occupy the new home, settle on the new home, make the final payment to the builder on your new home, or obtain an occupancy

permit for a new home if the new home is built on your own property, whichever is earlier, you will be provided with evidence that a new home warranty exists for your new home and that coverage begins on that date. You will be provided with a signed new home warranty within 60 days from the date the coverage begins.

The terms used in this notice shall have the same meanings as provided in Title 10, Subtitle 6 of the Real Property Article of the Annotated Code of Maryland."

§10–606.

(a) A new home warranty security plan shall:

(1) Provide for the payment of claims against a builder for defects warranted under this subtitle;

(2) Be operated by a corporation, partnership, or other legal entity authorized to do business in Maryland;

(3) Demonstrate to the Division that the plan will maintain financial security to cover the total number of claims that the plan reasonably anticipates will be filed against participating builders;

(4) File with the Division a surety bond or an irrevocable letter of credit from a federally insured financial institution in an amount set by the Division, but not less than $100,000, for the benefit of owners injured by the failure of the new home warranty security plan to pay claims as required under this subtitle;

(5) Provide within the new home warranty documents the performance standards that describe the builder's obligations for defects warranted under this subtitle;

(6) Provide for the mediation of disputes between an owner and a builder before a claim will be paid by the builder's new home warranty security plan; and

(7) Meet any other requirements determined by the Division and be approved by the Division.

(b) (1) The Division may revoke or suspend approval for a new home warranty security plan if the Division determines that the plan:

(i) Is unable to meet its obligations under a new home warranty; or

(ii) Is administered in a manner that denies owners the warranty coverage required under this subtitle.

(2) Except for new homes that were registered in the new home warranty security plan prior to the revocation or suspension and for which a purchase or construction contract has been executed, during the time period that approval for a new home warranty security plan is revoked or suspended by the Division, the new

home warranty security plan may not provide warranty coverage for any new homes built in Maryland.

(c) (1) Unless the Division determines that a shorter notice period is needed to protect the interests of the builders and owners, the Division shall give a new home warranty security plan at least 90 days' notice that the Division's approval of the plan is being revoked or suspended; and

(2) A new home warranty security plan shall give to its participating builders at least 60 days' notice of the plan's revocation or suspension, or such shorter time as specified by the Division if the plan receives less than 90 days' notice.

§10–607.

(a) If in accordance with § 10–604(b)(3) of this subtitle an owner does not wish to require that the new home be covered by a new home warranty, the owner shall make an affirmative waiver of the coverage at the time of the purchase or construction contract.

(b) Before an owner makes a waiver under this section, the owner must be informed in writing by the builder of the cost, nature, and extent of warranty coverage that would be provided under the builder's new home warranty security plan if not waived by the owner.

(c) An owner who has made an affirmative waiver under this section may rescind the waiver and request a new home warranty in accordance with the provisions of this subtitle within 3 working days from the date of the contract by providing the builder with written notice of the owner's rescission of the waiver.

(d) The waiver under this section shall be made on a form determined by the Division and shall contain a section in which an owner who has made a waiver may rescind the waiver pursuant to subsection (c) of this section.

(e) The form shall clearly and concisely explain in 12 point boldface type on a separate piece of paper:

(1) The cost, nature, and extent of warranty coverage that would be provided under the builder's new home warranty security plan if not waived by the owner;

(2) That the failure of the owner to make a waiver requires the builder to provide a new home warranty;

(3) That a builder may not refuse to build a new home for the owner because the owner refuses to waive warranty coverage;

(4) That the owner should be aware that builders of new homes in the State of Maryland are required to be registered with the Consumer Protection Division

of the Office of the Attorney General;

(5) Without a new home warranty or other express warranties, the owner may be afforded only certain limited implied warranties as are provided by law; and

(6) That an owner who has made an affirmative waiver of the warranty coverage still may rescind the waiver and request a new home warranty in accordance with the provisions of Title 10, Subtitle 6 of this article, within 3 working days from the date of the contract by providing the builder with written notice of the owner's rescission of the waiver.

§10–608.

(a) Any warranties provided in accordance with the requirements of this subtitle are in addition to all other implied or express warranties provided by law or agreement.

(b) In addition to any other penalty imposed by law, the failure to comply with the provisions of this subtitle or the knowing misrepresentation that a new home warranty exists is an unfair or deceptive trade practice, as defined in § 13–301 of the Commercial Law Article.

§10–609.

Any person that knowingly violates the provisions of this subtitle or knowingly misrepresents the existence of a new home warranty shall be subject to a fine not exceeding $50,000 or imprisonment for not more than 2 years or both in addition to any other penalties provided for in this subtitle.

§10–610.

This subtitle does not apply to new homes built, new home warranties offered, or new home warranty security plans operating in Montgomery County, except that it shall apply:

(1) To any municipality in Montgomery County that has exempted itself from the application of Chapter 31C, New Home Warranty and Builder Licensing, of the Montgomery County Code; or

(2) If Chapter 31C, New Home Warranty and Builder Licensing, of the Montgomery County Code is no longer in effect or is amended in such a manner that it becomes less stringent than the requirements of this subtitle.

§10–701.

In Prince George's County, a contract of sale of real property creating a subdivision for which a plat of subdivision has not been recorded, shall contain the following notice:

"The subdivision of land to be created by this transaction has not been approved by the Maryland-National Capital Park and Planning Commission, the Department of Health and Mental Hygiene, or any other agency of the State or county. The approval of one or more of these agencies may be necessary before any building permit is issued."

§10–702.

(a) In this section, "latent defects" means material defects in real property or an improvement to real property that:

(1) A purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property; and

(2) Would pose a direct threat to the health or safety of:

(i) The purchaser; or

(ii) An occupant of the real property, including a tenant or invitee of the purchaser.

(b) (1) This section applies only to single family residential real property improved by four or fewer single family units.

(2) This section does not apply to:

(i) The initial sale of single family residential real property:

1. That has never been occupied; or

2. For which a certificate of occupancy has been issued within 1 year before the vendor and purchaser enter into a contract of sale;

(ii) A transfer that is exempt from the transfer tax under § 13-207 of the Tax - Property Article, except land installment contracts of sale under § 13-207(a)(11) of the Tax - Property Article and options to purchase real property under § 13-207(a)(12) of the Tax - Property Article;

(iii) A sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure;

(iv) A sheriff's sale, tax sale, or sale by foreclosure, partition, or by court appointed trustee;

(v) A transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(vi) A transfer of single family residential real property to be converted by the buyer into a use other than residential use or to be demolished; or

(vii) A sale of unimproved real property.

(c) (1) A vendor of single family residential real property shall complete and deliver to each purchaser:

(i) A written residential property condition disclosure statement on a form provided by the State Real Estate Commission; or

(ii) A written residential property disclaimer statement on a form provided by the State Real Estate Commission.

(2) The State Real Estate Commission shall develop by regulation a single standardized form that includes the residential property condition disclosure and disclaimer statements required by this subsection.

(d) The residential property disclaimer statement shall:

(1) Disclose any latent defects of which the vendor has actual knowledge that a purchaser would not reasonably be expected to ascertain by a careful visual inspection and that would pose a direct threat to the health or safety of the purchaser or an occupant; and

(2) State that:

(i) Except for latent defects disclosed under item (1) of this subsection, the vendor makes no representations or warranties as to the condition of the real property or any improvements on the real property; and

(ii) The purchaser will be receiving the real property "as is", with all defects, including latent defects, that may exist, except as otherwise provided in the contract of sale of the real property.

(e) (1) The residential property disclosure statement shall disclose those items that, to carry out the provisions of this section, the State Real Estate Commission requires to be disclosed about the physical condition of the property.

(2) The disclosure form shall include a list of defects, including latent defects, or information of which the vendor has actual knowledge in relation to the following:

(i) Water and sewer systems, including the source of household water, water treatment systems, and sprinkler systems;

(ii) Insulation;

(iii) Structural systems, including the roof, walls, floors, foundation, and any basement;

(iv) Plumbing, electrical, heating, and air conditioning systems;

(v) Infestation of wood–destroying insects;

(vi) Land use matters;

(vii) Hazardous or regulated materials, including asbestos, lead–based paint, radon, underground storage tanks, and licensed landfills;

(viii) Any other material defects of which the vendor has actual knowledge;

(ix) Whether the smoke alarms:

1. Will provide an alarm in the event of a power outage;

2. Are over 10 years old; and

3. If battery operated, are sealed, tamper resistant units incorporating a silence/hush button and use long–life batteries as required in all Maryland homes by 2018; and

(x) If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, whether a carbon monoxide alarm is installed on the property.

(3) The disclosure form shall contain:

(i) A notice to prospective purchasers and vendors that the prospective purchaser or vendor may wish to obtain professional advice about or an inspection of the property;

(ii) A notice to prospective purchasers that disclosure by the seller is not a substitute for an inspection by an independent home inspection company, and that the purchaser may wish to obtain such an inspection;

(iii) A notice to purchasers that the information contained in the disclosure statement is the representation of the vendor and is not the representation of the real estate broker or salesperson, if any; and

(iv) A notice to purchasers that the information contained in the disclosure statement is not a warranty by the vendor as to:

1. The condition of the property of which the vendor has no actual knowledge; or

2. Other conditions of which the vendor has no actual knowledge.

(4) The vendor is not required to undertake or provide an independent investigation or inspection of the property in order to make the disclosures required by this section.

(f) (1) Except as provided in paragraphs (2) and (3) of this subsection, the vendor shall deliver the completed disclosure or disclaimer statement required by this section to the purchaser on or before entering into a contract of sale by the vendor and the purchaser.

(2) The disclosure or disclaimer statement shall be delivered to each purchaser before the execution of the contract of sale by the purchaser in the case of a land installment contract, as defined in § 10-101 of this title.

(3) The disclosure or disclaimer statement shall be delivered to each purchaser before the execution by the purchaser of an option to purchase agreement or a lease agreement containing an option to purchase provision.

(4) At the time the disclosure or disclaimer statement is delivered, each purchaser shall date and sign a written acknowledgment of receipt, which shall be included in or attached to the contract of sale.

(g) A purchaser who receives the disclosure or disclaimer statement on or before entering into the contract of sale does not have the right to rescind the contract of sale based upon the information contained in the statement.

(h) (1) A purchaser who does not receive the disclosure or disclaimer statement on or before entering into the contract of sale has the unconditional right, upon written notice to the vendor or vendor's agent:

(i) To rescind the contract of sale at any time before the receipt of the disclosure or disclaimer statement or within 5 days following receipt of the disclosure or disclaimer statement; and

(ii) To the immediate return of any deposits made on account of the contract.

(2) A purchaser's right to rescind the contract of sale under this subsection terminates if not exercised:

(i) Before making a written application to a lender for a mortgage loan, if the lender discloses in writing at or before the time application is made that the right to rescind terminates on submission of the application; or

(ii) Within 5 days following receipt of a written disclosure from a lender who has received the purchaser's application for a mortgage loan, if the lender's disclosure states that the purchaser's right to rescind terminates at the end of that 5–day period.

(3) The return of any deposits held in trust by a licensed real estate broker to a purchaser under this subsection shall comply with the procedures set forth in § 17–505 of the Business Occupations and Professions Article.

(i) (1) A disclosure statement made under this section does not constitute a warranty by the vendor as to:

(i) The condition of the property of which the vendor has no actual knowledge; or

(ii) Other conditions of which the vendor has no actual knowledge.

(2) A vendor is not liable for an error, inaccuracy, or omission in a disclosure statement made under this section if the error, inaccuracy, or omission was based upon information that was:

(i) Not within the actual knowledge of the vendor;

(ii) Provided to the vendor by a unit or instrumentality of the State government or of a political subdivision; or

(iii) Provided to the vendor by a report or opinion prepared by a licensed engineer, land surveyor, geologist, wood-destroying insect control expert, contractor, or other home inspection expert, dealing with matters within the scope of the professional's license or expertise.

(j) (1) A report or opinion prepared by an expert shall satisfy the requirement of subsection (i)(2)(iii) of this section if the information is provided to the vendor pursuant to a written or oral request for the information.

(2) In responding to a request for information, the reporting party:

(i) May indicate, in writing, an understanding that the information provided will be used in fulfilling the requirements of this section; and

(ii) If so indicating, shall indicate the required disclosures, or parts of required disclosures, to which the information being provided is applicable.

(3) If the reporting party provides the statement under paragraph (2)(ii) of this subsection, the reporting party is not responsible for any items of information, or parts of items, other than those expressly set forth in the statement.

(k) (1) The rights of a purchaser under this section may not be waived in the contract of sale and any attempted waiver is void.

(2) Any rights of the purchaser to terminate the contract provided by this section are waived conclusively if not exercised before:

(i) Closing or occupancy by the purchaser, whichever occurs first, in the event of a sale; or

(ii) Occupancy, in the event of a lease with option to purchase.

(l) Each contract of sale shall include a conspicuous notice advising the purchaser of the purchaser's rights as set forth in this section.

(m) (1) The real estate licensee representing a vendor of residential real property as the listing broker has a duty to inform the vendor of the vendor's rights and obligations under this section.

(2) The real estate licensee representing a purchaser of residential real property, or, if the purchaser is not represented by a licensee, the real estate licensee representing an owner of residential real estate and dealing with the purchaser, has a duty to inform the purchaser of the purchaser's rights and obligations under this section.

(3) If a real estate licensee performs the duties specified in this subsection, the licensee:

(i) Shall have no further duties under this section to the parties to a residential real estate transaction; and

(ii) Is not liable to any party to a residential real estate transaction for a violation of this section.

§10–703.

(a) This section applies only to single family residential real property in Anne Arundel County improved by four or fewer single family units.

(b) All contracts of sale for residential real property shall contain the following notice:

"The buyer fully understands that in order to become more fully informed of the current and future land-use plans, facility plans, public works plans, school plans, or other plans affecting the property or area, the buyer should consult the appropriate county agency or county Internet website for information regarding these plans."

(c) All local laws requiring disclosure to home buyers of information substantially similar to subsection (b) of this section prevail over the requirements of this section.

§10–704.

(a) In Frederick County, the vendor of a property that is subject to a tax or fee of a special taxing district as authorized in § 21–409 of the Local Government Article

or by a community development authority as authorized in § 2–7–125(b) of the Public Local Laws of Frederick County may not enforce a contract for the sale of the property unless within 20 calendar days after entering into the contract, the purchaser of the property is provided the following information in writing:

(1) In conspicuous, bold, and underscored type, substantially the same as the following clause:

"This sale is subject to a tax or fee of a (special taxing district or community development authority). State law requires that the seller disclose to you at or before the time the contract is entered into, or within 20 calendar days after entering into the contract, certain information concerning the property you are purchasing. The content of the information to be disclosed is set forth in § 10–704 of the Real Property Article of the Maryland Annotated Code and includes the amount of the current annual tax or fee of the (special taxing district or community development authority) for the property, the number of years remaining for the tax or fee of the (special taxing district or community development authority), and a statement of whether any tax or fee of the (special taxing district or community development authority) against the property is delinquent.";

(2) The amount of the current annual tax or fee of the special taxing district or community development authority for the property;

(3) The number of years remaining for the tax or fee of the special taxing district or community development authority on the property; and

(4) Whether any tax or fee of the special taxing district or community development authority against the property is delinquent.

(b) The requirements of subsection (a) of this section shall be deemed fulfilled if the information required to be provided to the purchaser is done so in writing, in a clear and concise manner.

(c) The statement required under subsection (a)(1) of this section may be provided to the purchaser by the inclusion of the statement as a clause in the contract for sale of the property.

§10–705.

(a) (1) In this section the following words have the meanings indicated.

(2) "Conservation easement" means an easement, covenant, restriction, or condition on real property, including an amendment to an easement, covenant, restriction, or condition, as provided for in § 2–118 of this article that is:

(i) Owned by:

1. The Maryland Environmental Trust;

2. The Maryland Historical Trust;

3. The Maryland Agricultural Land Preservation Foundation;

4. The Maryland Department of Natural Resources;

5. A county or municipal corporation and is funded by the Maryland Department of Natural Resources, the Rural Legacy Program, or a local agricultural preservation program; or

6. A land trust; or

(ii) Required by a permit issued by the Department of the Environment.

(3) "Land trust" means an organization that:

(i) Is a qualified organization under § 170(h)(3) of the Internal Revenue Code and regulations adopted under that section; and

(ii) Has executed a cooperative agreement with the Maryland Environmental Trust.

(b) (1) This section applies to the sale of property encumbered by a conservation easement.

(2) This section does not apply to the sale of property in an action to foreclose a mortgage or deed of trust.

(c) A vendor of real property encumbered by one or more conservation easements shall, on or before entering into a contract for the sale of the property, deliver to each purchaser:

(1) The notice described in subsection (d) of this section; and

(2) A copy of all conservation easements encumbering the property.

(d) The notice required under subsection (c)(1) of this section shall be in a form substantially the same as the following:

"This property is encumbered by one or more conservation easements or other restrictions limiting or affecting uses of the property. Maryland law requires that the vendor deliver to the purchaser copies of all conservation easements on or before the day the contract is entered into. The purchaser should review all conservation easements carefully to ascertain the purchaser's rights, responsibilities, and obligations under each conservation easement, including any requirement that after the sale the purchaser must inform the owner of the conservation easement of the sale of the property.".

(e) (1) A purchaser who receives the notice and copies of the easements required under subsection (c) of this section on or before entering into a contract of sale does not have the right to rescind the contract of sale based on the information received from the vendor.

(2) A purchaser who does not receive the notice and copies of the easements required under subsection (c) of this section on or before entering into a contract of sale, on written notice to the vendor or the vendor's agent:

(i) Has the unconditional right to rescind the contract at any time before, or within 5 days after, receipt of the notice and copies of the easements; and

(ii) Is entitled to the immediate return of any deposits made in accordance with the contract.

(f) (1) Within 30 calendar days after a sale of property encumbered by a conservation easement, the purchaser shall notify the owner of a conservation easement of the sale.

(2) The notification shall include, to the extent reasonably available:

(i) The name and address of the purchaser;

(ii) The name of the vendor;

(iii) The address of the property; and

(iv) The date of the sale.

(g) In satisfying the requirements of subsection (c) of this section, the vendor and purchaser shall be entitled to rely on the conservation easement recorded in the land records of the county where the property is located.

§10–706.

(a) (1) This section applies only to the sale of residential real property in Harford County.

(2) This section does not apply to:

(i) A sale of property to a purchaser who does not intend to occupy the property; or

(ii) A sale in an action to foreclose a mortgage, deed of trust, or other lien.

(b) The vendor of property that is subject to a tax of a special taxing district as authorized in §§ 21–503, 21–504, and 21–519 through 21–523 of the Local Government Article may not enforce a contract for the sale of the property unless:

(1) The purchaser of the property is provided with the following information in writing:

(i) A description of the area included within the special taxing district;

(ii) The maximum amount of bonds and other obligations to be issued with respect to the special taxing district;

(iii) A description of the purposes for which the special taxing district was created, and for which the bonds or other obligations have been issued, including a description of any improvements;

(iv) The amount of special taxes levied on the property for the most recent year or, if taxes were not levied on the property for the most recent year, a good–faith estimate of the annual tax that will be levied on the property;

(v) The maximum amount of special taxes that may be levied on the property in a year;

(vi) The projected time period over which any bonds or obligations issued in connection with the special taxing district are to be repaid; and

(vii) A description of the purchaser's right to fully prepay the special taxing district obligations; and

(2) The contract for the sale of the property contains a notice, written in conspicuous, bold, and underscored type, that is substantially the same as the following:

"NOTICE REQUIRED BY MARYLAND LAW

The property that is the subject of this contract is located within a special taxing district, which has been created for the purpose of financing or refinancing the costs related to certain infrastructure improvements within the taxing district. These costs will be repaid from the proceeds of special taxes collected from the owners of properties located within the special taxing district.

State law requires that the seller disclose to you, at or before the time you enter into this contract, the following information: (1) a description of the area included within the special taxing district, (2) the maximum amount of bonds and other obligations to be issued with respect to the special taxing district, (3) a description of the purposes for which the special taxing district was created, and for which the bonds or other obligations have been issued, including a description of any infrastructure improvements, (4) the amount of special taxes levied on the property for the most recent year or, if taxes were not levied on the property for the most recent year, a good–faith estimate of the annual tax that will be levied on the property, (5) the maximum amount of special taxes that may be levied on the property in a year, (6) the projected time period over which any bonds or obligations issued in connection with

the special taxing district are to be repaid, and (7) your right as the prospective owner of the property to fully prepay the special taxing district obligations with respect to the property.

You have 7 calendar days from the date you receive the above information relating to the special taxing district to cancel this contract by sending a written notice of cancellation to the seller. You are not required to state a reason for cancelling the contract. Upon cancellation of the contract, you are entitled to a refund of any deposit you may have made under this contract.

A seller may not require that you waive your right to receive the information relating to the special taxing district or your right to cancel the contract within 7 calendar days of receipt of the information. A seller may not require that you close the sale under this contract within 7 calendar days from the date you receive the information relating to the special taxing district.

State law provides that any seller who, in disclosing the information relating to the special taxing district, makes any false statement of a material fact or omits a material fact that, in light of the circumstances under which the statements were made, is necessary to make the statements not misleading is liable to the purchaser for damages proximately caused by the seller's false or omitted statement. Any action for damages caused by the seller's false statement or omission of a material fact must be brought within 1 year from the date of closing under this contract.

You should carefully review the information relating to the special taxing district provided by the seller to familiarize yourself with your rights and obligations as a prospective owner of property located within the special taxing district."

(c) (1) The requirements of subsection (b)(1) of this section shall be deemed fulfilled if the information required to be provided to the purchaser is provided to the purchaser in writing, in a clear and concise manner.

(2) A vendor may provide the purchaser with the information required under subsection (b)(1) of this section by providing the purchaser with a collection of documents if the documents convey the information required under subsection (b)(1) of this section in a clear and concise manner.

(3) In satisfying the requirements of subsection (b)(1) of this section, the vendor may rely on any document that, in connection with the creation of the special taxing district, was filed by the owner of the property in the land records of the county in which the property is located.

(d) (1) A purchaser under a contract for the sale of property that is subject to this section may cancel the contract within 7 calendar days of receiving the information under subsection (b)(1) of this section by delivering written notice of cancellation to the vendor.

(2) Unless the purchaser consents to an earlier settlement date, the

settlement of a contract for the sale of property that is subject to this section may not take place within 7 calendar days from the date the purchaser receives the information required under subsection (b)(1) of this section.

(3) Notice under paragraph (1) of this subsection shall be delivered by:

(i) Hand–delivery; or

(ii) First–class mail.

(4) On cancellation of a contract for the purchase of property under paragraph (1) of this subsection, the vendor shall refund to the purchaser any deposits paid by, or on behalf of, the purchaser under the cancelled contract.

(e) (1) Any vendor that, in providing the purchaser with the information required under subsection (b)(1) of this section, makes any false statement of a material fact or omits a material fact that, in light of the circumstances under which the statements were made, is necessary to make the statements not misleading is liable to the purchaser for damages proximately caused by the vendor's false or omitted statement.

(2) An action brought under paragraph (1) of this subsection must be brought within 1 year from the date of settlement of the contract of sale.

§10–707.

(a) (1) This section applies only to the sale of residential real property in Cecil County.

(2) This section does not apply to:

(i) A sale of property to a purchaser who does not intend to occupy the property; or

(ii) A sale in an action to foreclose a mortgage, deed of trust, or other lien.

(b) The vendor of property that is subject to a tax of a special taxing district as authorized in §§ 21–503, 21–504, and 21–519 through 21–523 of the Local Government Article may not enforce a contract for the sale of the property unless:

(1) The purchaser of the property is provided with the following information in writing on or before entering into the contract for the sale of the property:

(i) A description of the area included within the special taxing district;

(ii) The maximum amount of bonds and other obligations to be issued with respect to the special taxing district;

(iii) A description of the purposes for which the special taxing district was created, and for which the bonds or other obligations have been issued, including a description of any improvements;

(iv) The amount of special taxes levied on the property for the most recent year or, if taxes were not levied on the property for the most recent year, a good–faith estimate of the annual tax that will be levied on the property;

(v) The maximum amount of special taxes that may be levied on the property in a year;

(vi) The projected time period over which any bonds or obligations issued in connection with the special taxing district are to be repaid; and

(vii) A description of the purchaser's right to fully prepay the special taxing district obligations; and

(2) The contract for the sale of the property contains a notice, written in conspicuous, bold, and underscored type, that is substantially the same as the following:

"NOTICE REQUIRED BY MARYLAND LAW

The property that is the subject of this contract is located within a special taxing district, which has been created for the purpose of financing or refinancing the costs related to certain infrastructure improvements within the taxing district. These costs will be repaid from the proceeds of special taxes collected from the owners of properties located within the special taxing district.

State law requires that the seller disclose to you, at or before the time you enter into this contract, the following information: (1) a description of the area included within the special taxing district, (2) the maximum amount of bonds and other obligations to be issued with respect to the special taxing district, (3) a description of the purposes for which the special taxing district was created, and for which the bonds or other obligations have been issued, including a description of any infrastructure improvements, (4) the amount of special taxes levied on the property for the most recent year or, if taxes were not levied on the property for the most recent year, a good–faith estimate of the annual tax that will be levied on the property, (5) the maximum amount of special taxes that may be levied on the property in a year, (6) the projected time period over which any bonds or obligations issued in connection with the special taxing district are to be repaid, and (7) your right as the prospective owner of the property to fully prepay the special taxing district obligations with respect to the property.

You have 20 calendar days from the date you receive the above information relating to the special taxing district to cancel this contract by sending a written notice

of cancellation to the seller. You are not required to state a reason for cancelling the contract. Upon cancellation of the contract, you are entitled to a refund of any deposit you may have made under this contract.

A seller may not require that you waive your right to receive the information relating to the special taxing district or your right to cancel the contract within 20 calendar days of receipt of the information. A seller may not require that you close the sale under this contract within 20 calendar days from the date you receive the information relating to the special taxing district.

State law provides that any seller who, in disclosing the information relating to the special taxing district, makes any false statement of a material fact or omits a material fact that, in light of the circumstances under which the statements were made, is necessary to make the statements not misleading is liable to the purchaser for damages proximately caused by the seller's false or omitted statement. Any action for damages caused by the seller's false statement or omission of a material fact must be brought within 1 year from the date of closing under this contract.

You should carefully review the information relating to the special taxing district provided by the seller to familiarize yourself with your rights and obligations as a prospective owner of property located within the special taxing district."

(c) (1) The requirements of subsection (b)(1) of this section shall be deemed fulfilled if the information required to be provided to the purchaser is provided to the purchaser in writing, in a clear and concise manner.

(2) A vendor may provide the purchaser with the information required under subsection (b)(1) of this section by providing the purchaser with a collection of documents if the documents convey the information required under subsection (b)(1) of this section in a clear and concise manner.

(3) In satisfying the requirements of subsection (b)(1) of this section, the vendor may rely on any document that, in connection with the creation of the special taxing district, was filed by the owner of the property in the land records of the county in which the property is located.

(d) (1) A purchaser under a contract for the sale of property that is subject to this section may cancel the contract within 20 calendar days of receiving the information under subsection (b)(1) of this section by delivering written notice of cancellation to the vendor.

(2) Unless the purchaser consents to an earlier settlement date, the settlement of a contract for the sale of property that is subject to this section may not take place within 20 calendar days from the date the purchaser receives the information required under subsection (b)(1) of this section.

(3) Notice under paragraph (1) of this subsection shall be delivered by:

(i) Hand–delivery; or

(ii) First–class mail.

(4) On cancellation of a contract for the purchase of property under paragraph (1) of this subsection, the vendor shall refund to the purchaser any deposits paid by, or on behalf of, the purchaser under the cancelled contract.

(e) (1) Any vendor that, in providing the purchaser with the information required under subsection (b)(1) of this section, makes any false statement of a material fact or omits a material fact that, in light of the circumstances under which the statements were made, is necessary to make the statements not misleading is liable to the purchaser for damages proximately caused by the vendor's false or omitted statement.

(2) An action brought under paragraph (1) of this subsection must be brought within 1 year from the date of settlement of the contract of sale.

§10–708.

(a) In this section, "transfer fee" means a charge payable on the transfer of an interest in real property or payable for the right to accept a transfer of an interest in real property.

(b) This section does not apply to:

(1) An instrument conveying a fee simple interest in real property that provides for consideration paid by the purchaser to the vendor for the interest being transferred;

(2) The payment of principal, interest, or fees under a mortgage loan agreement on the sale of property by the mortgagee;

(3) A limited liability company, limited liability partnership, corporation, joint venture, or partnership agreement in which a member, shareholder, or partner contributes real property to the limited liability company, limited liability partnership, corporation, joint venture, or partnership agreement;

(4) An agreement providing for a series of related transfers of a fee simple interest in real property if the agreement states the price of the transferred interest, any consideration exchanged, the name of the vendor, the name of the purchaser, and any other essential terms for each transfer of interest;

(5) An affordable housing covenant, servitude, easement, condition, or restriction in a deed, declaration, land sale contract, loan agreement, promissory note, trust deed, mortgage, security agreement, or other instrument, including instruments executed by:

(i) A public body;

(ii) An agency of the federal government;

(iii) A corporation whose purposes include providing affordable housing for low–income and moderate–income households;

(iv) A limited liability company with at least one member that is a corporation described under item (iii) of this paragraph;

(v) A consumer housing cooperative; or

(vi) A federally recognized Indian tribe;

(6) A fee required to be paid to:

(i) A homeowners association as defined in § 11B–101 of this article;

(ii) A council of unit owners as defined in § 11–101 of this article;

(iii) A managing entity of a timeshare plan as defined in § 11A–101 of this article;

(iv) Any other owners association that is governed by recorded covenants, conditions, and restrictions; or

(v) An agent for an association or managing entity described in this paragraph; or

(7) An agreement with a person licensed to provide real estate brokerage services under Title 17 of the Business Occupations and Professions Article to pay a commission to the licensee for the real estate brokerage services provided.

(c) (1) A person who conveys a fee simple interest in real property may not record a covenant against the title to the real property for the payment of a transfer fee.

(2) A covenant that requires the payment of a transfer fee on the conveyance of a fee simple interest in real property is void.

§10–709.

(a) A contract of sale for single family residential real property improved by four or fewer single family units shall contain notice of the right to appeal provided under § 14–502(a)(2) of the Tax – Property Article.

(b) The notice required under subsection (a) of this section shall be in substantially the following form:

"If any real property is transferred after January 1 and before the beginning of the next taxable year to a new owner, the new owner may submit a written appeal as to a value or classification on or before 60 days after the date of the transfer."

§10–710.

(a) In this section, "community amenity" includes:

(1) A country club;

(2) A golf course;

(3) A health club;

(4) A park;

(5) A swimming pool;

(6) A tennis court; and

(7) A walking trail.

(b) (1) In Prince George's County, a contract of sale for residential real property that includes an agreement by the home builder to provide a community amenity shall include a disclosure statement that:

(i) Identifies the community amenity provided in the contract of sale; and

(ii) Specifies when the community amenity will be completed in accordance with a recreational facilities agreement recorded with the Prince George's County Planning Department.

(2) The disclosure statement required under paragraph (1) of this subsection shall be:

(i) Dated and signed by the purchaser and the home builder; and

(ii) Included in or attached to the contract of sale.

(3) A purchaser who does not receive the disclosure statement required under paragraph (1) of this subsection on or before entering into the contract of sale has an unconditional right, on written notice to the home builder, to rescind the contract of sale at any time:

(i) Before the receipt of the disclosure statement; or

(ii) Within 5 days after receipt of the disclosure statement.

(c) Any advertising for a community development in Prince George's County that will include a community amenity shall include disclosure of the requirements under this section.

(d) In Prince George's County, a home builder that does not make the community amenity available as provided in the contract of sale may be liable for breach of contract.

§10–801.

(a) (1) In this section the following words have the meanings indicated.

(2) "Home builder" means a person that undertakes to erect or otherwise construct a new home.

(3) "Minimum visitability features" means:

(i) A ground level entrance:

1. That has a width of 36 or more inches;

2. That is accessible from the outside of the new home or an attached garage; and

3. In which the threshold of the entrance is no more than 1.5 inches higher than the interior floor and the exterior landing; and

(ii) A circulation route from the ground level entrance to an unattached garage, parking space, or public right–of–way that is free of any curbs, steps, landings, obstacles, or other vertical changes in level that are more than 1.5 inches.

(4) (i) "New home" means a newly constructed single–family dwelling unit.

(ii) "New home" does not include:

1. A custom home as defined in § 10–501 of this title; or

2. A mobile home as defined in § 8A–101 of this article.

(b) This section does not apply to:

(1) A new home that is located above another new home;

(2) An attached new home;

(3) A new home:

(i) That does not have a garage; and

(ii) In which the slope between the finished ground level at all unit entrances to the nearest point along a property line that borders a public right–of–way is greater than 10%; or

(4) A new home in which compliance with the design flood elevation restrictions will cause:

(i) The finished floor to be more than 30 inches above the finished ground level at all unit entrances; or

(ii) The slope between the finished floor at all unit entrances to the nearest point along a property line that borders a public right–of–way to be greater than 10%.

(c) This section applies only to a home builder that constructs 11 or more new homes in a subdivision that contains 11 or more new homes.

(d) (1) Subject to paragraph (2) of this subsection, at the time of offering new homes in a subdivision for sale, a home builder shall offer minimum visitability features as an option for purchase.

(2) The offer of minimum visitability features shall be accompanied by:

(i) A point of sale document that describes the minimum visitability features; and

(ii) A generic drawing or photograph that shows the minimum visitability features and the lots and new home types that are conducive to the minimum visitability features that could be constructed.

§11–101.

(a) In this title the following words have the meanings indicated unless otherwise apparent from context.

(b) (1) "Board of directors" means the persons to whom some or all of the powers of the council of unit owners have been delegated under this title or under the condominium bylaws.

(2) "Board of directors" includes any reference to "board".

(c) (1) "Common elements" means all of the condominium except the units.

(2) "Limited common elements" means those common elements identified in the declaration or on the condominium plat as reserved for the exclusive use of one or more but less than all of the unit owners.

(3) "General common elements" means all the common elements except the limited common elements.

(d) "Common expenses and common profits" means the expenses and profits of the council of unit owners.

(e) "Condominium" means property subject to the condominium regime established under this title.

(f) "Council of unit owners" means the legal entity described in § 11-109 of this title.

(g) "Developer" means any person who subjects his property to the condominium regime established by this title.

(h) "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

(i) "Governing body" means the council of unit owners, board of directors, or any committee of the council of unit owners or board of directors.

(j) "Housing agency" means a housing agency of a county or incorporated municipality or some other agency or entity of a county or incorporated municipality designated as such by law or ordinance.

(k) "Mortgagee" means the holder of any recorded mortgage, or the beneficiary of any recorded deed of trust, encumbering one or more units.

(l) "Moving expenses" means costs incurred to:

(1) Hire contractors, labor, trucks, or equipment for the transportation of personal property;

(2) Pack and unpack personal property;

(3) Disconnect and install personal property;

(4) Insure personal property to be moved; and

(5) Disconnect and reconnect utilities such as telephone service, gas, water, and electricity.

(m) "Occupant" means any lessee or guest of a unit owner.

(n) "Percentage interests" means the interests, expressed as a percentage, fraction or proportion, established in accordance with § 11-107 of this title.

(o) "Property" means unimproved land, land together with improvements thereon, improvements without the underlying land, or riparian or littoral rights associated with land. Property may consist of noncontiguous parcels or improvements.

(p) "Rental facility" means property containing dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(q) "Unit" means a three-dimensional space identified as such in the declaration and on the condominium plat and shall include all improvements contained within the space except those excluded in the declaration, the boundaries of which are established in accordance with § 11-103(a)(3) of this title. A unit may include 2 or more noncontiguous spaces.

(r) "Unit owner" means the person, or combination of persons, who hold legal title to a unit. A mortgagee or a trustee designated under a deed of trust, as such, may not be deemed a unit owner.

§11–102.

(a) (1) The fee simple owner or lessee under a lease that exceeds 60 years of any property in the State may subject the property to a condominium regime by recording among the land records of the county where the property is located, a declaration, bylaws, and condominium plat that comply with the requirements specified in this title.

(2) (i) Notwithstanding the provisions of paragraph (1) of this subsection, a leasehold estate may not be subjected to a condominium regime if it is used for residential purposes unless the State, a county that has adopted charter home rule under Article XI-A of the Maryland Constitution, a municipal corporation, or, subject to the provisions of subparagraph (ii) of this paragraph, the Washington Metropolitan Area Transit Authority is the owner of the reversionary fee simple estate.

(ii) The Washington Metropolitan Area Transit Authority may establish a leasehold estate for a condominium regime that is used for residential purposes under subparagraph (i) of this paragraph if, when the initial term of the lease expires, there is a provision in the lease that allows the lessee to automatically renew the lease for another term.

(3) Notwithstanding paragraph (2) of this subsection or any declaration, rule, or bylaw, a developer or any other person may not be prohibited from granting a leasehold estate in an individual unit used for residential purposes.

(b) If any property lying partly in one county and partly in any other county is subjected to a condominium regime, the declaration, bylaws, and condominium plat shall be recorded in all counties where any portion of the property is located.

Subsequent instruments affecting the title to a unit which is physically located entirely within a single county shall be recorded only in that county, notwithstanding the fact that the common elements are not physically located entirely within that county.

(c) All instruments affecting title to units shall be recorded and taxed as in other real property transactions. However, no State or local tax may be imposed by reason of the execution or recordation of the declaration, bylaws, condominium plat, or any statement of condominium lien recorded pursuant to the provisions of § 11-110 of this title.

(d) The declaration, bylaws, and condominium plat shall be indexed in the grantor index under the name of the developer and under the name of the condominium. Subsequent amendments shall be indexed under the name of the condominium.

§11–102.1.

(a) (1) (i) Before a residential rental facility is subjected to a condominium regime, the owner, and the landlord of each tenant in possession of any portion of the residential rental facility as his residence, if other than the owner, shall give the tenant a notice in the form specified in subsection (f) of this section. The notice shall be given after registration with the Secretary of State under § 11–127 of this title and concurrently and together with any offer required to be given under § 11–136 of this title.

(ii) If an offer required to be given under § 11–136 of this title is not given to a tenant concurrently with the notice described in subparagraph (i) of this paragraph, the 180–day period that is triggered by receipt of the notice under this section does not begin until the tenant receives the purchase offer.

(2) The owner and the landlord, if other than the owner, shall inform in writing each tenant who first leases any portion of the premises as his residence after the giving of the notice required by this subsection that the notice has been given. The tenant shall be informed at or before the signing of lease or the taking of possession, whichever occurs first.

(3) A copy of the notice, together with a list of each tenant to whom the notice was given, shall be given to the Secretary of State at the time the notice is given to each tenant.

(b) The notice and the purchase offer shall be considered to have been given to each tenant if delivered by hand to the tenant or mailed, certified mail, return receipt requested, postage prepaid, to the tenant's last–known address.

(c) A tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him may not be required to vacate the premises prior to the expiration of 180 days from the giving of the notice except for:

(1) Breach of a covenant in his lease occurring before or after the giving of the notice;

(2) Nonpayment of rent occurring before or after the giving of the notice; or

(3) Failure of the tenant to vacate the premises at the time that is indicated by the tenant in a notice given to his landlord under subsection (e) of this section.

(d) The lease term of any tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him and which lease term would ordinarily terminate during the 180–day period shall be extended until the expiration of the 180–day period. The extended term shall be at the same rent and on the same terms and conditions as were applicable on the last day of the lease term.

(e) Any tenant leasing any portion of the residential rental facility as his residence at the time the notice referred to in subsection (a) of this section is given to him may terminate his lease, without penalty for termination upon at least 30 days' written notice to his landlord.

(f) The notice referred to in subsection (a) of this section shall be sufficient for the purposes of this section if it is in substantially the following form. As to rental facilities containing less than 10 units, "Section 2" of the notice is not required to be given.

"NOTICE OF INTENTION TO CREATE A CONDOMINIUM

..... (Date)

This is to inform you that the rental facility known as ..... may be converted to a condominium regime in accordance with the Maryland Condominium Act. You may be required to move out of your residence after 180 days have passed from the date of this notice, or in other words, after ..... (Date).

Section 1

Rights that apply to all tenants

If you are a tenant in this rental facility and you have not already given notice that you intend to move, you have the following rights, provided you have previously paid your rent and continue to pay your rent and abide by the other conditions of your lease.

(1) You may remain in your residence on the same rent, terms, and conditions of your existing lease until either the end of your lease term or until ..... (Date) (the end of the 180–day period), whichever is later. If your lease term ends during the 180–day period, it will be extended on the same rent, terms, and conditions until ..... (Date) (the end of the 180–day period). In addition,

certain households may be entitled to extend their leases beyond the 180 days as described in Section 2.

(2) You have the right to purchase your residence before it can be sold publicly. A purchase offer describing your right to purchase is required to be included with this notice. If a purchase offer is not included with this notice, the 180–day period that you may remain in your residence does not begin until you receive the purchase offer.

(3) If you do not choose to purchase your unit, and the annual income for all present members of your household did not exceed ..... (the applicable income eligibility figure or figures for the appropriate area) for 20...., you are entitled to receive $375 when you move out of your residence. You are also entitled to be reimbursed for moving expenses as defined in the Maryland Condominium Act over $375 up to $750 which are actually and reasonably incurred. If the annual income for all present members of your household did exceed ..... (the applicable income eligibility figure or figures for the appropriate area) for 20...., you are entitled to be reimbursed up to $750 for moving expenses as defined in the Maryland Condominium Act actually and reasonably incurred. To receive reimbursement for moving expenses, you must make a written request, accompanied by reasonable evidence of your expenses, within 30 days after you move. You are entitled to be reimbursed within 30 days after your request has been received.

(4) If you want to move out of your residence before the end of the 180–day period or the end of your lease, you may cancel your lease without penalty by giving at least 30 days prior written notice. However, once you give notice of when you intend to move, you will not have the right to remain in your residence beyond that date.

Section 2

Right to 3–year lease extension or 3–month rent payment
for certain individuals with disabilities and senior citizens

The developer who converts this rental facility to a condominium must offer extended leases to qualified households for up to 20 percent of the units in the rental facility. Households which receive extended leases will have the right to continue renting their residences for at least 3 years from the date of this notice. A household may cancel an extended lease by giving 3 months' written notice if more than 1 year remains on the lease, and 1 month's written notice if less than 1 year remains on the lease.

Rents under these extended leases may only be increased once a year and are limited by increases in the cost of living index. Read the enclosed lease to learn the additional rights and responsibilities of tenants under extended leases.

In determining whether your household qualifies for an extended lease, the following definitions apply:

(1) (i) "Disability" means:

1. A physical or mental impairment that substantially limits one or more of an individual's major life activities; or

2. A record of having a physical or mental impairment that substantially limits one or more of an individual's major life activities.

(ii) "Disability" does not include the current illegal use of or addiction to:

1. A controlled dangerous substance as defined in § 5–101 of the Criminal Law Article; or

2. A controlled substance as defined in 21 U.S.C. § 802.

(2) "Senior citizen" means a person who is at least 62 years old on the date of this notice.

(3) "Annual income" means the total income from all sources for all present members of your household for the income tax year immediately preceding the year in which this notice is issued but shall not include unreimbursed medical expenses if the tenant provides reasonable evidence of the unreimbursed medical expenses or consents in writing to authorize disclosure of relevant information regarding medical expense reimbursement at the time of applying for an extended lease. "Total income" means the same as "gross income" as defined in § 9–104(a)(7) of the Tax – Property Article.

(4) "Unreimbursed medical expenses" means the cost of medical expenses not otherwise paid for by insurance or some other third party, including medical and hospital insurance premiums, co–payments, and deductibles; Medicare A and B premiums; prescription medications; dental care; vision care; and nursing care provided at home or in a nursing home or home for the aged.

To qualify for an extended lease you must meet all of the following criteria:

(1) A member of the household must be an individual with a disability or a senior citizen and must be living in your unit as of the date of this notice and must have been a member of your household for at least 12 months preceding the date of this notice; and

(2) Annual income for all present members of your household must not have exceeded ..... (the applicable income eligibility figure or figures for the appropriate area) for 20.....; and

(3) You must be current in your rental payments and otherwise in good standing under your existing lease.

If you meet all of these qualifications and desire an extended lease, then you must complete the enclosed form and execute the enclosed lease and return them. The

completed form and executed lease must be received at the office listed below within 60 days of the date of this notice, or in other words, by ..... (Date). If your completed form and executed lease are not received within that time, you will not be entitled to an extended lease.

If the number of qualified households requesting extended leases exceeds the 20 percent limitation, priority will be given to qualified households who have lived in the rental facility for the longest time.

Due to the 20 percent limitation your application for an extended lease must be processed prior to your lease becoming final. Your lease will become final if it is determined that your household is qualified and falls within the 20 percent limitation.

If you return the enclosed form and lease by ..... (Date) you will be notified within 75 days of the date of this notice, or in other words, by ..... (Date), whether you are qualified and whether your household falls within the 20 percent limitation.

You may apply for an extended lease and, at the same time, choose to purchase your unit. If you apply for and receive an extended lease, your purchase contract will be void. If you do not receive an extended lease, your purchase contract will be effective and you will be obligated to buy your unit.

If you qualify for an extended lease, but due to the 20 percent limitation, your lease is not finalized, the developer must pay you an amount equal to 3 months rent within 15 days after you move. You are also entitled to up to $750 reimbursement for your moving expenses, as described in Section 1.

If you qualify for an extended lease, but do not want one, you are also entitled to both the moving expense reimbursement previously described, and the payment equal to 3 months' rent. In order to receive the 3 month rent payment, you must complete and return the enclosed form within 60 days of the date of this notice or by ..... (Date), but you should not execute the enclosed lease.

All application forms, executed leases, and moving expense requests should be addressed or delivered to:

.....

.....
.....”

(g) A declaration may not be received for record unless there is attached thereto an affirmation of the developer in substantially the following form:

“I hereby affirm under penalty of perjury that the notice requirements of § 11–102.1 of the Real Property Article, if applicable, have been fulfilled.

Developer

By ....."

(h) Failure of a landlord or owner to give notice as required by this section is a defense to an action for possession.

(i) Failure to fulfill the provisions of this section does not affect the validity of a condominium regime otherwise established in accordance with the provisions of this title.

(j) This section does not apply to any tenant whose lease term expires during the 180–day period and who has given notice of his intent not to renew the lease prior to the giving of the notice required by subsection (a) of this section.

(k) (1) A tenant may not waive his rights under this section except as provided under § 11–137 of this title.

(2) At the expiration of the 180–day period a tenant shall become a tenant from month–to–month subject to the same rent, terms, and conditions as those existing at the giving of the notice required by subsection (a) of this section, if the tenant's initial lease has expired and the tenant has not:

(i) Entered into a new lease;

(ii) Vacated under subsection (e) of this section; or

(iii) Been notified in accordance with applicable law prior to the expiration of the 180–day period that he must vacate at the end of that period.

§11–102.2.

(a) In this section, "terminate" means:

(1) A giving of notice terminating a periodic tenancy of a dwelling within a residential rental facility; or

(2) The failure to renew or continue an existing lease for a dwelling in a residential rental facility upon its expiration.

(b) The owner of a residential facility may not terminate the lease of any tenant occupying any portion of the owner's residential facility in order to avoid such owner's obligation to give the tenant the notice required under § 11-102.1 of this title.

(c) The application for registration for a residential rental facility under § 11–127 of this title shall include, to the extent reasonably available, a list of all tenants whose leases were terminated during the 180–day period prior to the filing of the application for registration.

(d) After an agency hearing, if the Secretary of State determines that an owner has violated subsection (b) of this section within 180 days prior to filing an application for registration, the Secretary of State shall reject the application for registration filed by the owner.

(e) After a public offering statement has been registered, if the Secretary of State determines that an owner has violated subsection (b) of this section during the 12-month period prior to the time units are offered for sale, the Secretary of State shall revoke the registration.

(f) In determining whether an owner has violated subsection (b) of this section, the Secretary of State shall consider:

(1) (i) Whether the termination was due to the nonpayment of rent;

(ii) Whether the termination was due to a breach of the lease; or

(iii) Whether the owner intended at the time of termination to convert the residential facility to a condominium; and

(2) Any other factors as the Secretary of State deems appropriate.

(g) If an application for registration is rejected by the Secretary of State pursuant to subsection (d) of this section, or if a registration is revoked by the Secretary of State pursuant to subsection (e) of this section, the Secretary of State may not accept the application or reinstate the registration unless and until the owner has tendered to every tenant whose lease was terminated in violation of subsection (a) of this section an award for reasonable expenses.

§11–103.

(a) The declaration shall express at least the following particulars:

(1) The name by which the condominium is to be identified, which name shall include the word "condominium" or be followed by the phrase "a condominium".

(2) A description of the condominium sufficient to identify it with reasonable certainty together with a statement of the owner's intent to subject the property to the condominium regime established under this title.

(3) A general description of each unit, including its perimeters, location, and any other data sufficient to identify it with reasonable certainty. As to condominiums created on or after July 1, 1981, except as provided by the declaration or the plat and subject to paragraph (4)(ii) of this subsection:

(i) If walls, floors, or ceilings are designated as boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished

surfaces thereof are a part of the unit, and all other portions of the walls, floors, or ceilings are a part of the common elements.

(ii) If any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a part of that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

(iii) Subject to the provisions of subparagraph (ii) of this paragraph, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

(iv) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit.

(4) (i) A general description of the common elements together with a designation of those portions of the common elements that are limited common elements and the unit to which the use of each is restricted initially.

(ii) 1. A. This subparagraph applies to any condominium for which a declaration, bylaws, and plat are recorded in the land records of the county where the property is located on or after October 1, 2010.

B. This subparagraph does not apply to a condominium that is occupied and used solely for nonresidential purposes.

2. The description of the common elements shall include the following improvements to the extent that the improvements are shared by or serve more than one unit or serve any portion of the common elements:

A. Roofs;

B. Foundations;

C. External and supporting walls;

D. Mechanical, electrical, and plumbing systems; and

E. Other structural elements.

3. With the exception of corrective amendments necessary to comply with subsubparagraph 2 of this subparagraph, the description and designation of the common elements required under subsubparagraph 2 of this subparagraph may not be amended until after the date on which the unit owners, other than the developer and its affiliates, first elect a controlling majority of the members of the

board of directors for the council of unit owners.

(5) The percentage interests appurtenant to each unit as provided in § 11–107 of this title.

(6) The number of votes at meetings of the council of unit owners appurtenant to each unit.

(b) The information required by subsection (a)(2) through (4) of this section may be incorporated in the declaration by reference to the condominium plat.

(c) (1) Except for a corrective amendment under § 11-103.1 of this title or as provided in paragraph (2) of this subsection, the declaration may be amended only with the written consent of 80 percent of the unit owners listed on the current roster. Amendments under this section are subject to the following limitations:

(i) Except to the extent expressly permitted or expressly required by other provisions of this title, an amendment to the declaration may not change the boundaries of any unit, the undivided percentage interest in the common elements of any unit, the liability for common expenses or rights to common profits of any unit, or the number of votes in the council of unit owners of any unit without the written consent of every unit owner and mortgagee.

(ii) An amendment to the declaration may not modify in any way rights expressly reserved for the benefit of the developer or provisions required by any governmental authority or for the benefit of any public utility.

(iii) Except to the extent expressly permitted by the declaration, an amendment to the declaration may not change residential units to nonresidential units or change nonresidential units to residential units without the written consent of every unit owner and mortgagee.

(iv) Except as otherwise expressly permitted by this title and by the declaration, an amendment to the declaration may not redesignate general common elements as limited common elements without the written consent of every unit owner and mortgagee.

(v) No provision of this title shall be construed in derogation of any requirement in the declaration or bylaws that all or a specified number of the mortgagees of the condominium units approve specified actions contemplated by the council of unit owners.

(2) (i) The council of unit owners may petition the circuit court in equity for the county in which the condominium is located to correct:

1. An improper description of the units or common elements; or

2. An improper assignment of the percentage interests in the common elements, common expenses, and common profits.

(ii) The petition may be brought only if:

1. The unit owners, at a special meeting called for that purpose, vote to petition the court to correct a specific error by a vote of at least 66 2/3 percent of the unit owners present and voting at a properly convened meeting;

2. The council of unit owners gives notice of the special meeting to each mortgagee of record for the condominium; and

3. An opportunity is provided for the mortgagees to speak at the special meeting upon written request to the council of unit owners.

(iii) The court may reform the declaration to correct the error or omission as the court considers appropriate, if:

1. The council of unit owners gives notice of the filing of the petition to each mortgagee and unit owner within 15 days of filing;

2. The council of unit owners files an affidavit with the court stating that the conditions of subparagraph (ii) of this paragraph have been met;

3. The council of unit owners proves, by a preponderance of the evidence, that there is an error or omission as provided in subparagraph (i) of this paragraph;

4. Any mortgagee with an interest in the condominium is permitted to intervene in the proceedings upon filing a motion to intervene as provided in the Maryland Rules;

5. The reformation does not substantially impair the property rights of any unit owner or mortgagee; and

6. The court issues an order of reformation.

(iv) A final order of reformation may be appealed by any party within 30 days of its issuance. An order of reformation may not be recorded until the appeal period has lapsed or all appeals have been completed.

(3) An amendment or order of reformation becomes effective on recordation in the same manner as the declaration. If the condominium is registered with the Secretary of State, the council of unit owners shall file a copy of the order of reformation with the Secretary of State within 15 days of recordation.

§11–103.1.

(a) Unless the declaration or bylaws provide otherwise and subject to subsections (b) and (c) of this section, the council of unit owners or the board of directors may execute and record an amendment to the declaration, bylaws, or plat, to correct:

(1) A typographical error or other error in the percentage interests or number of votes appurtenant to any unit;

(2) A typographical error or other incorrect reference to another prior recorded document; or

(3) A typographical error or other incorrect unit designation or assignment of limited common elements if the affected unit owners and their mortgagees consent in writing to the amendment, and the consent documents are recorded with the amendment.

(b) If a council of unit owners or board of directors executes and records an amendment under subsection (a) of this section, the council or board shall also record with the amendment:

(1) During the time that the developer has an interest:

(i) The consent of the developer; or

(ii) An affidavit by the council or board that any developer who has an interest in the condominium has been provided a copy of the amendment and a notice that the developer may object in writing to the amendment within 30 days of receipt of the amendment and notice, that 30 days have passed since delivery of the amendment and notice, and that the developer has made no written objection; and

(2) An affidavit by the council or board that at least 30 days before recordation of the amendment a copy of the amendment was sent by first–class mail to each unit owner at the last address on record with the council of unit owners.

(c) An amendment under this section is entitled to be recorded and is effective upon recordation if accompanied by the supporting documents required by this section.

§11–104.

(a) The administration of every condominium shall be governed by bylaws which shall be recorded with the declaration. If the council of unit owners is incorporated, these bylaws shall be the bylaws of that corporation.

(b) The bylaws shall express at least the following particulars:

(1) The form of administration, indicating whether the council of unit

owners shall be incorporated or unincorporated, and whether, and to what extent, the duties of the council of unit owners may be delegated to a board of directors, manager, or otherwise, and specifying the powers, manner of selection, and removal of them;

(2) The mailing address of the council of unit owners;

(3) The method of calling the unit owners to assemble; the attendance necessary to constitute a quorum at any meeting of the council of unit owners; the manner of notifying the unit owners of any proposed meeting; who presides at the meetings of the council of unit owners, who keeps the minute book for recording the resolutions of the council of unit owners, and who counts votes at meetings of the council of unit owners; and

(4) The manner of assessing against and collecting from unit owners their respective shares of the common expenses.

(c) The bylaws also may contain any other provision regarding the management and operation of the condominium including any restriction on or requirement respecting the use and maintenance of the units and the common elements.

(d) The bylaws may contain a provision prohibiting any unit owner from voting at a meeting of the council of unit owners if the council of unit owners has recorded a statement of condominium lien on his unit and the amount necessary to release the lien has not been paid at the time of the meeting.

(e) (1) A corrective amendment to the bylaws may be made in accordance with § 11–103.1 of this title, or as provided in paragraph (2) of this subsection.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, unless a higher percentage is required in the bylaws, the bylaws may be amended by the affirmative vote of unit owners having at least 66 2/3 percent of the votes in the council of unit owners.

(ii) The bylaws may be amended by the affirmative vote of unit owners having at least 51% of the votes in the council of unit owners for the purpose of requiring all unit owners to maintain condominium unit owner insurance policies on their units.

(3) (i) Except as provided in paragraph (4) of this subsection, if the declaration or bylaws contain a provision requiring any action on the part of the holder of a mortgage or deed of trust on a unit in order to amend the bylaws, that provision shall be deemed satisfied if the procedures under this paragraph are satisfied.

(ii) If the declaration or bylaws contain a provision described in subparagraph (i) of this paragraph, the council of unit owners shall cause to be delivered to each holder of a mortgage or deed of trust entitled to notice, a copy of the proposed amendment to the bylaws.

(iii) If a holder of the mortgage or deed of trust that receives the proposed amendment fails to object, in writing, to the proposed amendment within 60 days from the date of actual receipt of the proposed amendment, the holder shall be deemed to have consented to the adoption of the amendment.

(4) Paragraph (3) of this subsection does not apply to amendments that:

(i) Alter the priority of the lien of the mortgage or deed of trust;

(ii) Materially impair or affect the unit as collateral; or

(iii) Materially impair or affect the right of the holder of the mortgage or deed of trust to exercise any rights under the mortgage, deed of trust, or applicable law.

(5) Each particular set forth in subsection (b) of this section shall be expressed in the bylaws as amended. An amendment under paragraph (2) of this subsection shall be entitled to be recorded if accompanied by a certificate of the person specified in the bylaws to count votes at the meeting of the council of unit owners that the amendment was approved by unit owners having the required percentage of the votes and shall be effective on recordation. This certificate shall be conclusive evidence of approval.

§11–105.

(a) When the declaration and bylaws are recorded, the developer shall record a condominium plat.

(b) The condominium plat may consist of one or more sheets and shall contain at least the following particulars:

(1) The name of the condominium;

(2) A boundary survey of the property described in the declaration showing the location of all buildings on the property and the physical markings at the corners of the property;

(3) Diagrammatic floor plans of each building on the property which show the measured dimensions, floor area, and location of each unit in it. Common elements shall be shown diagrammatically to the extent feasible; and

(4) The elevation, or average elevation in case of minor variances, above sea level, or from a fixed known point, of the upper and lower boundaries of each unit delineated on the condominium plat.

(c) Each unit shall be designated on the condominium plat by a letter or number, or a combination of them, or other appropriate designation.

(d) A condominium plat or any amendment to a condominium plat is sufficient for the purposes of this title if there is attached to, or included in it, a certificate of a professional land surveyor or property line surveyor authorized to practice in the State that:

(1) The plat, together with the applicable wording of the declaration, is a correct representation of the condominium described; and

(2) The identification and location of each unit and the common elements, as constructed, can be determined from them.

(e) (1) Except as provided in paragraph (2) of this subsection or otherwise provided in this title, the condominium plat may be amended in the same manner and to the same extent as the declaration under § 11-103(c)(1) of this title.

(2) (i) The council of unit owners may petition the circuit court in equity for the county in which the condominium is located to correct an improper description of the units or common elements.

(ii) The petition may be brought only if:

1. The unit owners, at a special meeting called for that purpose, vote to petition the court to correct a specific error by a vote of at least 66 2/3 percent of the unit owners present and voting at a properly convened meeting;

2. The council of unit owners gives notice of the special meeting to each mortgagee of record for the condominium; and

3. An opportunity is provided for the mortgagees to speak at the special meeting upon written request to the council of unit owners.

(iii) The court may reform the condominium plat to correct the error or omission as the court considers appropriate, if:

1. The council of unit owners gives notice of the filing of the petition to each mortgagee and unit owner within 15 days of filing;

2. The council of unit owners files an affidavit with the court stating that the conditions of subparagraph (ii) of this paragraph have been met;

3. The council of unit owners proves, by a preponderance of the evidence, that there is an error or omission as provided in subparagraph (i) of this paragraph;

4. Any mortgagee with an interest in the condominium is permitted to intervene in the proceedings upon filing a motion to intervene as provided in the Maryland Rules;

5. The reformation does not substantially impair the property rights of any unit owner or mortgagee; and

6. The court issues an order of reformation.

(iv) A final order of reformation may be appealed by any party within 30 days of its issuance. An order of reformation may not be recorded until the appeal period has lapsed or all appeals have been completed.

(3) An amendment or order of reformation becomes effective upon recordation in the same manner as the condominium plat. If the condominium is registered with the Secretary of State, the council of unit owners shall file a copy of the reformation amendment with the Secretary of State within 15 days of recordation.

§11–106.

(a) Each unit in a condominium has all of the incidents of real property.

(b) A description in any deed or other instrument affecting title to any unit which makes reference to the letter or number or other appropriate designation on the condominium plat together with a reference to the plat shall be a good and sufficient description for all purposes.

§11–107.

(a) Each unit owner shall own an undivided percentage interest in the common elements equal to that set forth in the declaration. Except as specifically provided in this title, the common elements shall remain undivided. Except as provided in this title, no unit owner, nor any other person, may bring a suit for partition of the common elements, and any covenant or provision in any declaration, bylaws, or other instrument to the contrary is void.

(b) Each unit owner shall have a percentage interest in the common expenses and common profits equal to that set forth in the declaration.

(c) The percentage interest provided in subsections (a) and (b) of this section may be identical or may vary. The percentage interests shall have a permanent character and, except as specifically provided by this title, may not be changed without the written consent of all of the unit owners and their mortgagees. Any change shall be evidenced by an amendment to the declaration, recorded among the appropriate land records. The percentage interests may not be separated from the unit to which they appertain. Any instrument, matter, circumstance, action, occurrence, or proceeding in any manner affecting a unit also shall affect, in like manner, the percentage interests appurtenant to the unit.

(d) (1) Notwithstanding any other provision of this title, but subject to any provision in the declaration or bylaws, a unit owner may:

(i) Grant by deed part of a unit and incorporate it as part of another unit if a portion of the percentage interests of the grantor is granted to the grantee and the grant is evidenced by an amendment to the declaration specifically describing the part granted, the percentage interests reallocated and the new percentage interest of the grantor and the grantee; and

(ii) Subdivide his unit into 2 or more units if the original percentage interests and votes appurtenant to the original unit are allocated to the resulting units and the subdivision is evidenced by an amendment to the declaration describing the resulting units and the percentage interests and votes allocated to each unit.

(2) When appropriate, a plat may be attached to the amendment. The transfer or subdivision may be made without the consent of all of the unit owners if the amendment to the declaration is executed by the unit owners and mortgagees of the units involved and by the council of unit owners or its authorized designee.

(3) If the unit owner of 2 or more adjacent units or the unit owner of a unit and an adjacent part of another unit transferred in accordance with this subsection desires to consolidate them, the council of unit owners or its authorized designee may authorize the unit owner to remove all or part of any walls separating the units or portions of them if the removal does not violate any applicable statute or regulation.

§11–108.

(a) Subject to the provisions of subsection (c) of this section, the common elements may be used only for the purposes for which they were intended and, except as provided in the declaration, the common elements shall be subject to mutual rights of support, access, use, and enjoyment by all unit owners. However, subject to the provisions of subsection (b) of this section, any portion of the common elements designated as limited common elements shall be used only by the unit owner of the unit to which their use is limited in the declaration or condominium plat.

(b) Any unit owner or any group of unit owners of units to which the use of any limited common element is exclusively restricted may grant by deed the exclusive use, or the joint use in common with one or more of the grantors, of the limited common elements to any one or more unit owners. A copy of the deed shall be furnished to the council of unit owners.

(c) (1) This subsection does not apply to any meetings of unit owners occurring at any time before the unit owners elect officers or a board of directors in accordance with § 11-109(c)(16) of this title.

(2) Subject to reasonable rules adopted by the governing body under § 11-111 of this title, unit owners may meet for the purpose of considering and discussing the operation of and matters relating to the operation of the condominium in any common elements or in any building or facility in the common elements that the governing body of the condominium uses for scheduled meetings.

§11–108.1.

Except to the extent otherwise provided by the declaration or bylaws, and subject to § 11–114 of this title, the council of unit owners is responsible for maintenance, repair, and replacement of the common elements, and each unit owner is responsible for maintenance, repair, and replacement of his unit.

§11–109.

(a) The affairs of the condominium shall be governed by a council of unit owners which, even if unincorporated, is constituted a legal entity for all purposes. The council of unit owners shall be comprised of all unit owners.

(b) The bylaws may authorize or provide for the delegation of any power of the council of unit owners to a board of directors, officers, managing agent, or other person for the purpose of carrying out the responsibilities of the council of unit owners.

(c) (1) A meeting of the council of unit owners or board of directors may not be held on less notice than required by this section.

(2) The council of unit owners shall maintain a current roster of names and addresses of each unit owner to which notice of meetings of the board of directors shall be sent at least annually.

(3) Each unit owner shall furnish the council of unit owners with his name and current mailing address. A unit owner may not vote at meetings of the council of unit owners until this information is furnished.

(4) A regular or special meeting of the council of unit owners may not be held on less than 10 nor more than 90 days':

(i) Written notice delivered or mailed to each unit owner at the address shown on the roster on the date of the notice; or

(ii) Notice sent to each unit owner by electronic transmission, if the requirements of § 11–139.1 of this title are met.

(5) Notice of special meetings of the board of directors shall be given:

(i) As provided in the bylaws; or

(ii) If the requirements of § 11–139.1 of this title are met, by electronic transmission.

(6) Except as provided in § 11–109.1 of this title, a meeting of a governing body shall be open and held at a time and location as provided in the notice or bylaws.

(7) (i) This paragraph does not apply to any meeting of the governing

body that occurs at any time before the meeting at which the unit owners elect officers or a board of directors in accordance with paragraph (16) of this subsection.

(ii) Subject to subparagraph (iii) of this paragraph and to reasonable rules adopted by the governing body under § 11–111 of this title, a governing body shall provide a designated period of time during a meeting to allow unit owners an opportunity to comment on any matter relating to the condominium.

(iii) During a meeting at which the agenda is limited to specific topics or at a special meeting, the unit owners' comments may be limited to the topics listed on the meeting agenda.

(iv) The governing body shall convene at least one meeting each year at which the agenda is open to any matter relating to the condominium.

(8) (i) Unless the bylaws provide otherwise, a quorum is deemed present throughout any meeting of the council of unit owners if persons entitled to cast 25 percent of the total number of votes appurtenant to all units are present in person or by proxy.

(ii) If the number of persons present in person or by proxy at a properly called meeting of the council of unit owners is insufficient to constitute a quorum, another meeting of the council of unit owners may be called for the same purpose if:

1. The notice of the meeting stated that the procedure authorized by this paragraph might be invoked; and

2. By majority vote, the unit owners present in person or by proxy call for the additional meeting.

(iii) 1. Fifteen days' notice of the time, place, and purpose of the additional meeting shall be delivered, mailed, or sent by electronic transmission if the requirements of § 11–139.1 of this title are met, to each unit owner at the address shown on the roster maintained under paragraph (2) of this subsection.

2. The notice shall contain the quorum and voting provisions of subparagraph (iv) of this paragraph.

(iv) 1. At the additional meeting, the unit owners present in person or by proxy constitute a quorum.

2. Unless the bylaws provide otherwise, a majority of the unit owners present in person or by proxy:

A. May approve or authorize the proposed action at the additional meeting; and

B. May take any other action that could have been taken at the original meeting if a sufficient number of unit owners had been present.

(v) This paragraph may not be construed to affect the percentage of votes required to amend the declaration or bylaws or to take any other action required to be taken by a specified percentage of votes.

(9) At meetings of the council of unit owners each unit owner shall be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote by proxy, but the proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a lessee or mortgagee.

(10) Any proxy may be revoked at any time at the pleasure of the unit owner or unit owners executing the proxy.

(11) A proxy who is not appointed to vote as directed by a unit owner may only be appointed for purposes of meeting quorums and to vote for matters of business before the council of unit owners, other than an election of officers and members of the board of directors.

(12) Only a unit owner voting in person or by electronic transmission if the requirements of § 11–139.2 of this title are met or a proxy voting for candidates designated by a unit owner may vote for officers and members of the board of directors.

(13) Unless otherwise provided in the bylaws, a unit owner may nominate himself or any other person to be an officer or member of the board of directors. A call for nominations shall be sent to all unit owners not less than 45 days before notice of an election is sent. Only nominations made at least 15 days before notice of an election shall be listed on the election ballot. Candidates shall be listed on the ballot in alphabetical order, with no indicated candidate preference. Nominations may be made from the floor at the meeting at which the election to the board is held.

(14) Election materials prepared with funds of the council of unit owners shall list candidates in alphabetical order and may not indicate a candidate preference.

(15) Unless otherwise provided in this title, and subject to provisions in the bylaws requiring a different majority, decisions of the council of unit owners shall be made on a majority of votes of the unit owners listed on the current roster present and voting.

(16) (i) A meeting of the council of unit owners to elect a board of directors for the council of unit owners, as provided in the condominium declaration or bylaws, shall be held within:

1. 60 days from the date that units representing 50 percent of the votes in the condominium have been conveyed by the developer to members of the public for residential purposes; or

2. If a lesser percentage is specified in the declaration or bylaws of the condominium, 60 days from the date the specified lesser percentage of units in the condominium are sold to members of the public for residential purposes.

(ii) 1. Before the date of the meeting held under subparagraph (i) of this paragraph, the developer shall deliver to each unit owner notice that the requirements of subparagraph (i) of this paragraph have been met.

2. The notice shall include the date, time, and place of the meeting to elect the board of directors for the council of unit owners.

(iii) If a replacement board member is elected, the term of each member of the board of directors appointed by the developer shall end 10 days after the meeting is held as specified in subparagraph (i) of this paragraph.

(iv) Within 30 days from the date of the meeting held under subparagraph (i) of this paragraph, the developer shall deliver to the officers or board of directors for the council of unit owners, as provided in the condominium declaration or bylaws, at the developer's expense:

1. The documents specified in § 11–132 of this title;

2. The condominium funds, including operating funds, replacement reserves, investment accounts, and working capital;

3. The tangible property of the condominium; and

4. A roster of current unit owners, including mailing addresses, telephone numbers, and unit numbers, if known.

(v) 1. This subparagraph does not apply to a contract entered into before October 1, 2009.

2. A. In this subparagraph, "contract" means an agreement with a company or individual to handle financial matters, maintenance, or services for the condominium.

B. "Contract" does not include an agreement relating to the provision of utility services or communication systems.

3. Until all members of the board of directors of the condominium are elected by the unit owners at a transitional meeting as specified in subparagraph (i) of this paragraph, a contract entered into by the officers or board of directors of the condominium may be terminated, at the discretion of the board of directors and without liability for the termination, not later than 30 days after notice.

(vi) If the developer fails to comply with the requirements of this paragraph, an aggrieved unit owner may submit the dispute to the Division of

Consumer Protection of the Office of the Attorney General under § 11–130(c) of this title.

(d) The council of unit owners may be either incorporated as a nonstock corporation or unincorporated and it is subject to those provisions of Title 5, Subtitle 2 of the Corporations and Associations Article which are not inconsistent with this title. The council of unit owners has, subject to any provision of this title, and except as provided in item (22) of this subsection, the declaration, and bylaws, the following powers:

(1) To have perpetual existence, subject to the right of the unit owners to terminate the condominium regime as provided in § 11–123 of this title;

(2) To adopt and amend reasonable rules and regulations;

(3) To adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;

(4) To sue and be sued, complain and defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;

(5) To transact its business, carry on its operations and exercise the powers provided in this subsection in any state, territory, district, or possession of the United States and in any foreign country;

(6) To make contracts and guarantees, incur liabilities and borrow money, sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of any part of its property and assets;

(7) To issue bonds, notes, and other obligations and secure the same by mortgage or deed of trust of any part of its property, franchises, and income;

(8) To acquire by purchase or in any other manner, to take, receive, own, hold, use, employ, improve, and otherwise deal with any property, real or personal, or any interest therein, wherever located;

(9) To hire and terminate managing agents and other employees, agents, and independent contractors;

(10) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligation of corporations of the State, or foreign corporations, and of associations, partnerships, and individuals;

(11) To invest its funds and to lend money in any manner appropriate to enable it to carry on the operations or to fulfill the purposes named in the declaration or

bylaws, and to take and to hold real and personal property as security for the payment of funds so invested or loaned;

(12) To regulate the use, maintenance, repair, replacement, and modification of common elements;

(13) To cause additional improvements to be made as a part of the general common elements;

(14) To grant easements, rights–of–way, licenses, leases in excess of 1 year, or similar interests through or over the common elements in accordance with § 11–125(f) of this title;

(15) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements;

(16) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the council of unit owners, under § 11–113 of this title;

(17) To impose reasonable charges for the preparation and recordation of amendments to the declaration, bylaws, rules, regulations, or resolutions, resale certificates, or statements of unpaid assessments;

(18) To provide for the indemnification of and maintain liability insurance for officers, directors, and any managing agent or other employee charged with the operation or maintenance of the condominium;

(19) To enforce the implied warranties made to the council of unit owners by the developer under § 11–131 of this title;

(20) To enforce the provisions of this title, the declaration, bylaws, and rules and regulations of the council of unit owners against any unit owner or occupant;

(21) Generally, to exercise the powers set forth in this title and the declaration or bylaws and to do every other act not inconsistent with law, which may be appropriate to promote and attain the purposes set forth in this title, the declaration or bylaws; and

(22) To designate parking for individuals with disabilities, notwithstanding any provision in the declaration, bylaws, or rules and regulations.

(e) A unit owner may not have any right, title, or interest in any property owned by the council of unit owners other than as holder of a percentage interest in common expenses and common profits appurtenant to his unit.

(f) A unit owner's rights as holder of a percentage interest in common expenses

and common profits are such that:

(1) A unit owner's right to possess, use, or enjoy property of the council of unit owners shall be as provided in the bylaws; and

(2) A unit owner's interest in the property is not assignable or attachable separate from his unit except as provided in §§ 11-107(d) and 11-112(g) of this title.

§11–109.1.

(a) A meeting of the board of directors may be held in closed session only for the following purposes:

(1) Discussion of matters pertaining to employees and personnel;

(2) Protection of the privacy or reputation of individuals in matters not related to the council of unit owners' business;

(3) Consultation with legal counsel on legal matters;

(4) Consultation with staff personnel, consultants, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters;

(5) Investigative proceedings concerning possible or actual criminal misconduct;

(6) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the council of unit owners;

(7) Complying with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(8) Discussion of individual owner assessment accounts.

(b) If a meeting is held in closed session under subsection (a) of this section:

(1) An action may not be taken and a matter may not be discussed if it is not permitted by subsection (a) of this section; and

(2) A statement of the time, place, and purpose of any closed meeting, the record of the vote of each board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the board of directors.

§11–109.2.

(a) The council of unit owners shall cause to be prepared and submitted to the unit owners an annual proposed budget at least 30 days before its adoption.

(b) The annual budget shall provide for at least the following items:

(1) Income;

(2) Administration;

(3) Maintenance;

(4) Utilities;

(5) General expenses;

(6) Reserves; and

(7) Capital items.

(c) The budget shall be adopted at an open meeting of the council of unit owners or any other body to which the council of unit owners delegates responsibilities for preparing and adopting the budget.

(d) Any expenditure made other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the unit owners or a significant risk of damage to the condominium, that would result in an increase in an amount of assessments for the current fiscal year of the condominium in excess of 15 percent of the budgeted amount previously adopted, shall be approved by an amendment to the budget adopted at a special meeting, upon not less than 10 days written notice to the council of unit owners.

(e) The adoption of a budget shall not impair the authority of the council of unit owners to obligate the council of unit owners for expenditures for any purpose consistent with any provision of this title.

(f) The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

§11–109.3.

(a) If the council of unit owners fails to fill vacancies on the board of directors sufficient to constitute a quorum in accordance with the bylaws, three or more unit owners may petition the circuit court for the county where the condominium is located to appoint a receiver to manage the affairs of the council of unit owners.

(b) (1) At least 30 days before petitioning the circuit court, the unit owners acting under the authority granted by subsection (a) of this section shall mail to the

council of unit owners a notice describing the petition and the proposed action.

(2) The unit owners shall post a copy of the notice in a conspicuous place on the condominium property.

(c) If the council of unit owners fails to fill vacancies sufficient to constitute a quorum within the notice period, the unit owners may proceed with the petition.

(d) A receiver appointed by a court under this section may not reside in or own a unit in the condominium governed by the council of unit owners.

(e) (1) A receiver appointed under this section shall have all powers and duties of a duly constituted board of directors.

(2) The receiver shall serve until the council of unit owners fills vacancies on the board of directors sufficient to constitute a quorum.

(f) The salary of the receiver, court costs, and reasonable attorney's fees are common expenses.

§11–110.

(a) All common profits shall be disbursed to the unit owners, be credited to their assessments for common expenses in proportion to their percentage interests in common profits and common expenses, or be used for any other purpose as the council of unit owners decides.

(b) (1) Funds for the payment of current common expenses and for the creation of reserves for the payment of future common expenses shall be obtained by assessments against the unit owners in proportion to their percentage interests in common expenses and common profits.

(2) (i) Where provided in the declaration or the bylaws, charges for utility services may be assessed and collected on the basis of usage rather than on the basis of percentage interests.

(ii) If provided by the declaration, assessments for expenses related to maintenance of the limited common elements may be charged to the unit owner or owners who are given the exclusive right to use the limited common elements.

(iii) Assessments for charges under this paragraph may be enforced in the same manner as assessments for common expenses.

(c) A unit owner shall be liable for all assessments, or installments thereof, coming due while he is the owner of a unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the voluntary grant for which a statement of lien is recorded, without prejudice to the rights of the grantee

to recover from the grantor the amounts paid by the grantee for such assessments. Liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

(d) (1) Payment of assessments, together with interest, late charges, if any, costs of collection and reasonable attorney's fees may be enforced by the imposition of a lien on a unit in accordance with the provisions of the Maryland Contract Lien Act.

(2) Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit to recover any money judgment for unpaid assessments may also be maintained in the same proceeding, without waiving the right to seek to impose a lien under the Maryland Contract Lien Act.

(e) (1) Any assessment, or installment thereof, not paid when due shall bear interest, at the option of the council of unit owners, from the date when due until paid at the rate provided in the bylaws, not exceeding 18 percent per annum, and if no rate is provided, then at 18 percent per annum.

(2) The bylaws also may provide for a late charge of $15 or one tenth of the total amount of any delinquent assessment or installment, whichever is greater, provided the charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least 15 calendar days.

(3) If the declaration or bylaws provide for an annual assessment payable in regular installments, the declaration or bylaws may further provide that if a unit owner fails to pay an installment when due, the council of unit owners may demand payment of the remaining annual assessment coming due within that fiscal year. A demand by the council is not enforceable unless the council, within 15 days of a unit owner's failure to pay an installment, notifies the unit owner that if the unit owner fails to pay the monthly installment within 15 days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

(f) (1) This subsection does not limit or affect the priority of any lien, secured interest, or other encumbrance with priority that is held by or for the benefit of, purchased by, assigned to, or securing any indebtedness to:

(i) The State or any county or municipal corporation in the State;

(ii) Any unit of State government or the government of any county or municipal corporation in the State; or

(iii) An instrumentality of the State or any county or municipal corporation in the State.

(2) In the case of a foreclosure of a mortgage or deed of trust on a unit in a condominium, a portion of the condominium's liens on the unit, as prescribed in

paragraph (3) of this subsection, shall have priority over a claim of the holder of a first mortgage or a first deed of trust that is recorded against the unit on or after October 1, 2011.

(3) The portion of the condominium's liens that has priority under paragraph (2) of this subsection:

(i) Shall consist solely of not more than 4 months, or the equivalent of 4 months, of unpaid regular assessments for common expenses that are levied by the condominium in accordance with the requirements of the declaration or bylaws of the condominium;

(ii) May not include:

1. Interest;

2. Costs of collection;

3. Late charges;

4. Fines;

5. Attorney's fees;

6. Special assessments; or

7. Any other costs or sums due under the declaration or bylaws of the condominium or as provided under any contract, law, or court order; and

(iii) May not exceed a maximum of $1,200.

(4) (i) Subject to subparagraph (ii) of this paragraph, at the request of the holder of a first mortgage or first deed of trust on a unit in a condominium, the governing body shall provide to the holder written information about the portion of any lien filed under the Maryland Contract Lien Act that has priority as prescribed under paragraph (3) of this subsection, including information that is sufficient to allow the holder to determine the basis for the portion of the lien that has priority.

(ii) At the time of making a request under subparagraph (i) of this paragraph, the holder shall provide the governing body of the condominium with the written contact information of the holder.

(iii) If the governing body of the condominium fails to provide written information to the holder under subparagraph (i) of this paragraph within 30 days after the filing of the statement of lien among the land records of each county in which the condominium is located, the portion of the condominium's liens does not have priority as prescribed under paragraph (2) of this subsection.

§11–111.

(a) The council of unit owners or the body delegated in the bylaws of a condominium to carry out the responsibilities of the council of unit owners may adopt rules for the condominium if:

(1) Each unit owner is mailed or delivered:

(i) A copy of the proposed rule;

(ii) Notice that unit owners are permitted to submit written comments on the proposed rule; and

(iii) Notice of the proposed effective date of the proposed rule;

(2) (i) Before a vote is taken on the proposed rule, an open meeting is held to allow each unit owner or tenant to comment on the proposed rule;

(ii) The meeting held under this paragraph may not be held unless:

1. Each unit owner receives written notice at least 15 days before the meeting; and

2. A quorum of the council of unit owners or the body delegated in the bylaws of the condominium to carry out the responsibilities of the council of unit owners is present; and

(3) After notice has been given to unit owners as provided in this subsection, the proposed rule is passed at a regular or special meeting by a majority vote of those present and voting of the council of unit owners or the body delegated in the bylaws of the condominium to carry out the responsibilities of the council of unit owners.

(b) (1) The vote on the proposed rule shall be final unless:

(i) Within 15 days after the vote, to adopt the proposed rule, 15 percent of the council of unit owners sign and file a petition with the body that voted to adopt the proposed rule, calling for a special meeting;

(ii) A quorum of the council of unit owners attends the meeting; and

(iii) At the meeting, 50 percent of the unit owners present and voting disapprove the proposed rule, and the unit owners voting to disapprove the proposed rule are more than 33 percent of the total votes in the condominium.

(2) During the special meetings held under paragraph (1) of this subsection, unit owners, tenants, and mortgagees may comment on the proposed rule.

(3) A special meeting held under paragraph (1) of this subsection shall be

held:

(i) After the unit owners and any mortgagees have at least 15 days' written notice of the meeting; and

(ii) Within 30 days after the day on which the petition is received by the body.

(c) (1) Each unit owner or tenant may request an individual exception to a rule adopted while the individual was the unit owner or tenant of the condominium.

(2) The request for an individual exception under paragraph (1) of this subsection shall be:

(i) Written;

(ii) Filed with the body that voted to adopt the proposed rule; and

(iii) Filed within 30 days after the effective date of the rule.

(d) (1) Each rule adopted under this section shall state that the rule was adopted under the provisions of this section.

(2) A rule may not be adopted under this section after July 1, 1984 if the rule is inconsistent with the condominium declaration or bylaws.

(3) This section does not apply to rules adopted before July 1, 1984.

§11–111.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Child care provider" means the adult who has primary responsibility for the operation of a family child care home.

(3) "Family child care home" means a unit registered under Title 5, Subtitle 5 of the Family Law Article.

(4) "No–impact home–based business" means a business that:

(i) Is consistent with the residential character of the dwelling unit;

(ii) Is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;

(iii) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to

a no–impact home–based business; and

(iv) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State or any local governing body designates as a hazardous material.

(b) (1) The provisions of this section relating to family child care homes do not apply to a condominium that is limited to housing for older persons, as defined under the federal Fair Housing Act.

(2) The provisions of this section relating to no–impact home–based businesses do not apply to a condominium that has adopted, prior to July 1, 1999, procedures in accordance with its covenants, declaration, or bylaws for the regulation or prohibition of no–impact home–based businesses.

(c) (1) Subject to the provisions of subsections (d) and (e)(1) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium that prohibits or restricts commercial or business activity in general, but does not expressly apply to family child care homes or no–impact home–based businesses, may not be construed to prohibit or restrict:

(i) The establishment and operation of family child care homes or no–impact home–based businesses; or

(ii) Use of the roads, sidewalks, and other common elements of the condominium by users of the family child care home.

(2) Subject to the provisions of subsections (d) and (e)(1) of this section, the operation of a family child care home or no–impact home–based business shall be:

(i) Considered a residential activity; and

(ii) A permitted activity.

(d) (1) (i) Subject to the provisions of paragraphs (2) and (3) of this subsection, a condominium may include in its declaration, bylaws, or rules and restrictions a provision expressly prohibiting the use of a unit as a family child care home or no–impact home–based business.

(ii) A provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a unit as a family child care home or no–impact home–based business shall apply to an existing family child care home or no–impact home–based business in the condominium.

(2) A provision described under paragraph (1)(i) of this subsection expressly prohibiting the use of a unit as a family child care home or no–impact home–based business may not be enforced unless it is approved by a simple majority of the total eligible voters of the condominium under the voting procedures contained

in the declaration or bylaws of the condominium.

(3) If a condominium includes in its declaration, bylaws, or rules and restrictions, a provision prohibiting the use of a unit as a family child care home or no–impact home–based business, it shall also include a provision stating that the prohibition may be eliminated and family child care homes or no–impact home–based businesses may be approved by a simple majority of the total eligible voters of the condominium under the voting procedures contained in the declaration or bylaws of the condominium.

(4) If a condominium includes in its declaration, bylaws, or rules and restrictions a provision expressly prohibiting the use of a unit as a family child care home or no–impact home–based business, the prohibition may be eliminated and family child care or no–impact home–based business activities may be permitted by the approval of a simple majority of the total eligible voters of the condominium under the voting procedures contained in the declaration or bylaws of the condominium.

(e) A condominium may include in its declaration, bylaws, or rules and restrictions a provision that:

(1) Regulates the number or percentage of family child care homes operating in the condominium, provided that the percentage of family child care homes permitted may not be less than 7.5 percent of the total units of the condominium;

(2) Requires child care providers to pay on a pro rata basis based on the total number of family child care homes operating in the condominium any increase in insurance costs of the condominium that are solely and directly attributable to the operation of family child care homes in the condominium; and

(3) Imposes a fee for use of common elements in a reasonable amount not to exceed $50 per year on each family child care home or no–impact home–based business which is registered and operating in the condominium.

(f) (1) If the condominium regulates the number or percentage of family child care homes under subsection (e)(1) of this section, in order to assure compliance with the regulation, the condominium may require residents to notify the condominium before opening a family child care home.

(2) The condominium may require residents to notify the condominium before opening a no–impact home–based business.

(g) (1) A child care provider in a condominium:

(i) Shall obtain the liability insurance described under §§ 19–106 and 19–203 of the Insurance Article in at least the minimum amount described under that statute; and

(ii) May not operate without the liability insurance described under

item (i) of this paragraph.

(2) A condominium may not require a child care provider to obtain insurance in an amount greater than the minimum amount required under paragraph (1) of this subsection.

(h) A condominium may restrict or prohibit a no–impact home–based business in any common elements.

(i) To the extent that this section is inconsistent with any other provision of this title, this section shall take precedence over any inconsistent provision.

§11–111.2.

(a) In this section, "candidate sign" means a sign on behalf of a candidate for public office or a slate of candidates for public office.

(b) Except as provided in subsection (c) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a condominium may not restrict or prohibit the display of:

(1) A candidate sign; or

(2) A sign that advertises the support or defeat of any question submitted to voters in accordance with the Election Law Article.

(c) A recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a condominium may restrict the display of a candidate sign or a sign that advertises the support or defeat of any proposition:

(1) In the common elements;

(2) In accordance with provisions of federal, State, and local law; or

(3) If a limitation to the time period during which signs may be displayed is not specified by a law of the jurisdiction in which the condominium is located, to a time period not less than:

(i) 30 days before the primary election, general election, or vote on the proposition; and

(ii) 7 days after the primary election, general election, or vote on the proposition.

§11–111.3.

(a) This section does not apply to the distribution of information or materials at any time before the unit owners elect officers or a board of directors in accordance with § 11-109(c)(16) of this title.

(b) In this section, the door-to-door distribution of any of the following information or materials may not be considered a distribution for purposes of determining the manner in which a governing body distributes information or materials under this section:

(1) Any information or materials reflecting the assessments imposed on unit owners in accordance with a recorded covenant, the declaration, bylaw, or rule of the condominium; and

(2) Any meeting notices of the governing body.

(c) Except for reasonable restrictions to the time of distribution, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium may not restrict a unit owner from distributing written information or materials regarding the operation of or matters relating to the operation of the condominium in any manner or place that the governing body distributes written information or materials.

§11–112.

(a) In this section, the term "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceeding.

(b) The declaration or bylaws may provide for an allocation of any award for a taking under the power of eminent domain of all or a part of the condominium. The declaration or bylaws also may provide for (1) reapportionment or other change of the percentage interests appurtenant to each unit remaining after any taking; (2) the rebuilding, relocation, or restoration of any improvements so taken in whole or in part; and (3) the termination of the condominium regime following any taking.

(c) Unless otherwise provided in the declaration or bylaws, any damages for a taking of all or part of a condominium shall be awarded as follows:

(1) Each unit owner shall be entitled to the entire award for the taking of all or part of his respective unit and for consequential damages to his unit.

(2) Any award for the taking of limited common elements shall be allocated to the unit owners of the units to which the use of those limited common elements is restricted in proportion to their respective percentage interests in the common elements.

(3) Any award for the taking of general common elements shall be allocated to all unit owners in proportion to their respective percentage interests in the common elements.

(d) Unless otherwise provided in the declaration or bylaws, following the taking of a part of a condominium, the council of unit owners shall not be obligated to replace improvements taken but promptly shall undertake to restore the remaining

improvements of the condominium to a safe and habitable condition. Any costs of such restoration shall be a common expense.

(e) Unless provided in the declaration or bylaws, following the taking of all or a part of any unit, the percentage interests appurtenant to the unit shall be adjusted in proportion as the amount of floor area of the unit so taken bears to the floor area of the unit prior to the taking. The council of unit owners promptly shall prepare and record an amendment to the declaration reflecting the new percentage interests appurtenant to the unit. Subject to subsection (g) of this section:

(1) Following the taking of part of a unit the votes appurtenant to that unit shall be appurtenant to the remainder of that unit; and

(2) Following the taking of all of a unit the right to vote appurtenant to the unit shall terminate.

(f) All damages for each unit shall be distributed in accordance with the priority of interests at law or in equity in each respective unit.

(g) Except to the extent specifically described in the condemnation declaration or grant in lieu thereof, a taking of all or part of a unit may not include any of the percentage interests or votes appurtenant to the unit.

§11–113.

(a) Unless the declaration or bylaws state otherwise, the dispute settlement mechanism provided by this section is applicable to complaints or demands formally arising on or after January 1, 1982.

(b) The council of unit owners or board of directors may not impose a fine, suspend voting, or infringe upon any other rights of a unit owner or other occupant for violations of rules until the following procedure is followed:

(1) Written demand to cease and desist from an alleged violation is served upon the alleged violator specifying:

(i) The alleged violation;

(ii) The action required to abate the violation; and

(iii) A time period, not less than 10 days, during which the violation may be abated without further sanction, if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(2) Within 12 months of the demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is violated subsequently, the board serves the alleged violator with written notice of a

hearing to be held by the board in session. The notice shall contain:

(i) The nature of the alleged violation;

(ii) The time and place of the hearing, which time may be not less than 10 days from the giving of the notice;

(iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and

(iv) The proposed sanction to be imposed.

(3) A hearing occurs at which the alleged violator has the right to present evidence and present and cross-examine witnesses. The hearing shall be held in executive session pursuant to this notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. This proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(4) A decision pursuant to these procedures shall be appealable to the courts of Maryland.

(c) If any unit owner fails to comply with this title, the declaration, or bylaws, or a decision rendered pursuant to this section, the unit owner may be sued for damages caused by the failure or for injunctive relief, or both, by the council of unit owners or by any other unit owner. The prevailing party in any such proceeding is entitled to an award for counsel fees as determined by court.

(d) The failure of the council of unit owners to enforce a provision of this title, the declaration, or bylaws on any occasion is not a waiver of the right to enforce the provision on any other occasion.

§11–114.

(a) Commencing not later than the time of the first conveyance of a unit to a person other than the developer, the council of unit owners shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements and units, exclusive of improvements and betterments installed in units by unit owners other than the developer, insuring against those risks of direct physical loss commonly insured against, in amounts determined by the council of unit owners but not less than any amounts specified in the declaration or bylaws; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the council of unit owners, but not less than any amount specified in the declaration or bylaws, covering occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(b) The council of unit owners shall give notice to all unit owners of the termination of any insurance policy within 10 days of termination. The declaration or bylaws may require the council of unit owners to carry any other insurance, and the council of unit owners in any event may carry any other insurance it deems appropriate to protect the council of unit owners or the unit owners.

(c) Insurance policies carried pursuant to subsection (a) of this section shall provide that:

(1) For property and casualty losses to the common elements and the units, exclusive of improvements and betterments installed in the units by unit owners other than the developer, each unit owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements or membership in the council of unit owners;

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his household;

(3) An act or omission by any unit owner, unless acting within the scope of his authority on behalf of the council of unit owners, does not void the policy and is not a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(d) Any loss covered by the property policy under subsection (a)(1) of this section shall be adjusted with the council of unit owners, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the council of unit owners, and not to any mortgagee. The insurance trustee or the council of unit owners shall hold any insurance proceeds in trust for unit owners and lien holders as their interests may appear. Subject to the provisions of subsection (g) of this section, the proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored, or the condominium is terminated.

(e) An insurance policy issued to the council of unit owners does not prevent a unit owner from obtaining insurance for his own benefit.

(f) (1) An insurer that has issued an insurance policy under this section shall

issue certificates or memoranda of insurance to the council of unit owners and, upon request, to any unit owner, mortgagee, or beneficiary under a deed of trust.

(2) An insurer may cancel an insurance policy issued under this section in accordance with § 27–603 of the Insurance Article.

(g) (1) Any portion of the common elements and the units, exclusive of improvements and betterments installed in the units by unit owners other than the developer, damaged or destroyed shall be repaired or replaced promptly by the council of unit owners unless:

(i) The condominium is terminated;

(ii) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

(iii) 80 percent of the unit owners, including every owner of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild.

(2) (i) 1. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

2. A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds.

(ii) If the cause of any damage to or destruction of any portion of the condominium originates from the common elements, the council of unit owners' property insurance deductible is a common expense.

(iii) 1. If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage or destruction originated is responsible for the council of unit owners' property insurance deductible not to exceed $5,000.

2. The council of unit owners shall inform each unit owner annually in writing of:

A. The unit owner's responsibility for the council of unit owners' property insurance deductible; and

B. The amount of the deductible.

3. The council of unit owners' property insurance deductible amount exceeding the $5,000 responsibility of the unit owner is a common expense.

(iv) In the same manner as provided under § 11–110 of this title, the council of unit owners may make an annual assessment against the unit owner responsible under subparagraph (iii) of this paragraph.

(3) If the damaged or destroyed portion of the condominium is not repaired or replaced:

(i) The insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium;

(ii) The insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned; and

(iii) The remainder of the proceeds shall be distributed to all the unit owners in proportion to their percentage interest in the common elements.

(4) If the unit owners vote not to rebuild any unit, that unit's entire common element interest, votes in the council of unit owners, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under § 11–112 of this title, and the council of unit owners promptly shall prepare, execute, and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, § 11–123 of this title governs the distribution of insurance proceeds if the condominium is terminated.

(h) The council of unit owners shall maintain and make available for inspection a copy of all insurance policies maintained by the council of unit owners.

(i) The provisions of this section do not apply to a condominium all of whose units are intended for nonresidential use.

§11–114.1.

(a) In this section, "fidelity insurance" includes a fidelity bond.

(b) This section does not apply to a condominium:

(1) That has four or fewer units; and

(2) For which 3 months' worth of gross annual assessments is less than $2,500.

(c) (1) The council of unit owners or other governing body of a condominium shall purchase fidelity insurance not later than the time of the first conveyance of a unit to a person other than the developer and shall keep fidelity insurance in place for each year thereafter.

(2) The fidelity insurance required under paragraph (1) of this subsection shall provide for the indemnification of the condominium against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by:

(i) Any officer, director, managing agent, or other agent or employee charged with the operation or maintenance of the condominium who controls or disburses funds; and

(ii) Any management company employing a management agent or other employee charged with the operation or maintenance of the condominium who controls or disburses funds.

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by the council of unit owners under § 11–116 of this title.

(e) (1) The amount of the fidelity insurance required under subsection (c) of this section shall equal at least the lesser of:

(i) 3 months' worth of gross annual assessments and the total amount held in all investment accounts at the time the fidelity insurance is issued; or

(ii) $3,000,000.

(2) The total liability of the insurance to all insured persons under the fidelity insurance may not exceed the sum of the fidelity insurance.

(f) If a unit owner believes that the council of unit owners or other governing body of a condominium has failed to comply with the requirements of this section, the aggrieved unit owner may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General under § 11–130 of this title.

§11–114.2.

(a) The bylaws of a condominium may require each unit owner to maintain a condominium unit owner insurance policy on the unit.

(b) Bylaws that require each unit owner to maintain unit owner insurance also shall require each unit owner to provide evidence of the insurance coverage to the council of unit owners annually.

§11–115.

Subject to the provisions of the declaration or bylaws and other provisions of law, a unit owner:

(1) May make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium;

(2) May not alter, make additions to, or change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the

condominium, without permission of the council of unit owners;

(3) After acquiring an adjoining unit or an adjoining part of an adjoining unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium. However, prior approval shall be given by the council of unit owners or its authorized designee and an amendment to the declaration and plat(s) shall be filed among the land records of the county in which the condominium is located under the name of the condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

§11–116.

(a) The council of unit owners shall keep books and records in accordance with good accounting practices on a consistent basis.

(b) On the request of the unit owners of at least 5 percent of the units, the council of unit owners shall cause an audit of the books and records to be made by an independent certified public accountant, provided an audit shall be made not more than once in any consecutive 12–month period. The cost of the audit shall be a common expense.

(c) (1) (i) Except as provided in paragraph (3) of this subsection, all books and records, including insurance policies, kept by the council of unit owners shall be maintained in Maryland or within 50 miles of its borders and shall be available at some place designated by the council of unit owners for examination or copying, or both, by any unit owner, a unit owner's mortgagee, or their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

(ii) If a unit owner requests in writing a copy of financial statements of the condominium or the minutes of a meeting of the board of directors or other governing body of the condominium to be delivered, the board of directors or other governing body of the condominium shall compile and send the requested information by mail, electronic transmission, or personal delivery:

1. Within 21 days after receipt of the written request, if the financial statements or minutes were prepared within the 3 years immediately preceding receipt of the request; or

2. Within 45 days after receipt of the written request, if the financial statements or minutes were prepared more than 3 years before receipt of the request.

(2) Books and records required to be made available under paragraph (1) of this subsection shall first be made available to a unit owner not later than 15 business days after a unit is conveyed from a developer and the unit owner requests to examine or copy the books and records.

(3) Books and records kept by or on behalf of a council of unit owners may be withheld from public inspection, except for inspection by the person who is the subject of the record or the person's designee or guardian, to the extent that they concern:

(i) Personnel records, not including information on individual salaries, wages, bonuses, and other compensation paid to employees;

(ii) An individual's medical records;

(iii) An individual's personal financial records, including assets, income, liabilities, net worth, bank balances, financial history or activities, and creditworthiness;

(iv) Records relating to business transactions that are currently in negotiation;

(v) The written advice of legal counsel; or

(vi) Minutes of a closed meeting of the board of directors or other governing body of the council of unit owners, unless a majority of a quorum of the board of directors or governing body that held the meeting approves unsealing the minutes or a recording of the minutes for public inspection.

(d) (1) Except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information, the council of unit owners may not impose any charges under this section.

(2) A charge imposed under paragraph (1) of this subsection for copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of the Courts Article.

§11–118.

(a) Any mechanics' lien or materialmen's lien arising as a result of repairs to or improvements of a unit by a unit owner shall be a lien only against the unit.

(b) Any mechanics' or materialmen's lien arising as a result of repairs to or improvements of the common elements, if authorized in writing by the council of unit owners, shall be paid by the council as a common expense and until paid shall be a lien against each unit in proportion to its percentage interest in the common elements. On payment of the proportionate amount by any unit owner to the lienor or on the filing of a written undertaking in the manner specified by Maryland Rule 12-307, the unit owner is entitled to a recordable release of his unit from the lien and the council of unit owners is not entitled to assess his unit for payment of the remaining amount due for the repairs or improvements.

(c) Except in proportion to his percentage interest in the common elements, a

unit owner personally is not liable (1) for damages as a result of injuries arising in connection with the common elements solely by virtue of his ownership of a percentage interest in the common elements; or (2) for liabilities incurred by the council of unit owners. On payment by any unit owner of his proportionate amount of any judgment resulting from that liability, the unit owner is entitled to a recordable release of his unit from the lien of the judgment and the council of unit owners is not entitled to assess his unit for payment of the remaining amount due.

§11–119.

A person may bring suit against the council of unit owners, or against the condominium unit owners as a whole in any cause relating to the common elements, by service as follows:

(1) If the council of unit owners is a corporation, in the same manner as the Maryland Rules authorize service on a corporation; or

(2) If the council of unit owners is not a corporation, in the same manner as the Maryland Rules authorize service on an unincorporated association.

§11–120.

(a) A developer may reserve the right to expand the condominium by subjecting additional sections of property to the condominium regime in a manner so that as each additional section of property is subjected to the condominium regime:

(1) The percentage interests in the common elements of the unit owners in preceding sections shall be reduced and appropriate percentage interests in the common elements of the added sections shall vest in them; and

(2) Appropriate percentage interests in the common elements of the preceding sections shall vest in unit owners in the added sections.

(b) The reservation of the right to expand a condominium is subject to the conditions provided in this subsection.

(1) The declaration establishing the condominium shall describe each parcel of property which may be included in each section to be added to the condominium. This description may be made by reference to the condominium plat.

(2) The declaration establishing the condominium shall show:

(i) The maximum number of units which may be added; and

(ii) The percentage interests in the common elements, the percentage interests in the common expenses and common profits, and the number of votes appurtenant to each unit following the addition of each section of property to the condominium, if added. The percentage interests in the common elements and in

common expenses and common profits, and the number of votes that each unit owner will have may be shown by reference to a formula or other appropriate method of determining them following each expansion of the condominium.

(3) The condominium plat for the original condominium shall include, in general terms, the outlines of the land, buildings, and common elements of each successive section that may be added to the condominium.

(4) In the declaration establishing the condominium a right shall be reserved in the developer for a period, not exceeding 10 years from the date of recording of the declaration, to add to the condominium any successive section described in the declaration and in the condominium plat.

(c) (1) If there is compliance with the conditions of subsection (b) of this section, successive sections of property may be added to the condominium if the developer (i) records an amendment to the declaration, showing the new percentage interests of the unit owners, and the votes which each unit owner may cast in the condominium as expanded, and (ii) records an amendment to the condominium plat that includes the detail and information concerning the new section as required in the original condominium plat.

(2) On recordation of the amendment of the declaration and plat, each unit owner, by operation of law, has the percentage interests in the common elements, and in the common expenses and common profits, and shall have the number of votes, set forth in the amendment to the declaration. Following any expansion, the interest of any mortgagee shall attach, by operation of law, to the new percentage interests in the common elements appurtenant to the unit on which it is a lien.

§11–121.

Any deposits taken in connection with the sale by a developer of units in a condominium intended for residential use shall be deposited or held in an escrow account as provided in § 10-301 of this article, unless a corporate surety bond is obtained and maintained as provided in § 10-301 of this article.

§11–122.

(a) The provisions of all laws, ordinances, and regulations concerning building codes or zoning shall have full force and effect to the extent that they apply to property which is subjected to a condominium regime and shall be construed and applied with reference to the overall nature and use of the property without regard to the form of ownership. A law, ordinance, or regulation concerning building codes or zoning may not establish any requirement or standard governing the use, location, placement or construction of any land and improvements which are submitted to the provisions of this title, unless the requirement or standard is uniformly applicable to all land and improvements of the same kind or character not submitted to the provisions of this title.

(b) Except as otherwise provided in this title, a county, city, or other jurisdiction may not enact any law, ordinance, or regulation which would impose a burden or restriction on a condominium that is not imposed on all other property of similar character not subjected to a condominium regime. Any such law, ordinance, or regulation, is void. Except as otherwise expressly provided in §§ 11-130, 11-138, 11-139, and 11-140 of this title, the provisions of this title are statewide in their effect. Any law, ordinance, or regulation enacted by a county, city, or other jurisdiction is preempted by the subject and material of this title.

§11–123.

(a) Except in the case of a taking of all the units by eminent domain under § 11-112 of this title, a condominium may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the council of unit owners are allocated, or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units in the condominium are restricted exclusively to nonresidential uses.

(b) An agreement of unit owners to terminate a condominium must be evidenced by their execution of a termination agreement or ratifications thereof. If, pursuant to a termination agreement, the real estate constituting the condominium is to be sold following termination, the termination agreement must set forth the terms of the sale. A termination agreement and all ratifications thereof must be recorded in every county in which a portion of the condominium is situated, and is effective only upon recordation.

(c) The council of unit owners, on behalf of the unit owners, may contract for the sale of the condominium, but the contract is not binding on the unit owners until approved pursuant to subsections (a) and (b) of this section. If the real estate constituting the condominium is to be sold following termination, title to that real estate, upon termination, vests in the council of unit owners as trustee for the holders of all interest in the units. Thereafter, the council of unit owners has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the council of unit owners continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to unit owners and lien holders as their interests may appear, in proportion to the respective interests of unit owners as provided in subsection (f) of this section. Unless otherwise specified in the termination agreement, as long as the council of unit owners holds title to the real estate, each unit owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit. During the period of that occupancy, each unit owner and his successors in interest remain liable for all assessments and other obligations imposed on unit owners by this title or the declaration.

(d) If the real estate constituting the condominium is not to be sold following termination, title to the real estate, upon termination, vests in the unit owners as tenants in common in proportion to their respective interests as provided in subsection (f) of this section, and liens on the units shift accordingly. While the tenancy in

common exists, each unit owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit.

(e) Following termination of the condominium, and after payment of or provision for the claims of the creditors of the council of unit owners, the assets of the council of unit owners shall be distributed to unit owners in proportion to their respective interests as provided in subsection (f) of this section. The proceeds of sale described in subsection (c) of this section and held by the council of unit owners as trustee are not assets of the council of unit owners.

(f) The respective interests of unit owners referred to in subsections (c), (d), and (e) of this section are as follows:

(1) Except as provided in paragraph (2) of this subsection, the respective interests of unit owners are the fair market values of their units, limited common elements, and common element interests immediately before the termination, as determined by one or more independent appraisers selected by the council of unit owners. The decision of the independent appraisers shall be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes are allocated. The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair market value of that unit owner's unit and common element interest by the total fair market values of all the units and common elements.

(2) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the interests of all unit owners are their respective common element interests immediately before the termination.

(g) Foreclosure or enforcement of a lien or encumbrance against the entire condominium does not of itself terminate the condominium, and foreclosure or enforcement of a lien or encumbrance against a portion of the condominium does not withdraw that portion from the condominium.

§11–124.

(a) Neither the rule of law known as the Rule Against Perpetuities nor the rule of law known as the Rule Restricting Unreasonable Restraints on Alienation may be applied to defeat or invalidate any provision of this title or of any declaration, bylaws, or other instrument made pursuant to the provisions of this title.

(b) The provisions of any declaration, bylaws, and condominium plat filed pursuant to this title shall be liberally construed to facilitate the creation and operation of the condominium. So long as the declaration, bylaws, and condominium plat substantially conform with the requirements of this title, a variance from the requirements does not affect the condominium status of the property in question nor the title of any unit owner to his unit, his votes, and his percentage interests in the

common elements and in common expenses and common profits.

(c) The declaration, bylaws, and condominium plat shall be construed together and shall be deemed to incorporate one another to the extent that any requirement of this title as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. Any provision required by this title may be amended only in accordance with the requirements for amendment applicable to the instrument in which, absent this subsection, it is required to be contained.

(d) All provisions of the declaration, bylaws, and condominium plat are severable and the invalidity of one provision does not affect the validity of any other provision.

(e) If there is any conflict among the provisions of this title, the declaration, condominium plat, bylaws, or rules adopted pursuant to § 11-111 of this title, the provisions of each shall control in the succession listed hereinbefore commencing with "title".

(f) The execution of any instrument by a mortgagee for the purpose of consenting to the legal operation and effect of a declaration, bylaws, and condominium plat does not, unless the contrary is expressly stated, affect the priority of the mortgage or deed of trust. The execution and recordation of a release of a unit in a condominium by a mortgagee which refers to the condominium constitutes consent by that mortgagee to the legal operation and effect of the recorded declaration, bylaws, and condominium plat of that condominium.

§11–125.

(a) The existing physical boundaries of any unit or common element constructed or reconstructed in substantial conformity with the condominium plat shall be conclusively presumed to be its boundaries, regardless of the shifting, settlement, or lateral movement of any building and regardless of minor variations between the physical boundaries as described in the declaration or shown on the condominium plat and the existing physical boundaries of any such unit or common element. This presumption applies only to encroachments within the condominium.

(b) If any portion of any common element encroaches on any unit or if any portion of a unit encroaches on any common element or any other unit, as a result of the duly authorized construction or repair of a building, a valid easement for the encroachment and for the maintenance of the encroachment exists so long as the building stands.

(c) An easement for mutual support shall exist in the units and common elements.

(d) The grant or other disposition of a condominium unit shall include and grant, and be subject to, any easement arising under the provisions of this section without specific or particular reference to the easement.

(e) (1) The council of unit owners or its authorized designee shall have an irrevocable right and an easement to enter units to investigate damage or make repairs when the investigation or repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium.

(2) Except in cases involving manifest danger to public safety or property, the council of unit owners shall make a reasonable effort to give notice to the owner of any unit to be entered for the purpose of investigation or repair.

(3) If damage is inflicted on the common elements or any unit through which access is taken, the council of unit owners is liable for the prompt repair.

(4) An entry by the council of unit owners for the purposes specified in this subsection may not be considered a trespass.

(f) (1) The declaration or bylaws may give the council of unit owners authority to grant easements, rights–of–way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium if the grant is approved by the affirmative vote of unit owners having 66 2/3 percent or more of the votes, and with the express written consent of the mortgagees holding an interest in those units as to which unit owners vote affirmatively. Any easement, right–of–way, license, or similar interest granted by the council of unit owners under this subsection shall state that the grant was approved by unit owners having at least 66 2/3 percent of the votes, and by the corresponding mortgagees.

(2) The board of directors may, by majority vote, grant easements, rights–of–way, licenses, leases in excess of 1 year, or similar interests for the provision of utility services or communication systems for the exclusive benefit of units within the condominium regime. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 30–days' notice to all unit owners and mortgagees of record with the condominium;

(ii) At the meeting, the board may not act until all unit owners and mortgagees shall be afforded a reasonable opportunity to present their views on the proposed easement, right–of–way, license, lease, or similar interest;

(iii) The easement, right–of–way, license, lease, or similar interest shall contain the following provisions:

1. The service or system shall be installed or affixed to the premises at no cost to the individual unit owners or the council of unit owners other than charges normally paid for like services by residents of similar or comparable dwelling units within the same area;

2. The unit owners and council of unit owners shall be indemnified for any damage arising out of the installation of the service or system; and

3. The board of directors shall be provided the right to approve of the design for installation of the service or system in order to insure that the installation conforms to any conditions which are reasonable to protect the safety, functioning, and appearance of the premises.

(3) By majority vote, the board of directors may grant to the State perpetual easements, rights–of–way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium for bulkhead construction, dune construction or restoration, beach replenishment, or periodic maintenance and replacement construction, on Maryland's ocean beaches, including rights in the State to restrict access to dune areas. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 30–days' notice to all unit owners and mortgagees of record with the condominium; and

(ii) At the meeting, the board may not act until all unit owners and mortgagees shall be afforded a reasonable opportunity to present their views on the proposed easement, right–of–way, license, lease, or similar interest.

(4) By majority vote, the board of directors may settle an eminent domain proceeding or grant to the State or any county, municipality, or agency or instrumentality thereof with condemnation authority, perpetual easements, rights–of–way, licenses, leases in excess of 1 year, or similar interests affecting the common elements of the condominium for road, highway, sidewalk, bikeway, storm drain, sewer, water, utility, and similar public purposes. These actions by the board of directors are subject to the following requirements:

(i) The action shall be taken at a meeting of the board held after at least 60–days' notice to all unit owners and all first mortgagees listed with the condominium;

(ii) The notice shall include information provided by the condemnation authority that describes the purpose and the extent of the property being acquired for public use; and

(iii) At the meeting, the board may not act until all unit owners and mortgagees in attendance have been afforded a reasonable opportunity to present their views on the proposed easement, right–of–way, license, lease, or similar interest.

(5) The action of the board of directors granting any easement, right–of–way, license, lease, or similar interest under paragraphs (2), (3), or (4) of this subsection shall not be final until the following have occurred:

(i) Within 15 days after the vote by the board to grant an easement, right–of–way, license, lease, or similar interest, a petition may be filed with the board of directors signed by the unit owners having at least 15 percent of the votes calling for

a special meeting of unit owners to vote on the question of a disapproval of the action of the board of directors granting such easement, right–of–way, license, lease, or similar interest. If no such petition is received within 15 days, the decision of the board shall be final;

(ii) If a qualifying petition is filed, a special meeting shall be held no less than 15 days or more than 30 days from receipt of the petition. At the special meeting, if a quorum is not present, the decision of the board of directors shall be final;

(iii) 1. If a special meeting is held and 50 percent of the unit owners present and voting disapprove the grant, and the unit owners voting to disapprove the grant are more than 33 percent of the total votes in the condominium, then the grant shall be void; or

2. If the vote of the unit owners is not more than 33 percent of the total votes in the condominium, the decision of the board or council to make the grant shall be final;

(iv) Mortgagees shall receive notice of and be entitled to attend and speak at such special meeting; and

(v) Any easement, right–of–way, license, lease, or similar interest granted by the board of directors under the provisions of this subsection shall state that the grant was approved in accordance with the provisions of this subsection.

(6) The provisions of this subsection are applicable to all condominiums, regardless of the date they were established.

§11–126.

(a) A contract for the initial sale of a unit to a member of the public is not enforceable by the vendor unless:

(1) The purchaser is given on or before the time a contract is entered into between the vendor and the purchaser, a current public offering statement as amended and registered with the Secretary of State containing all of the information set forth in subsection (b) of this section; and

(2) The contract of sale contains, in conspicuous type, a notice of:

(i) The purchaser's right to receive a public offering statement and his rescission rights under this section; and

(ii) The warranties provided by § 11–131 of this title.

(b) The public offering statement required by subsection (a) of this section shall be sufficient for the purposes of this section if it contains at least the following:

(1) A copy of the proposed contract of sale for the unit;

(2) A copy of the proposed declaration, bylaws, and rules and regulations;

(3) A copy of the proposed articles of incorporation of the council of unit owners, if it is to be incorporated;

(4) A copy of any proposed management contract, insurance contract, employment contract, or other contract affecting the use of, maintenance of, or access to all or part of the condominium to which it is anticipated the unit owners or the council of unit owners will be a party, and a statement of the right of the council of unit owners to terminate contracts entered into during the developer control period under § 11–133 of this title;

(5) A copy of the actual annual operating budget for the condominium or, if no actual operating budget exists, a copy of the projected annual operating budget for the condominium including reasonable details concerning:

(i) The estimated monthly payments by the purchaser for assessments;

(ii) Monthly charges for the use, rental, or lease of any facilities not part of the condominium;

(iii) The amount of the reserve fund for repair and replacement and its intended use; and

(iv) Any initial capital contribution or similar fee, other than assessments for common expenses, to be paid by unit owners to the council of unit owners or vendor, and a statement of how the fees will be used;

(6) A plain language statement of the policy and procedures for collecting assessments and handling collection of delinquencies, including reasonable details concerning:

(i) The number and percentage of unit owners who are delinquent or in arrears in an amount equal to or greater than 50% of the annual assessment of the unit owner;

(ii) The number of unsatisfied liens currently recorded against unit owners under the Maryland Contract Lien Act;

(iii) The number of unsatisfied judgments obtained against unit owners for unpaid assessments; and

(iv) The total amount of arrearages among all unit owners;

(7) A copy of any lease to which it is anticipated the unit owners or the

council of unit owners will be a party following closing;

(8) A description of any contemplated expansion of the condominium with a general description of each stage of expansion and the maximum number of units that can be added to the condominium;

(9) A copy of the floor plan of the unit or the proposed condominium plats;

(10) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or by the council of unit owners, and a statement as to whether or not they are to be part of the common elements;

(11) A statement as to whether streets within the condominium are to be dedicated to public use or maintained by the council of unit owners;

(12) A statement of any judgments against the council of unit owners and the existence of any pending suits to which the council of unit owners is a party;

(13) In the case of a condominium containing buildings substantially completed more than 5 years prior to the filing of the application for registration under § 11–127 of this title, a statement of the physical condition and state of repair of the major structural, mechanical, electrical, and plumbing components of the improvements, to the extent reasonably ascertainable, and estimated costs of repairs for which a present need is disclosed in the statement and a statement of repairs which the vendor intends to make. The vendor is entitled to rely on the reports of architects or engineers authorized to practice their profession in this State;

(14) A description of any provision in the declaration or bylaws limiting or providing for the duration of developer control or requiring the phasing–in of unit owner participation, or a statement that there is no such provision;

(15) If the condominium is one which will be created by the conversion of a rental facility, a copy of the notice and materials required by §§ 11–102.1 and 11–137 of this title;

(16) A statement of whether the unit being purchased is subject to an extended lease under § 11–137 of this title, or local law, and a copy of any extended lease;

(17) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible; and

(18) Any other information required by regulation duly adopted and issued by the Secretary of State.

(c) A person may not advertise or represent that the Secretary of State has approved or recommended the condominium, the public offering statement, or any of the documents contained in the application for registration.

(d) (1) Following execution of a contract of sale by a purchaser, the vendor may not amend any of the material required to be furnished by subsection (a) of this section without the approval of the purchaser if the amendment would affect materially the rights of the purchaser.

(2) Approval is not required if the amendment is required by any governmental authority or public utility, or if the amendment is made as a result of actions beyond the control of the vendor or in the ordinary course of affairs of the council of unit owners.

(3) A copy of any amendments shall be delivered promptly to any purchaser and to the Secretary of State.

(e) (1) Any purchaser may at any time (i) within 15 days following receipt of all of the information required under subsection (b) of this section or the signing of the contract, whichever is later; and (ii) within 5 days following receipt of the information required under subsection (d) of this section, rescind in writing the contract of sale without stating any reason and without any liability on his part, and he shall be entitled to the return of any deposits made on account of the contract.

(2) The return of any deposits held in trust by a licensed real estate broker to a purchaser under this subsection shall comply with the procedures set forth in § 17–505 of the Business Occupations and Professions Article.

(f) Any vendor who, in disclosing the information required under subsections (a) and (b) of this section, makes any untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading, shall be liable to any person purchasing a unit from the vendor for those damages proximately caused by the vendor's untrue statement or omission. However, an action may not be maintained to enforce any liability created under this section unless brought within 1 year after the facts constituting the cause of action are or should have been discovered.

(g) The rights of a purchaser under this section may not be waived in the contract of sale and any attempted waiver is void. However, if any purchaser proceeds to closing, his right under this section to rescind is terminated.

(h) This section does not apply to the sale of any unit which is to be occupied and used for nonresidential purposes.

(i) This section applies to the sale of any unit offered for sale in the State without regard to the location of the condominium.

(j) The provisions of this section do not apply to a sale of a unit in an action to foreclose a mortgage or deed of trust.

§11–127.

(a) A contract for the initial sale of a unit to a member of the public may not be entered into until the public offering statement for the proposed condominium regime has been registered with the Secretary of State and until 10 days after all amendments then applicable to the public offering statement have been filed with the Secretary of State under subsection (d) of this section.

(b) (1) An application for registration shall consist of the public offering statement described in § 11-126 of this title. A developer shall file the number of copies required by the Secretary of State. The Secretary of State shall notify the governing body of the county and/or municipality in which the condominium is located of the filing of the application. An application shall be accompanied by a fee of not less than $100, in an amount equal to $5 per unit.

(2) A developer promptly shall file amendments to report any material change in any document or information contained in the application.

(c) (1) The Secretary of State shall acknowledge receipt of an application for registration within 5 business days after receiving it. The Secretary shall determine whether the application satisfies the disclosure requirements of § 11-126 of this title within 45 days after receipt.

(2) If the Secretary of State determines that the application complies with § 11-126 of this title, the Secretary shall issue promptly an order registering the condominium. Otherwise, unless the developer has consented in writing to a delay not to exceed 30 days, the Secretary shall issue promptly an order rejecting registration. The order shall include the specific reasons for the rejection. The Secretary's failure to issue any order within 45 days of receipt or within the time period agreed upon shall be deemed an approval of the condominium. Rejection of an application for registration by the Secretary of State may not act as a bar to reapplication for registration. An application amended to comply with the stated reasons for rejection and accompanied by an additional fee as provided in subsection (b) of this section shall be approved by the Secretary of State upon his determination that the amended application satisfies the requirements of this section.

(d) (1) (i) A developer shall promptly file with the Secretary of State copies of any changes in the documents or information contained in the public offering statement which are necessary to make the documents or information current.

(ii) A public offering statement is current if the information required under § 11–126(b)(2), (4), (5), (6), and (12) of this title is updated and filed by the developer not less than annually.

(2) (i) A developer shall file a written statement with the council of unit owners describing the progress of construction, repairs, and all other work on the condominium, which the developer has completed or intends to complete in accordance

with the public offering statement for the condominium.

(ii) This written statement shall be filed within 30 days after the anniversary date for registration of the public offering statement for the condominium and annually thereafter until the registration of the condominium is terminated.

(3) A developer shall notify the Secretary of State in writing when all of the units in the condominium have been conveyed to unit owners other than the developer, and the developer either cannot add additional units to the condominium or has determined that no additional units will be added to the condominium.

(4) If the developer notifies the Secretary of State that all of the units in the condominium have been conveyed to unit owners other than the developer, and that the developer either cannot add additional units to the condominium, or has determined that no additional units will be added to the condominium, the Secretary of State shall issue an order terminating the registration of the condominium.

(e) The Secretary of State shall be responsible for the administration of this section.

(1) The Secretary may adopt, amend, and repeal regulations necessary to carry out the requirements of the provisions of this section.

(2) The Secretary may prescribe forms and procedures for submitting applications.

(f) This section does not apply to the sale of any unit which is to be occupied and used for nonresidential purposes.

§11–128.

(a) The Secretary of State shall establish a file of local legislation affecting condominiums as enacted under §§ 11-130, 11-137, 11-138, 11-139, and 11-140 of this title, indexed by county and municipality.

(b) The Secretary of State may cooperate with agencies performing similar functions in this and other jurisdictions to develop uniform filing procedures and forms, uniform disclosure standards, and uniform administrative practices and may develop information that may be useful in the discharge of the Secretary's duties.

(c) The Secretary of State shall work in cooperation with the Consumer Protection Division of the Office of the Attorney General in the enforcement of this title.

§11–129.

(a) In the case of a condominium situated wholly outside of this State, being promoted and having a sales office within the State, an application for registration

or proposed public offering statement filed with the Secretary of State which has been approved by an agency in the state where the condominium is located and substantially complies with the requirements of this title may not be rejected by the Secretary on the grounds of noncompliance with any different or additional requirements imposed by this title. However, the Secretary may require additional documents or information in particular cases to assure adequate and accurate disclosure to prospective purchasers.

(b) If there is no out-of-state agency which has approved the application for registration or proposed public offering statement, the application shall consist of the public offering statement described in § 11-126 of this title, and shall be approved in accordance with § 11-127 of this title.

§11–130.

(a) This section is intended to provide minimum standards for the protection of consumers in the State.

(b) (1) For purposes of this section, "consumer" means an actual or prospective purchaser, lessee, assignee or recipient of a condominium unit.

(2) "Consumer" includes a co-obligor or surety for a consumer.

(c) (1) To the extent that a violation of any provision of this title affects a consumer, that violation shall be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General, as described in Title 13 of the Commercial Law Article.

(2) The provisions of this title shall otherwise be enforced by each agency of the State within the scope of its authority.

(d) A county or incorporated municipality, or an agency of any of those jurisdictions, may adopt laws or ordinances for the protection of a consumer to the extent and in the manner provided for under § 13-103 of the Commercial Law Article.

(e) Within 30 days of the effective date of a law, ordinance, or regulation enacted under this section which is expressly applicable to condominiums, the local jurisdiction shall forward a copy of the law, ordinance or regulation to the Secretary of State.

§11–131.

(a) The implied warranties provided in this section may not be excluded or modified.

(b) (1) The warranties provided in §§ 10-202 and 10-203 of this article apply to all sales by developers under this title. For the purposes of this article, a newly constructed dwelling unit means a newly constructed or newly converted condominium unit and its appurtenant undivided fee simple interest in the common areas.

(2) If a developer grants an improvement to an intermediate purchaser to evade any liability to a purchaser imposed by the provisions of this section, or by § 10-202 or § 10-203 of this article, the developer is liable on the subsequent sale of the improvement by the intermediate purchaser as if the subsequent sale had been effectuated by the developer without regard to the intervening grant.

(c) In addition to the implied warranties set forth in § 10–203 of this article there shall be an implied warranty on an individual unit from a developer to a unit owner. The warranty on an individual unit commences with the transfer of title to that unit and extends for a period of 1 year. The warranty shall provide:

(1) That the developer is responsible for correcting any defects in materials or workmanship in the construction of walls, ceilings, floors, and heating and air conditioning systems in the unit; and

(2) That the heating and any air conditioning systems have been installed in accordance with acceptable industry standards and:

(i) That the heating system is warranted to maintain a 70°F temperature inside with the outdoor temperature and winds at the design conditions established by the Energy Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article, or those established by the political subdivision as provided in Title 7, Subtitle 4 of the Public Utilities Article; and

(ii) That the air conditioning system is warranted to maintain a 78°F temperature inside with the outdoor temperature at the design conditions established by Title 7, Subtitle 4 of the Public Utilities Article, or those established by the political subdivision as provided in Title 7, Subtitle 4 of the Public Utilities Article.

(d) (1) In addition to the implied warranties set forth in § 10–203 of this article there shall be an implied warranty on common elements from a developer to the council of unit owners. The warranty shall apply to: the roof, foundation, external and supporting walls, mechanical, electrical, and plumbing systems, and other structural elements.

(2) The warranty shall provide that the developer is responsible for correcting any defect in materials or workmanship, and that the specified common elements are within acceptable industry standards in effect when the building was constructed.

(3) (i) The warranty on common elements commences with the first transfer of title to a unit owner.

(ii) The warranty of any common elements not completed at the first transfer of title to a unit owner shall commence with the completion of that element or with its availability for use by all unit owners, whichever occurs later.

(iii) The warranty extends for a period of 3 years from commencement

under subparagraph (i) or (ii) of this paragraph or 2 years from the date on which the unit owners, other than the developer and its affiliates, first elect a controlling majority of the members of the board of directors for the council of unit owners, whichever occurs later.

(4) A suit for enforcement of the warranty on general common elements shall be brought only by the council of unit owners. A suit for enforcement of the warranty on limited common elements may be brought by the council of unit owners or any unit owner to whose use it is reserved.

(e) Notice of defect shall be given within the warranty period and suit for enforcement of the warranty shall be brought within 1 year of the warranty period.

(f) (1) Warranties shall not apply to any defects caused through abuse or failure to perform maintenance by a unit owner or the council of unit owners.

(2) The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

§11–132.

On transfer of control by the developer to the council of unit owners, the developer shall turn over documents including:

(1) Copies of the condominium's filed articles of incorporation, recorded declaration, and all recorded covenants, bylaws, plats, and restrictions of the condominium;

(2) Subject to the restrictions of § 11–116 of this title, all books and records of the condominium, including financial statements, minutes of any meeting of the governing body, and completed business transactions;

(3) Any policies, rules, and regulations adopted by the governing body;

(4) The financial records of the condominium from the date of creation to the date of transfer of control, including budget information regarding estimated and actual expenditures by the condominium and any report relating to the reserves required for major repairs and replacement of the common elements of the condominium;

(5) A copy of all contracts to which the condominium is a party;

(6) The name, address, and telephone number of any contractor or subcontractor employed by the condominium;

(7) Any insurance policies in effect and all prior insurance policies;

(8) Any permit or notice of code violation issued to the condominium by

the county, local, State, or federal government;

(9) Any warranty in effect;

(10) Drawings, architectural plans, or other suitable documents setting forth the necessary information for location, maintenance, and repair of all condominium facilities; and

(11) Individual owner files and records, including assessment account records, correspondence, and notices of any violations.

§11–133.

(a) Within three years following the date on which units have been granted by the developer to unit owners having a majority of the votes in the council of unit owners, any lease, and any management contract, employment contract, or other contract to which the council of unit owners is a party entered into between the date the property subjected to the condominium regime was granted to the developer and the date on which units have been granted by the developer to unit owners having a majority of votes in the council of unit owners may be terminated by a majority vote of the council of unit owners without liability for the termination. The termination shall become effective upon 30 days' written notice of the termination from the council of unit owners.

(b) The provisions of this section do not apply to:

(1) Any contract or grant between the council of unit owners and any governmental agency or public utility; or

(2) A condominium that is occupied and used solely for nonresidential purposes.

§11–134.

Any provision of a declaration or other instrument made pursuant to this title which requires the owner of a unit to engage or employ the developer or any subsidiary or affiliate of the developer for the purpose of effecting a sale or lease of any unit is void. Any provision of any contract for the sale of any unit which requires the purchaser to engage or employ the vendor or any subsidiary or affiliate of the vendor for the purpose of effecting a sale or lease of any unit is void. The provisions of this section apply to declarations, instruments and contracts made prior to and after July 1, 1974. The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

§11–135.

(a) Except as provided in subsection (b) of this section, a contract for the resale of a unit by a unit owner other than a developer is not enforceable unless the contract

of sale contains in conspicuous type a notice in the form specified in subsection (g)(1) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

(3) The rules or regulations of the condominium;

(4) A certificate containing:

(i) A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner;

(ii) A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;

(iii) A statement of any other fees payable by the unit owners to the council of unit owners;

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under item (vi) of this item;

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium;

(vi) The current operating budget of the condominium including details concerning the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund;

(vii) A statement of any judgments against the condominium and the existence of any pending suits to which the council of unit owners is a party;

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policies are available for inspection, stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description;

(ix) A statement as to whether the council of unit owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;

(x) A statement as to whether the council of unit owners has

knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

(xi) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof; and

(xii) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements;

(5) A statement by the unit owner as to whether the unit owner has knowledge:

(i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;

(ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and

(iii) That the unit is subject to an extended lease under § 11–137 of this title or under local law, and if so, a copy of the lease must be provided; and

(6) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(b) A contract for the resale by a unit owner other than a developer of a unit in a condominium containing less than 7 units is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

(3) The rules and regulations of the condominium;

(4) A statement by the unit owner of the unit owner's expenses during the preceding 12 months relating to the common elements; and

(5) A written notice of the unit owner's responsibility for the council of unit owners' property insurance deductible and the amount of the deductible.

(c) (1) The council of unit owners, within 20 days after a written request by a unit owner and receipt of a reasonable fee therefor, not to exceed the cost to the council

of unit owners, if any, shall furnish a certificate containing the information necessary to enable the unit owner to comply with subsection (a) of this section. A unit owner providing a certificate under subsection (a) of this section is not liable to the purchaser for any erroneous information provided by the council of unit owners and included in the certificate.

(2) With respect to the remaining information that the unit owner is required to disclose under subsection (a) of this section that is not provided by the council of unit owners and included in the certificate, a unit owner:

(i) Except as provided in item (ii) of this paragraph, is liable to the purchaser under this section for damages proximately caused by:

1. An untrue statement about a material fact; and

2. An omission of a material fact that is necessary to make the statements made not misleading, in light of the circumstances under which the statements were made; and

(ii) Is not liable to the purchaser under this section if the owner had, after reasonable investigation, reasonable grounds to believe, and did believe, at the time the information was provided to the purchaser, that the statements were true and that there was no omission to state a material fact necessary to make the statements made not misleading, in light of the circumstances under which the statements were made.

(d) A purchaser is not liable for any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the council of unit owners. A unit owner is not liable to a purchaser for the failure or delay of the council of unit owners to provide the certificate in a timely manner.

(e) The rights of a purchaser under this section may not be waived in the contract of sale, and any attempted waiver is void. However, if a purchaser proceeds to closing, his right to rescind the contract under subsection (f) of this section is terminated.

(f) (1) Any purchaser may at any time within 7 days following receipt of all of the information required under subsection (a) or (b) of this section, whichever is applicable, rescind in writing the contract of sale without stating any reason and without any liability on his part.

(2) The purchaser, upon rescission, is entitled to the return of any deposits made on account of the contract.

(3) If any deposits are held in trust by a licensed real estate broker, the return of the deposits to a purchaser under this subsection shall comply with the procedures set forth in § 17–505 of the Business Occupations and Professions Article.

(g) (1) A notice given as required by subsection (a) of this section shall be sufficient for the purposes of this section if it is in substantially the following form:

"NOTICE

The seller is required by law to furnish to you not later than 15 days prior to closing certain information concerning the condominium which is described in § 11–135 of the Maryland Condominium Act. This information must include at least the following:

(i) A copy of the declaration (other than the plats);

(ii) A copy of the bylaws;

(iii) A copy of the rules and regulations of the condominium;

(iv) A certificate containing:

1. A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit, other than any restraint created by the unit owner;

2. A statement of the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;

3. A statement of any other fees payable by the unit owners to the council of unit owners;

4. A statement of any capital expenditures approved by the council of unit owners or its authorized designee planned at the time of the conveyance which are not reflected in the current operating budget included in the certificate;

5. The most recently prepared balance sheet and income and expense statement, if any, of the condominium;

6. The current operating budget of the condominium, including details concerning the amount of the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund;

7. A statement of any judgments against the condominium and the existence of any pending suits to which the council of unit owners is a party;

8. A statement generally describing any insurance policies provided for the benefit of the unit owners, a notice that the policies are available for inspection stating the location at which they are available, and a notice that the terms of the policy prevail over the general description;

9. A statement as to whether the council of unit owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;

10. A statement as to whether the council of unit owners has knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

11. A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal of it; and

12. A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements; and

(v) A statement by the unit owner as to whether the unit owner has knowledge:

1. That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations.

2. Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit.

3. That the unit is subject to an extended lease under § 11–137 of this title or under local law, and if so, a copy of the lease must be provided.You will have the right to cancel this contract without penalty, at any time within 7 days following delivery to you of all of this information. However, once the sale is closed, your right to cancel the contract is terminated."

(2) A notice given as required by subsection (b) of this section shall be sufficient for the purposes of this section if it is in substantially the following form:

"NOTICE

The seller is required by law to furnish to you not later than 15 days prior to closing certain information concerning the condominium which is described in § 11–135 of the Maryland Condominium Act. This information must include at least the following:

(1) A copy of the declaration (other than the plats);

(2) A copy of the bylaws;

(3) A copy of the rules and regulations of the condominium; and

(4) A statement by the seller of his expenses relating to the common elements during the preceding 12 months.

You will have the right to cancel this contract without penalty, at any time within 7 days following delivery to you of all of this information. However, once the sale is closed, your right to cancel the contract is terminated."

(h) Upon any sale of a condominium unit, the purchaser or his agent shall provide to the council of unit owners to the extent available, the name and forwarding address of the prior unit owner, the name and address of the purchaser, the name and address of any mortgagee, the date of settlement, and the proportionate amounts of any outstanding condominium fees or assessments assumed by each of the parties to the transaction.

(i) This section does not apply to the sale of any unit which is to be used and occupied for nonresidential purposes.

(j) Subsections (a), (b), (c), (d), (e), (f), and (g) of this section do not apply to a sale of a unit in an action to foreclose a mortgage or deed of trust.

§11–136.

(a) (1) An owner required to give notice under § 11–102.1 of this title shall offer in writing to each tenant entitled to receive that notice the right to purchase that portion of the property occupied by the tenant as his residence. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms, and conditions offered for that portion of the property to any other person during the 180–day period following the giving of the notice required by § 11–102.1 of this title. Settlement cannot be required any earlier than 120 days after the offer is accepted by the tenant.

(2) The offer to each tenant shall be made concurrently with the giving of the notice required by § 11–102.1 of this title, shall be a part of that notice, and shall state at least the following:

(i) That the offer will terminate upon the earlier to occur of termination of the lease by the tenant or 60 days after delivery;

(ii) That acceptance of the offer by a tenant who meets the criteria for an extended lease under § 11–137(b) of this title is contingent upon the tenant not receiving an extended lease;

(iii) That settlement cannot be required any earlier than 120 days after acceptance by the tenant; and

(iv) That the household is entitled to reimbursement for moving expenses as provided in subsection (h) of this section. Delivery of a notice in the form specified in § 11–102.1(f) of this title meets the requirements of this subparagraph.

(3) If the offer to the tenant under this subsection is not included with the notice required by § 11–102.1 of this title, the 180–day period during which the tenant is entitled to remain in the tenant's residence does not begin until the tenant receives the offer.

(b) (1) Notwithstanding the provisions of subsection (a) of this section, an owner may make any alterations or additions to the size, location, configuration, and physical condition of the property. The developer is not required to make the boundaries of any portion of the property occupied by a tenant as the tenant's residence coincide with the boundaries of a unit.

(2) In the event the boundaries of any portion of the property occupied by a tenant as the tenant's residence do not coincide with the boundaries of a unit, then, to the extent reasonable and practicable, the owner shall offer in writing to that tenant the right to purchase a substantially equivalent portion of the property. The offer shall be at a price and on terms and conditions at least as favorable as the price, terms and conditions offered for that portion of the property to any other person and shall contain the statements required by subsection (a)(2) of this section.

(c) Unless written acceptance of an offer made under subsection (a) or (b) of this section is sooner delivered to the owner by the tenant, the offer shall terminate, without further act, upon the earlier to occur of:

(1) Termination of the lease by the tenant; or

(2) 60 days after the offer is delivered to the tenant.

(d) Acceptance of an offer by a tenant who meets the criteria for an extended lease under § 11-137(b) of this title shall be contingent upon the tenant not receiving an extended lease.

(e) If the offer terminates, the owner may not offer to sell that unit at a price or on terms and conditions more favorable to the offeree than the price, terms, and conditions offered to the tenant during the 180–day period following the giving of the notice required by § 11–102.1 of this title.

(f) Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall provide to any county, incorporated municipality or housing agency which has a right to purchase units in the rental facility under § 11-139 of this title a list of the names and units of all tenants who have validly accepted offers made under this section within 60 days of the giving of the notice required by § 11-102.1 of this title, except those offers which have terminated because of the granting of an extended lease under § 11-137 of this title.

(g) If a deed for a unit contains an affidavit by the grantor that the provisions of this section have been fulfilled, then the grantee in that deed takes title to the unit free and clear of all claims and rights of any person arising under this section.

(h) (1) If the household does not accept the purchase offer made under this section, the owner shall:

(i) If the household qualifies as to income under § 11-137(b)(1) of this title, pay the household $375 when the household vacates the unit and reimburse the household for moving expenses as defined in § 11-101 of this title in excess of $375 up to $750 which are actually and reasonably incurred; or

(ii) If the household does not qualify as to income under § 11-137(b)(1) of this title, reimburse the household for moving expenses as defined in § 11-101 of this title up to $750 which are actually and reasonably incurred.

(2) The household shall make a written request for moving expense reimbursement to the developer, accompanied by reasonable evidence of the costs incurred, within 30 days following moving. The developer shall reimburse the household within 30 days following receipt of the request.

§11–137.

(a) (1) In this section the following words have the meanings indicated.

(2) "Annual income" means the total income from all sources, of a designated household, for the income tax year immediately preceding the year in which the notice is given under § 11-102.1 of this title, whether or not included in the definition of gross income for federal or State tax purposes. For purposes of this section, the inclusions and exclusions from annual income are the same as those listed in § 9-104(a)(8) of the Tax - Property Article, "gross income" as that term is defined for the property tax credits for homeowners by reason of income and age, but shall not include unreimbursed medical expenses if the tenant provides reasonable evidence of the unreimbursed medical expenses or consents in writing to authorize disclosure of relevant information regarding medical expense reimbursement at the time of applying for an extended lease.

(3) "Designated household" means any of the following households:

(i) A household which includes a senior citizen who has been a member of the household for a period of at least 12 months preceding the giving of the notice required by § 11-102.1 of this title; or

(ii) A household which includes an individual with a disability who has been a member of the household for a period of at least 12 months preceding the giving of the notice required by § 11-102.1 of this title.

(4) (i) "Disability" means:

1. A physical or mental impairment that substantially limits one or more of an individual's major life activities; or

2. A record of having a physical or mental impairment that substantially limits one or more of an individual's major life activities.

(ii) "Disability" does not include the current illegal use of or addiction to:

1. A controlled dangerous substance as defined in § 5-101 of the Criminal Law Article; or

2. A controlled substance as defined in 21 U.S.C. § 802.

(5) "Household" means only those persons domiciled in the unit at the time the notice required by § 11-102.1 of this title is given.

(6) "Rental facility" means property containing 10 or more dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(7) "Senior citizen" means a person who is at least 62 years old on the date that the notice required by § 11-102.1 of this title is given.

(8) "Unreimbursed medical expenses" means the cost of medical expenses not otherwise paid for by insurance or some other third party, including medical and hospital insurance premiums, co-payments, and deductibles; Medicare A and B premiums; prescription medications; dental care; vision care; and nursing care provided at home or in a nursing home or home for the aged.

(b) A developer may not grant a unit in a rental facility occupied by a designated household entitled to receive the notice required by § 11-102.1 of this title without offering to the tenant of the unit a lease extension for a period of at least 3 years from the giving of the notice required by § 11-102.1 of this title, if the household meets the following criteria:

(1) Had an annual income which did not exceed the income eligibility figure applicable for the county or incorporated municipality in which the rental facility is located, as provided under subsection (n) of this section;

(2) Is current in its rent payment and has not violated any other material term of the lease; or

(3) Has provided the developer within 60 days after the giving of the notice required by § 11-102.1 of this title with an affidavit under penalty of perjury:

(i) Stating that the household is applying for an extended lease under this section;

(ii) Setting forth the household's annual income for the calendar year preceding the giving of the notice required by § 11-102.1 of this title together with reasonable supporting documentation of the household income and, where applicable,

of unreimbursed medical expenses or a written authorization for disclosure of relevant information regarding medical expense reimbursement by doctors, hospitals, clinics, insurance companies, or similar persons, entities, or organizations that provide medical treatment coverage to the household;

(iii) Setting forth facts showing that a member of the household is either an individual with a disability or a senior citizen who, in either event, has been a member of the household for at least 12 months preceding the giving of the notice required by § 11-102.1 of this title; and

(iv) Has executed an extended lease and returned it to the developer within 60 days after the giving of the notice required by § 11-102.1 of this title.

(c) The developer shall deliver to each tenant entitled to receive the notice required by § 11-102.1 of this title, simultaneously with the notice:

(1) An application on which may be included all of the information required by subsection (b)(3) of this section;

(2) A lease containing the terms required by this section and clearly indicating that the lease will be effective only if:

(i) The tenant executes and returns the lease not later than 60 days after the giving of the notice required by § 11-102.1 of this title; and

(ii) The household is allocated 1 of the units required to be made available to qualified households based on its ranking under subsection (k) of this section and the number of tenants executing and returning leases;

(3) A notice, delivered in the form specified in § 11-102.1(f) of this title, setting forth the rights and obligations of the tenant under this section; and

(4) A copy of the public offering statement which is registered with the Secretary of State.

(d) Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall notify each household which submits to the developer the documentation required by subsection (b)(3) of this section:

(1) Whether the household meets the criteria of subsection (b) of this section, and, if not, an explanation of which criteria have not been met; and

(2) Whether the extended lease has become effective.

(e) Within 75 days after the giving of the notice required by § 11-102.1 of this title, the developer shall provide to any county, incorporated municipality, or housing agency which has a right to purchase units in the rental facility under § 11-139 of this title:

(1) A notice indicating the number of units in the rental facility being made available to qualified households under subsection (k)(1) of this section;

(2) A list of all households meeting the criteria of subsection (b) of this section, indicating the ranking of each in relation to that number;

(3) A list of all households returning the affidavit required by subsection (b) of this section which do not meet all the criteria of subsection (b) of this section and copies of the notifications sent to these households under subsection (d) of this section; and

(4) A list of all households as to whom a lease has become effective.

(f) (1) The extended lease shall provide for a term commencing on acceptance and terminating not less than 3 years from the giving of the notice required by § 11-102.1 of this title.

(2) Annually, on the commencement date of the extended lease, the rental fee for the unit may be increased. The increase may not exceed an amount determined by multiplying the annual rent for the preceding year by the percentage increase for the rent component of the U.S. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 = 100), as published by the U.S. Department of Labor, for the most recent 12-month period.

(3) Except as this section otherwise permits or requires, the extended lease shall contain the same terms and conditions as the lease in effect on the day preceding the giving of the notice required by § 11-102.1 of this title.

(g) A designated household which exercises its rights under this section shall not be denied an opportunity to buy a unit at a later date, if one is available.

(h) (1) A designated household which executes an extended lease under this section which is accepted thereafter may not terminate its extended lease under § 11-102.1 of this title. A designated household may terminate its extended lease at any time, with notice to the developer or any subsequent titleholder as follows:

(i) At least a 1-month notice in writing shall be given when less than 12 months remain on the lease; and

(ii) At least a 3-month notice in writing shall be given when 12 months or more remain on the lease.

(2) Any lease executed under this section shall set forth the provisions for termination contained in this subsection.

(i) The title to units subject to the provisions of this section may be granted to a person who is not a member of the designated household, provided that:

(1) The provisions of this section continue to apply despite any transfer of title to a unit occupied by a designated household as provided in this section;

(2) The designated household is provided written notice of the change of ownership of title by the new titleholder; and

(3) The vendor of any such unit provides the purchaser written disclosure that the unit is occupied by a designated household subject to the provisions of this section at the time of or prior to the execution of a contract of sale.

(j) The extended tenancy provided for in this section shall cease upon the occurrence of any of the following:

(1) 90 days after the death of the last surviving senior citizen or individual with a disability residing in the unit, or 90 days after the last senior citizen or individual with a disability residing in the unit has moved from the unit;

(2) Eviction for failure to pay rent due in a timely fashion or violation of a material term of the lease; or

(3) Voluntary termination of the lease by the designated household under subsection (h) of this section.

(k) (1) A developer shall set aside a percentage of the total number of units within a condominium for designated households. A developer is not required to grant extended leases covering more than 20 percent of the units within a condominium to designated households.

(2) (i) If the number of units occupied by designated households which meet the criteria of subsection (b) of this section exceeds 20 percent, then the number of available units for tenancy under the provisions of this section shall be allocated as determined by the local governing body.

(ii) If the local governing body fails to provide for allocation, then units shall be allocated by the developer.

(iii) 1. Except as provided in subsubparagraph 2 of this subparagraph, the developer shall allocate the units based on seniority by continuous length of residence.

2. Among designated households that include individuals with disabilities, priority shall be given to households that include an individual with a physical impairment who requires wheelchair accessible housing.

(l) (1) If a conversion to condominium involves substantial rehabilitation or reconstruction of such a nature that the work involved does not permit the continued occupancy of a unit because of danger to the health and safety of the tenants, then any designated household executing an extended lease under the provisions of this section

may be required to vacate their unit not earlier than the expiration of the 180-day period and to relocate at the expense of the developer in a comparable unit in the rental facility to permit such work to be performed.

(2) If there is no comparable unit available, then the designated household may be required to vacate the rental facility. When the work is completed, the developer shall notify the household of its completion. The household shall have 30 days from the date of that notice to return to their original or a comparable rental unit. The term of the extended lease of that household shall begin upon their return to the rental unit.

(3) The developer shall give 180 days' notice prior to the date that units must be vacated. The notice shall explain the household's rights under this subsection and subsection (m) of this section.

(m) (1) The developer shall pay households that qualify as to income under subsection (b)(1) of this section $375 when the household vacates the unit and for moving expenses as defined in § 11-101 of this title in excess of $375 up to $750 which are actually and reasonably incurred. The household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days of moving. The developer shall reimburse the household within 30 days following receipt of the request.

(2) If a household does not qualify as to income under subsection (b)(1) of this section, the developer shall reimburse moving expenses as defined in § 11-101 of this title, up to $750, actually and reasonably incurred to the designated households eligible under this subsection. The designated household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days of moving. The developer shall reimburse the designated household within 30 days following receipt of the request.

(3) The developer shall also pay a compensation equivalent to 3 months' rent within 15 days of moving to the designated households eligible under this subsection.

(4) The following designated households which meet the applicable criteria of subsection (b) of this section are eligible under this subsection:

(i) A designated household which does not execute an extended lease;

(ii) A designated household which is precluded from having an extended tenancy by the limitation of subsection (k) of this section; or

(iii) A designated household which is required to vacate their rental unit under subsection (l)(2) of this section.

(5) A developer shall also reimburse moving expenses as defined in § 11-101 of this title, up to $750, actually and reasonably incurred, to a designated

household who returns to their rental unit under subsection (l)(2) of this section. The designated household shall make a written request for reimbursement accompanied by reasonable evidence of the costs incurred within 30 days following the designated household's return. The developer shall reimburse the designated household within 30 days following receipt of the request.

(n) (1) (i) The Secretary of State shall prepare income eligibility figures for each county and standard metropolitan statistical area of the State.

(ii) Except in Baltimore City, the figures shall reasonably approximate:

1. 80 percent of the median household income for each county;

2. 80 percent of the median household income for each metropolitan statistical area; and

3. The uncapped low income limits as adjusted for family size calculated by the U.S. Department of Housing and Urban Development for assisted housing programs.

(iii) In Baltimore City, the figure shall reasonably approximate 100% of the median household income for the Baltimore Metropolitan Statistical Area.

(2) Except in Baltimore City, a county or incorporated municipality may by law, ordinance, or resolution select from the figures prepared by the Secretary of State under paragraph (1)(ii) of this subsection, the applicable income eligibility figure or figures to be used in the county or incorporated municipality.

(3) The figure prepared by the Secretary of State under paragraph (1)(iii) of this subsection shall be the income eligibility figure used in Baltimore City.

(4) Except in Baltimore City, if a county or incorporated municipality does not select an income eligibility figure or figures, 80 percent of the median household income for the county shall be used.

§11–138.

(a) In this section, "rental facility" means property containing 10 or more dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(b) (1) A county or an incorporated municipality may provide, by local law or ordinance, that a rental facility may not be granted to a purchaser for the purpose of subjecting it to a condominium regime unless the county, incorporated municipality or housing agency has first been offered in writing the right to purchase the rental facility on substantially the same terms and conditions offered by the owner to the purchaser. The local law or ordinance shall designate the title and mailing address of the person

to whom the offer to the county, incorporated municipality or housing agency shall be delivered.

(2) The offer shall contain a contingency entitling the county, incorporated municipality or housing agency, to secure financing within 180 days from the date of the offer.

(3) Unless written acceptance of the offer is sooner delivered to the owner by the county, incorporated municipality or housing agency, the offer shall terminate, without further act, 60 days after it is delivered to the county, incorporated municipality or housing agency. If the offer terminates, the owner may grant the rental facility to any person for any purpose on terms and conditions not more favorable to a buyer than those offered by the owner to the county, incorporated municipality or housing agency.

(4) If the county, incorporated municipality, or housing agency purchases the rental facility, it shall retain or provide for the retention of:

(i) The property as a rental facility for at least 3 years from the date of acquisition; or

(ii) At least 20 percent of the units in the facility as rental units for 15 years from the date of acquisition for households that do not exceed the applicable income eligibility figure under § 11-137(n) of this title for the county or incorporated municipality in which the rental facility is located.

(c) A local law or ordinance adopted under subsection (b) of this section may provide that the owner of a rental facility is exempt from the provisions of this section if the purchaser of the rental facility enters into an agreement with the county, incorporated municipality, or housing agency to retain the property as a rental facility for a period not to exceed 3 years after the date of acquisition of the property.

(d) The provisions of any local law or ordinance adopted under this section shall not apply to any of the following transfers of a rental facility:

(1) Any transfer made pursuant to the terms of a bona fide mortgage or deed of trust agreement;

(2) Any transfer to a mortgagee in lieu of foreclosure or any transfer pursuant to any other proceedings, arrangement or deed in lieu of foreclosure;

(3) Any transfer made pursuant to a judicial sale or other judicial proceeding brought to secure payment of a debt or for the purpose of securing the performance of an obligation;

(4) Any transfer of the interest of one co-tenant to another co-tenant by operation of law or otherwise;

(5) Any transfer made by will or descent or by intestate distribution;

(6) Any transfer made to any municipal, county or State government or to any agencies, instrumentalities or political subdivisions thereof;

(7) Any transfer to a spouse, son or daughter;

(8) Any transfer made pursuant to the liquidation of a partnership or corporation; or

(9) Any transfer into a partnership or corporation wholly owned by the person(s) so contributing.

(e) Any county, incorporated municipality or housing agency, by execution and delivery by the appropriate official to the grantor of an instrument in recordable form, may waive its right to purchase a particular rental facility under this section.

(f) Within 30 days of the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.

§11–139.

(a) (1) A county or an incorporated municipality may provide by local law or ordinance, that a unit in a rental facility occupied by a tenant entitled to receive the notice required by § 11-136 of this title may not be granted unless the county, incorporated municipality, or housing agency has first been offered in writing the right to purchase the unit at the same price and on the same terms and conditions initially offered for that unit to any other person. The local law or ordinance shall designate the title and mailing address of the person to whom the offer to the county, incorporated municipality or housing agency is to be delivered and the title of the person who may accept the offer on behalf of the county, incorporated municipality or housing agency.

(2) The local law or ordinance shall provide that the offer to the county, incorporated municipality or housing agency shall be made at the same time an offer is made to a tenant of the unit under § 11-136 of this title. If a tenant accepts an offer of a unit made under § 11-136 of this title, then the rights of the county, incorporated municipality or housing agency to such unit under an offer made under this section, whether or not accepted, shall terminate.

(3) Unless written acceptance of the offer is sooner delivered to the owner of the rental facility by the county, incorporated municipality or housing agency, the offer shall terminate, without further act, 120 days after it is delivered to the county, incorporated municipality or housing agency.

(b) A county, incorporated municipality or housing agency may not accept an offer made under this section for any unit if that unit together with the aggregate of other units previously accepted or not accepted, subject to an extended lease by a designated family under § 11-136 of this title, exceeds 20 percent of the total number of units in the condominium.

(c) If a grant for a unit contains an affidavit by the grantor that the provisions of any law or ordinance enacted under this section have been fulfilled, then the grantee in that grant takes title to the unit free and clear of all claims and rights of any county, incorporated municipality or housing agency under a local law or ordinance enacted under this section.

(d) Within 30 days of the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.

§11–139.1.

(a) Notwithstanding language contained in the governing documents of a council of unit owners, the council of unit owners may provide notice of a meeting or deliver information to a unit owner by electronic transmission if:

(1) The governing body of the council of unit owners gives the council of unit owners the authority to provide notice of a meeting or deliver information by electronic transmission;

(2) The unit owner gives the council of unit owners prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and

(3) An officer or agent of the council of unit owners certifies in writing that the council of unit owners has provided notice of a meeting or delivered material or information as authorized by the unit owner.

(b) Notice or delivery by electronic transmission shall be considered ineffective if:

(1) The council of unit owners is unable to deliver two consecutive notices; and

(2) The inability to deliver the electronic transmission becomes known to the person responsible for the sending of the electronic transmission.

(c) The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

§11–139.2.

(a) Notwithstanding language contained in the governing documents of the council of unit owners, the board of directors of the council of unit owners may authorize unit owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies that the vote or proxy is authorized by the unit owner or the unit owner's proxy.

(b) If the governing documents of the council of unit owners require voting by secret ballot and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if unit owners have the option of casting anonymous printed ballots.

§11–140.

(a) The intent of the General Assembly of Maryland is to facilitate the orderly development of condominiums in Maryland. The General Assembly recognizes, however, that the conversion of rental dwellings to condominiums can have an adverse impact on the availability of rental units, resulting in the displacement of tenants.

(b) A county or incorporated municipality may, by legislative finding, recognize and declare that a rental housing emergency exists in all or part of its jurisdiction and has been caused by the conversion of rental housing to condominiums. The jurisdiction shall consider and make findings as to:

(1) The nature and incidence of condominium conversions;

(2) The resulting hardship to and displacement of tenants; and

(3) The scarcity of rental housing.

(c) Upon finding and declaration of a rental housing emergency caused by the conversion of rental housing to condominiums, a county or an incorporated municipality may by the enactment of laws, ordinances, and regulations, take the following actions to meet the emergency:

(1) Grant to a designated family as defined in § 11-137 of this title a right to an extended lease for a period in addition to that period provided for in § 11-137 of this title. The right to an extended lease may not, in any event, result in a requirement that a developer set aside for an extended lease more than 20 percent of the total number of units.

(2) Otherwise extend any of the provisions of § 11-137 of this title except that:

(i) More than 20 percent of the total number of units may not be required to be set aside; and

(ii) The term of an extended lease for any family made a designated family by a county or an incorporated municipality may not exceed 3 years.

(3) Require that the notice required to be given under § 11-102.1 of this title be altered to disclose the effects of any actions taken under this section.

(d) Within 10 days of the enactment of a law, ordinance, or regulation under this section, a county or incorporated municipality shall forward a copy of the law, ordinance

or regulation to the Secretary of State.

§11–141.

(a) The provisions of this title are in addition and supplemental to all other provisions of the public general laws, the public local laws, and any local enactment in the State.

(b) If the words "single family residential unit", "property", "blocks", or other designation denoting a unit of land, appear in the Code, the public local laws, or any local enactment, a reference to a condominium unit or regime, whichever is appropriate, is deemed inserted after these descriptive terms where appropriate to implement this title.

(c) If the application of the provisions of this title conflict with the application of other provisions of the public general laws, public local laws, or any local enactment, in the State, the provisions of this title shall prevail.

§11–142.

(a) Except as otherwise provided in this section, this title is applicable to all condominiums. However, with respect to condominiums established before July 1, 1982, the declaration or master deed, bylaws, or condominium plat need not be amended to comply with the requirements of this title.

(b) Except to the extent that the declaration or master deed, bylaws, or plat provide otherwise, §§ 11-114 and 11-123 of this title are applicable to all condominiums.

(c) Unless the developer elects to conform to the requirements of § 11-120 of this title, § 11-120 of this title is not applicable to those condominiums created prior to July 1, 1974 under circumstances where the developer reserved the right to expand the condominium.

(d) As to condominiums created prior to July 1, 1981, compliance with § 11-124 of this title as in effect on June 30, 1981, is deemed compliance with § 11-126 of this title as effective on July 1, 1981.

(e) Section 11-133 of this title is applicable only to leases or management and similar contracts executed after July 1, 1974.

(f) Sections 11-127, 11-131, 11-136, 11-137, 11-138, 11-139, and 11-140 of this title do not apply to the conversion of residential rental property for which a notice of intention to create a condominium was issued before July 1, 1981, if:

(1) (i) On or before March 15, 1982, units in the residential rental property have been publicly offered for sale as condominium units; and

(ii) On or before March 15, 1982, 35 percent of the units in the

residential rental property are under a contract to be sold pursuant to a bona fide, arm's length transaction;

(2) (i) On or before March 15, 1982, the residential rental property has been subjected to a condominium regime, or, in the case of an expanding condominium, the residential rental property is shown on the condominium plat filed on or before March 15, 1982;

(ii) Units in the condominium have been publicly offered for sale on or before April 15, 1982; and

(iii) On or before May 15, 1982, at least 10 percent of the units in the condominium, or in the case of an expanding condominium, 10 percent of the total number of units to be contained in the condominium as fully expanded, are under a contract to be sold in a bona fide, arm's length transaction; or

(3) A developer or its affiliate entered into a contract to purchase the residential rental property between January 1, 1980 and December 31, 1980, and the developer or its affiliate does not meet the requirements of paragraph (1) or (2) of this subsection. Such a developer or its affiliate shall comply with §§ 11-136 and 11-137 of this title.

§11–143.

This title may be cited as the Maryland Condominium Act.

§11A–101.

(a) In this title the following terms have the meanings indicated, unless the context requires a different meaning.

(b) "Association" means a nonstock corporation consisting only of time-share estate owners formed according to Title 5, Subtitle 2 of the Corporations and Associations Article.

(c) "Commission" means the State Real Estate Commission.

(d) "Common elements" means all of a time-share project except for the time-share units located in the project.

(e) "Common expenses" means the costs of management and operation of the time-share project, maintenance of, and improvements to the common elements, maintenance of the units, and repair and replacement of personalty located in the project owned by the association.

(f) "Conversion building" means a building that at any time before the disposition of any time-share was occupied by any person for residential purposes.

(g) (1) "Developer" means any person in the business of creating or disposing of that person's time-shares in time-share projects.

(2) "Developer" does not include an association reselling time-shares acquired by the association:

(i) Through foreclosure of a lien for nonpayment of assessments or other charges by a time-share owner as provided in § 11A-110 of this title; or

(ii) By deed in lieu of foreclosure from a time-share owner who is delinquent in payment of assessments or other charges as provided in § 11A-110 of this title.

(h) "Developer control period" is as defined in § 11A-106 of this title.

(i) "Exchange company" means any person operating an exchange program.

(j) "Exchange program" means any arrangement for the exchange of occupancy rights of time-share owners.

(k) "Facility fees" means fees for recreational or other facilities charged on a use basis.

(l) "Managing entity" means any person or association, including the developer, designated in or employed pursuant to a time-share instrument or project instrument to manage a time-share project.

(m) "Occupancy expenses" means costs occasioned by use of individual time-share units such as housekeeping or cleaning.

(n) "Project" means real property all or a portion of which is subject to a project instrument. A project may include units that are not time-share units.

(o) "Project instrument" means 1 or more recordable documents, by whatever name denominated, applying to a project and containing restrictions or covenants regulating the use, occupancy, enjoyment, or disposition of units or amenities in or other aspects of a time-share project.

(p) "Purchaser" means any person, other than a developer, who by means of a voluntary transfer acquires a legal or equitable interest in a time-share other than as security for an obligation.

(q) "Sales contract" means any agreement transferring the rights and obligations of the time-share plan to the purchaser.

(r) "Time-share" means a time-share estate or time-share license.

(s) "Time-share estate" means the ownership during separated time periods,

over a period of at least 5 years, including renewal options, of a time-share unit or any of several time-share units, whether the ownership is a freehold estate, an estate for years, or an undivided interest.

(t) "Time-share estate project" means that portion of the project set aside for the use and enjoyment by time-share purchasers as described in the time-share plan or time-share instrument, and as acquired by the time-share purchaser in the execution of a sales contract.

(u) "Time-share expenses" means common expenses and occupancy expenses, but does not include facility fees.

(v) "Time-share instrument" means a document that describes the time-share as provided in §§ 11A-103 and 11A-107 of this title.

(w) "Time-share license" means a right to use or occupy 1 or more units or any of several units during 5 or more separated time periods over a period of at least 5 years, including renewal options, in a time-share project.

(x) "Time-share plan" means any arrangement other than an exchange program, whether by membership, agreement, tenancy in common, sale, lease, license, or right to use agreement or by any other means, whereby a time-share purchaser, in exchange for a consideration, receives a time-share, and attendant rights and obligations.

(y) "Time-share project" means that portion of the project set aside for the use and enjoyment by time-share purchasers as described in the time-share plan or time-share instrument, and as acquired by the time-share purchaser in the execution of a sales contract.

(z) "Time-share unit" means a unit subject to a time-share plan.

(aa) "Undivided interest" means ownership of an interest in a project in common with not fewer than 25 other purchasers or prospective purchasers, that entitles each owner to use or occupy 1 or more units or any of several units during 5 or more separated time periods over a period of at least 5 years, including renewal options, whether or not the exercise of the right to use or occupy depends upon the availability of any unit or units.

(bb) "Unit" means real property, or a portion thereof, designated for separate use.

§11A–102.

(a) Except as otherwise provided in this title, the recordation of a time-share instrument creates a time-share estate either as a freehold estate or an estate for years, as specified in the time-share instrument.

(b) A document transferring or encumbering a time-share estate shall be

recorded among the land records of the county in which the unit is located and may not be rejected for recordation because of the nature or duration of that estate. A document transferring a time-share license may be recorded.

(c) Each time-share estate constitutes, for purposes of title, a separate estate or interest in a unit.

§11A–103.

A time-share instrument shall be recorded among the land records of every county in which any portion of the project is situated and shall contain in addition to other provisions required by this title the following:

(1) The name of the county or counties in which the project is situated;

(2) The legal description sufficient to identify the project with reasonable certainty and may include a street address;

(3) When the project contains more than 1 unit, a time-share plat containing the information required by § 11-105(b) of this article, the identification and location of each time-share unit and the common elements, and a certificate from a professional land surveyor or property line surveyor that the plat and description in the time-share instrument are correct representations of the time-share project;

(4) Identification of time periods by letter, name, number, or combination thereof;

(5) Where applicable, the method whereby additional time-shares may be created or withdrawn from the time-share plan;

(6) The portion of common expenses and any voting rights assigned to each time-share, if any, and the method for reallocation if time-shares are added to or withdrawn from the time-share plan;

(7) Any restrictions on the use, occupancy, enjoyment, alteration, or alienation of time-shares;

(8) A description of the amenities if any at the project made available for a time-share purchaser's use and the ownership, care, and replacement thereof;

(9) The length of time the time-shares are committed to the time-share plan and the status of title of time-share units at the end of the period of time;

(10) The method of designating the insurance trustee required by § 11A-111 of this title;

(11) A description and authorization of the methods, if any, by which the time-share documents may be enforced, including the collection of time-share expenses;

(12) Specification of the events, including condemnation and damage or destruction, and the procedures by which the time-share plan may be terminated before the expiration of its full term and the consequences of such termination, including the manner in which the time-share project assets will be held and distributed among owners;

(13) Provision for the amendment of the time-share instrument; and

(14) If any of the time-shares are time-share licenses, a statement of what rights a time-share licensee will have if the license is terminated or a statement that such licensee will have no rights.

§11A–104.

(a) (1) Time-shares may be created in any unit in existence before January 1, 1985 unless prohibited by a project instrument. If time-shares are not prohibited by the project instrument, the owners of at least 34 percent of the units in the project may sign and record a document among the land records of the county where the project is located, stating an intent to limit time-shares in the project, and referring to this section. Thereafter, no person or other entity may become a developer with respect to more than 1 unit in the project, but this limitation will not apply to units of which the developer was owner of record prior to the recording of the aforementioned document.

(2) (i) In this paragraph, "recorded covenants and restrictions" has the meaning stated in § 11B-101 of this article.

(ii) The owners of property in a residential community governed by recorded covenants and restrictions may prohibit time-shares on any property subject to the recorded covenants and restrictions by amending the recorded covenants and restrictions by a vote of the owners in accordance with the majority requirements of the recorded covenants and restrictions.

(iii) The provisions of subparagraph (ii) of this paragraph do not apply to an existing time-share unit in a project.

(b) The limitations on time-shares created by the recording of a document as provided in subsection (a) of this section may be removed by the recordation among the land records of the county where the project is located of a document removing time-share limitations signed by owners of at least 80 percent of the units in the project.

(c) For the purposes of signing a document provided for in subsection (a) or subsection (b) of this section, any person designated by the owners of a majority of the time-shares in a unit may sign as the owner of that unit unless the relevant time-share instrument provides otherwise.

(d) All documents provided for in this section shall be under oath or affirmed under penalty of perjury.

§11A–105.

In addition to the requirements of § 11A–103 of this title, with respect to a time–share estate, the time–share instrument shall describe arrangements for the management and operation of the time–share estate project and for the maintenance, repair, and furnishing of time–share units in the project, which shall include provisions for the following:

(1) Creation of an association;

(2) Assessment and collection of time–share expenses;

(3) Employment and termination of the managing entity for the time–share estate project. No agreement between the developer and the managing entity shall be longer than 2 years;

(4) Preparation and dissemination to time–share estate owners of an annual budget, operating statements, and other financial information concerning the time–share project;

(5) Adoption of standards and rules of conduct for the use, enjoyment, and occupancy of units by the time–share estate owners. Unless otherwise provided in a project instrument, a time–share estate owner's right of access to the time–share estate project shall be limited to the time period in his time–share;

(6) Comprehensive general liability insurance for death, bodily injury, and property damage arising out of, or in connection with, the use and enjoyment of units by time–share estate owners, their guests, and other users. The insurance required by this paragraph shall be in addition to the insurance required by § 11A–111 of this title. The developer shall pay the costs of securing and maintaining the insurance until the developer control period ends, after which time the costs will be paid by the association. Nothing herein shall be construed to obligate the developer to secure insurance on the conduct, personal effects, or property of the time–share estate owners, their guests, and other users;

(7) Compensation or alternate use periods to a time–share estate owner if his contracted–for unit cannot be made available for the period to which the owner is entitled by schedule or by confirmed reservation;

(8) Procedures for imposing a monetary penalty or suspension of a time–share estate owner's rights and privileges in the time–share estate project for failure of such owner to comply with the provisions of the time–share instrument or the rules and regulations of the association. Under these procedures, a time–share estate owner must be given notice and the opportunity to refute the charges against him in person or in writing to the board of directors of the association before a decision to impose discipline is rendered; and

(9) Employment of attorneys, accountants, and other persons as necessary

to assist in the management of the time–share estate project.

§11A–106.

(a) (1) The time-share instrument for a time-share estate project shall provide for a period of time, to be called the "developer control period", during which the developer or a managing entity selected by the developer shall manage and control the time-share project.

(2) The developer shall be responsible for common expenses during the developer control period. Occupancy expenses shall be allocated only to the time-share estate owners. Nothing shall preclude the developer, during the developer control period, from collecting a periodic charge from the time-share estate owners for the payment of occupancy expenses. However, any such funds received and not spent or any other funds received and allocated to the benefit of the association, shall be transferred to the association by the developer immediately upon termination of the developer control period.

(3) Upon termination of the developer control period, the association shall be responsible for time-share expenses except that the developer shall be responsible for common expenses associated with his proportionate share of the time-share project. However, no time-share expense, dues, or assessment levied by the association shall discriminate against the developer.

(b) The time-share instrument for a time-share estate project shall also include provisions for the following:

(1) Termination of leases and contracts for goods and services entered into during the developer control period. Any such contract shall become voidable at the option of the association no later than 2 years after the developer sells the first time-share estate in the project; and

(2) A regular accounting by the developer to the association of matters that significantly affect the interest of time-share estate owners.

(c) Title to the common elements, if any, of the time-share estate project shall be transferred to the association, free of charge, no later than at such time as the developer either transfers to purchasers legal or equitable ownership of at least 75 percent of the time-share estates or completes all of the amenities and facilities comprising the time-share project, whichever shall occur later, but the developer may elect not to convey sooner than 2 years from the date the developer sells the first time-share estate. The developer control period shall terminate on the date of transfer of the common elements to the association.

§11A–107.

The time-share instrument for a time-share license plan shall prescribe and outline reasonable arrangements for the management and operation of the time-share

license plan and for the maintenance, repair, and furnishing of time-share units, which arrangements shall include provisions for the following:

(1) Standards and procedures for housekeeping, repair, and interior furnishing of time-share units;

(2) Adoption of standards and rules of conduct governing the use, enjoyment, and occupancy of time-share units by licensees;

(3) Payment by the developer of time-share expenses;

(4) Selection of a managing entity to act for and on behalf of the developer should the developer elect not to undertake the duties, responsibilities, and obligations of being the managing entity for the time-share license plan;

(5) Procedures for establishing the rights of time-share licensees to occupancy, use, and enjoyment of time-share units by prearrangement or under a first reserved, first served priority system;

(6) Procedures for assessment and collection of time-share expenses from time-share licensees;

(7) Comprehensive general liability insurance for death, bodily injury, and property damage arising out of, or in connection with, the occupancy, use, and enjoyment of time-share units by time-share licensees, their guests, and other users. The insurance required by this subsection shall be in addition to the insurance required by § 11A-111 of this title. The developer shall pay the costs of securing and maintaining the insurance. Nothing herein shall be construed to obligate the developer to secure insurance on the conduct, personal effects, or property of the time-share licensees, their guests, and other users;

(8) Methods of providing an alternate use period or monetary compensation to a time-share licensee if a time-share unit cannot be made available for the period to which the licensee is entitled by schedule or by a confirmed reservation; and

(9) Procedures for imposing a monetary penalty or a suspension of a time-share licensee's rights upon failure to comply with the provisions of the time-share instrument, to obey rules and regulations established by the developer, or to pay time-share expenses charged against the time-share licensee. The licensee shall be given notice and the opportunity to answer in person or in writing to the Commission before a decision to impose a monetary penalty or a suspension of rights is rendered.

§11A–108.

(a) Time-shares shall terminate at the end of the term of the time-share plan as set forth in the time-share instrument. Prior to the termination date in the

time-share instrument, all time-shares in a time-share project may be terminated only by agreement of the time-share owners of at least 80 percent of the time-shares, or such larger percentage as the time-share instrument may specify.

(b) An agreement to terminate all time-shares in a time-share project must be evidenced by a termination agreement executed in the same manner as a deed, by the requisite number of time-share owners. The termination agreement must specify a date after which the agreement will be void unless recorded. An executed termination agreement is effective only when recorded in the land records of every county in which a portion of the time-share project is situated.

(c) Foreclosure or enforcement of a lien or encumbrance against all time-shares in a time-share project does not terminate the project unless the lienor elects that the project be terminated and the advertisement of foreclosure or enforcement sale so provides.

(d) (1) The termination agreement may provide for the sale of time-share units and designate a trustee to effect a sale so long as the proceeds of the sale are distributed to individual time-share owners less a sales commission of 5 percent and reasonable sales expenses to be paid to the trustee. On the termination date, the interests of a time-share owner vests in the trustee for the benefit of owners. Proceeds from a sale shall be distributed in the normal order of priority to creditors, lienholders, and to time-share owners in proportion to their shares as provided in the termination agreement or as provided in paragraph (4) of this subsection if the termination agreement does not establish proportionate shares.

(2) On or after the termination date, any owner of a time-share may maintain an action for partition or for allotment or sale in lieu of partition.

(3) Except as otherwise provided in the termination agreement, a time-share owner's right to occupy a time-share unit continues until the termination sale occurs.

(4) If the termination agreement does not specify the respective time-share owner shares in the time-share project, within 180 days prior to the termination date an appraisal must be made of the fair market value of each time-share as of the date of the termination sale by an appraiser designated in the termination agreement or by the trustee. The appraisal shall be sent to each time-share owner. The appraisal determines the value of each time-share owner's interest unless at least 25 percent of the owners disapprove in writing within 60 days after the appraisals are sent or the final judgment of a court prevents the appraisal from being used to determine a value.

§11A–108.1.

(a) An association by a two-thirds majority vote of the members present at any regular or special meeting may amend its time-share instrument to provide that the

time-shares in a time-share project will not terminate at the end of the term of the time-share plan as provided in § 11A-108 of this title.

(b) In determining that the time-shares will not terminate at the end of the term of the time-share plan, an association may:

(1) Establish a later termination date or decide that there will be no termination date; and

(2) Provide that on or after the original termination date as set forth in the time-share instrument, a time-share owner shall continue to:

(i) Have exclusive rights to use, occupy, sell, convey, assign, mortgage, exchange, or pass by will or inheritance, any time-shares owned by the person;

(ii) Use and enjoy all the common elements of the time-share project; and

(iii) Have the previously existing rights and duties in the association including the right to vote and the duty to pay charges and assessments.

(c) A person to whom a time-share is transferred by sale, conveyance, assignment, mortgage, devise, bequest, or inheritance shall have the rights and duties of the person from whom the time-share was transferred.

(d) The provisions of this section apply even if, under the terms of a time-share deed or time-share instrument, the time-share owners have or will become owners as tenants in common of a time-share unit or project.

(e) An association may not take an action provided for in subsection (a) of this section unless the notice of the meeting sent to the time-share owners expressly states that the action may be considered at the meeting.

§11A–109.

(a) If the number of time-shares in a time-share project is more than 12, the developer, before the first transfer of a time-share, shall provide a managing entity. The managing entity may be the developer during the developer control period or the association. If the time-share project is part of a larger project containing time-share units and other units, the managing entity may be the entity that manages the larger project. If the larger project is a condominium regime, the managing entity may be the condominium council with the consent of all condominium owners. If the number of time-shares in the time-share project is 12 or fewer and there is no managing entity, 3 or more time-share owners may form an association.

(b) In the absence of a managing entity required by this section, a court upon application of a party in interest, may appoint and prescribe the powers of a managing

entity.

(c) Except as otherwise provided in the time-share instrument, the managing entity has the power to:

(1) Institute, defend, or intervene in litigation or other legal proceedings in its own name on behalf of itself or 2 or more time-share owners on matters affecting time-shares, time-share units, or the time-share project;

(2) Adopt and amend reasonable rules and regulations;

(3) Indemnify its directors and officers and maintain directors' and officers' liability insurance with respect to the time-share project;

(4) Impose charges for late payments of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violation of the time-share instrument, bylaws, and rules and regulations of the time-share project; and

(5) Exercise any other powers necessary and proper for the governance and operation of the time-share project.

(d) Except to the extent otherwise provided in the time-share instrument, and to the extent of funds available to it for such purposes, the managing entity is responsible for the maintenance and repair of and replacements to the time-share units and any personal property available for use by time-share owners, other than personal property separately owned by a time-share owner. Each time-share owner shall afford access through his time-share unit reasonably necessary for these purposes, but if damage is inflicted on such time-share unit through which access is afforded, then in such event the managing entity shall promptly repair such damage.

(e) Subject to the limitations of this section, the association shall be subject to Title 5, Subtitle 2 of the Corporations and Associations Article.

(f) A director of an association may be removed from office in accordance with the articles of incorporation of the association. If the articles of incorporation do not provide for removal, a director may be removed at a meeting called for that purpose, with or without cause, by such vote as would suffice for his election. The costs for reproduction and mailing of the proxies used to remove any director shall be reimbursed to the member incurring such costs if the member requests such reimbursement and the director is in fact removed.

(g) (1) The association shall maintain and make available on written request to a member in good standing of the association at reasonable cost, a list of the names and addresses of all members.

(2) A list provided to a member under Paragraph (1) of this subsection:

(i) Shall be used only for purposes of conducting association

business; and

(ii) May not be:

1. Used for commercial gain or other pecuniary benefit for the member, the member's agent, or any other person or entity; or

2. Copied, sold, or otherwise delivered or disseminated.

(h) (1) (i) If an association has not held a meeting for 3 years, a special meeting shall be called by the directors. Notice of the meeting and sample proxy forms shall be sent to all members at least 30 days prior to the meeting.

(ii) Unless a smaller number is provided for in the articles of incorporation or bylaws, the presence of 25 percent of the members, in person or by proxy, shall constitute a quorum.

(2) (i) If the number of members present at the special meeting is insufficient to constitute a quorum, not more than 6 months thereafter a second special meeting shall be called.

(ii) Notice of the meeting and sample proxy forms shall be sent to all members at least 30 days before the meeting.

(iii) Notice of a second special meeting shall contain a statement that any business may be considered at the meeting, including amendment of the association's articles of incorporation or bylaws.

(iv) At this special meeting, the presence of 5 percent of the members, in person or by proxy shall constitute a quorum.

(3) At any special meeting held under this subsection, any action may be taken by simple majority vote, including amendment of the association's articles of incorporation or bylaws.

§11A–110.

(a) Time-share expenses must be assessed against all time-shares in accordance with the time-share instrument. Any past due assessment shall bear interest at the rate established by the managing entity or time-share instrument not to exceed 18 percent per year.

(b) To the extent required by the time-share instrument, any time-share expense benefiting fewer than all of the time-share owners must be assessed exclusively against the time-share owners benefited.

(c) Assessments to pay a judgment against the association may be made only against the time-share estate owners of record in the time-share estate project at the

time the judgment was entered, in proportion to their time-share expense liabilities.

(d) If any time-share expense is caused by the misconduct of any time-share owner, the association may assess that expense exclusively against that owner.

(e) (1) (i) If the applicable time-share instrument so provides, a person who has a duty to make assessments for time-share expenses has a lien on a time-share for any assessment levied against that time-share or fines imposed against its owner from the time the assessment or fine becomes due, effective upon recording.

(ii) As to a time-share estate, assessments, interest, late charges, costs of collection, and reasonable attorney's fees may be enforced by the imposition of a lien under the Maryland Contract Lien Act. Liens may be enforced and foreclosed in a separate proceeding against an individual time-share estate or enforced and foreclosed in a single proceeding against some or all time-share estates in the same project whose owners are in arrears in payment of assessments. Enforcement and foreclosure of a number of liens under a single proceeding does not alter the individual rights of an owner, including the right to receive any surplus from the sale that the owner would be entitled to receive under a separate proceeding against an individual time-share estate, or the rights of the person enforcing the liens. Suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit for any money judgment for unpaid assessments may also be maintained in the same proceeding without waiving the right to seek a lien under the Maryland Contract Lien Act.

(iii) As to a time-share license, the person who has the duty to make assessments shall have the rights of a secured party under § 9-504 of the Commercial Law Article to sell, lease, or dispose of the time-share license. Unless the time-share instrument otherwise provides, fees, charges, late charges, fines, and interest charged are enforceable as assessments under this section.

(iv) If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due provided that within 15 days of an owner's failure to pay an installment, that person who has a duty to make assessments notifies the owner that, if the owner fails to pay any installment within 15 days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

(2) The lien is perfected upon recordation of a claim of lien, with respect to the time-share estate, among the land records of the county in which the time-share unit is situate, or with respect to the time-share license, among the financing records in the county in which the time-share unit is situated. The claim of lien shall state the description of the time-share unit, the name of the record owner, the amount due, and the period for which the assessment was due. The claim of lien shall also state that notice of intent to perfect the lien, giving the time-share owner an opportunity to dispute the amount of the assessment, was sent to the last known address of the owner not less than 10 days prior to recordation. The claim of lien shall be signed and verified by an officer or agent of the association. On full payment of the assessment and other

permitted amounts for which the lien is claimed, the unit owner shall be entitled to a recordable satisfaction of the lien in any form used for the release of mortgages in the county in which the condominium is located. Fees and charges imposed under this section are enforceable as assessments under this section.

(3) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within 3 years after the assessments become payable.

(4) An action may not be brought to foreclose a lien except after 10-days' written notice to the time-share owner given by registered mail, return receipt requested, to the last known address of the owner. Notice shall be deemed given even if delivery of the letter is refused by the addressee or any co-owner of the time-share.

(5) A judgment or decree in any action brought under this section may include costs and reasonable attorney's fees for the prevailing party.

(6) A person who has a duty to make assessments for time-share expenses shall furnish a time-share owner upon written request as often as quarter annually a recordable statement setting forth the amount of unpaid assessments currently levied against his time-share. The statement shall be furnished within 10 business days after receipt of the request and is binding in favor of persons reasonably relying thereon.

§11A–111.

(a) (1) Prior to the sale of any time-share, and while there exist any time-shares, the managing entity shall maintain for the benefit of the developer, association, and owners property insurance on the time-share project and any personal property available for use by time-share owners, other than personal property separately owned by a time-share owner, insuring against all risks of direct physical loss commonly insured against, in a total amount, after application of any deductibles, of not less than 80 percent of the actual cash value of the insured property, exclusive of land excavations, foundations, and other items normally excluded from property policies.

(2) If such a policy is reasonably obtainable, the policy shall provide that the insurer shall waive its right to subrogation under the policy against any time-share owner or members of his household.

(3) No act or omission by any time-share owner, unless acting within the scope of his authority on behalf of an association, shall void the policy or be a condition to recovery by any other person under the policy.

(4) If, at the time of a loss under the policy, there is other insurance in the name of a time-share owner covering the same risk covered by the policy, the policy maintained pursuant to this section is primary insurance not contributing with the other insurance, and other insurance in the name of a time-share owner applies only to loss in excess of the primary coverage.

(b) Any loss covered by insurance shall be adjusted with, and the insurance proceeds from that loss shall be payable to, the insurance trustee, who may be a party in interest, designated in accordance with the time-share instrument. If none has been designated or if the designated trustee fails to serve, the managing entity shall be the insurance trustee. The insurance trustee shall hold any insurance proceeds in trust for time-share owners and lienholders. The proceeds must be disbursed for the repair or restoration of the property in accordance with this section, and time-share owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is:

(1) A surplus of proceeds after the property has been repaired or restored; or

(2) The project is terminated.

(c) An insurer under this section shall issue certificates or memoranda of insurance to the association and, upon written request, to any time-share owner, mortgagee, or beneficiary under a deed of trust. The insurance may not be canceled until 30 days after notice of the proposed cancellation has been mailed to the managing entity and each person to whom a certificate or memorandum of insurance has been issued.

(d) (1) Except to the extent that a project instrument requires otherwise and to the extent of the proceeds available, any portion of the time-share project damaged or destroyed shall be repaired or replaced promptly by the managing entity unless:

(i) Another person repairs or replaces it;

(ii) There is a termination of the time-share project;

(iii) Repair or replacement would be illegal under any State or local health or safety statute or ordinance;

(iv) 50 percent of the time-share owners, including 80 percent of owners of every time-share in a time-share unit that will not be rebuilt, vote not to rebuild; or

(v) A decision not to rebuild the damaged property is made by another person empowered to make that decision.

(2) The cost of repair or replacement in excess of insurance proceeds and reserves shall be a time-share expense.

(3) If the entire time-share project need not be repaired or replaced, unless the time-share instrument provides otherwise:

(i) The insurance proceeds attributable to the damaged area must be used to restore the damaged area to a condition compatible with the remainder of

the project; and

(ii) The insurance proceeds attributable to time-share units that are not rebuilt shall be distributed as if those units constituted a time-share project in which all time-shares are terminated.

§11A–112.

(a) Any developer or the developer's designated project broker shall deliver a public offering statement to the purchaser before transfer of the time-share and no later than the date of the contract.

(b) (1) A public offering statement together with a fee equal to $1 for each time-share to be offered for sale, not to exceed $500, must be filed with, and approved by, the Secretary of State prior to being delivered to any time-share purchaser. The Secretary of State shall determine whether the public offering statement satisfies the requirements of this title, and shall either approve or reject within 45 days of receipt. After approval, the Secretary of State shall promptly issue an order of approval. If the Secretary of State rejects a public offering statement, he shall promptly issue a written order stating the reasons for rejection. The Secretary of State's failure to act within 45 days of receipt shall be deemed an approval of the public offering statement. A developer may consent in writing to an extension of the review period for approval or rejection.

(2) Rejection of a public offering statement shall not act as a bar to reapplication. A reapplication which amends the original statement to comply with the stated reasons for rejection and which is accomplished by an additional fee of $100 shall be approved by the Secretary of State upon determination that the amended public offering statement satisfies the requirements of this title.

(c) (1) A developer shall file copies of any changes to the information required by this section. Those changes must be approved by the Secretary of State before the changes are distributed to the public.

(2) The Secretary of State shall either approve or reject the changes within 10 days of receipt. The Secretary of State's failure to act within said 10 days shall be deemed an approval of such changes.

(d) (1) The Secretary of State may adopt any regulations necessary to implement and enforce this section.

(2) The Secretary of State may prescribe forms and procedures for submitting public offering statements.

(3) The Secretary of State shall require the applicant to identify all persons who prepared any part of the public offering statement.

(e) Any person who provides significant information contained in the public offering statement is liable for any false or misleading statement or for any omission of

material fact in the statement which he provided or should have provided. In addition to other applicable penalties, any person who knowingly violates this subsection, or who disseminates to the public and had actual knowledge of such statement or omission, or who, in the exercise of reasonable care, should have known of such statement or omission, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $10,000, 6 months imprisonment, or both.

(f) A public offering statement shall contain:

(1) A cover page stating only:

(i) The name and location of the time-share project;

(ii) A statement that the project is a time-share project; and

(iii) The following, in conspicuous type:

"This public offering statement contains important matters to be considered in acquiring a time-share. The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits thereto, contract documents, and sales materials. You should not rely upon oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations which conflict with those contained in the contract, this public offering statement, and the time-share instrument.";

(2) A summary of all statements required to be in conspicuous type in all exhibits to the offering statement;

(3) A separate index of the contents and exhibits of the public offering statement;

(4) A description of the time-share plan, including:

(i) The name and principal address of the developer and the location of the time-share project;

(ii) A general description of the time-share project and the time-share units, including the number of units in the time-share project and any larger project of which it is a part, and the schedule of commencement and completion dates of all improvements;

(iii) As to all units owned or offered by the developer in the same project:

1. The types and numbers of units;

2. Identification of units that are time-share units;

3. The types and durations of the time-share;

4. The maximum number of units that may become part of the time-share project, if known; and

5. A statement of the maximum number of time-shares that may be created or that there is no maximum;

(iv) Copies and a brief narrative description of the significant features of the time-share instrument and any documents referred to in the instrument other than any plats and plans, copies of any contracts or leases to be signed by the purchaser at closing, and a brief narrative description of any contract or lease that will or may be subject to cancellation by the owner of a time-share under § 11A-114 of this title;

(v) The identity of the managing entity and the manner, if any, whereby the developer may change the managing entity or its control;

(vi) A balance sheet for the time-share estate project, that is prepared by an independent certified public accountant, containing information effective as of the close of the immediately preceding fiscal year, or the fiscal year immediately before the last one if the statement is distributed within 90 days of the end of a fiscal year, and a projected budget for the association, either within or as an exhibit to the public offering statement, for 1 year after the date of the first transfer to a purchaser, a statement of who prepared the budget, and a statement of the budgetary assumptions concerning occupancy and inflation factors. The budget shall include:

1. A statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacements;

2. A statement of any other reserves;

3. The projected time-share expense liability by category of expenditures for the time-share units; and

4. The projected time-share expense liability for each time-share;

(vii) A description of time-share expenses, the current amounts assessed, and the method and formula for changes;

(viii) Any services which the developer provides or expenses he pays and which he expects may become at any subsequent time a time-share expense and the projected time-share expense liability attributable to each of those services or expenses for each time-share;

(ix) Any initial or special fee due from the time-share purchaser at closing, together with a description of the purpose of the fee and the method of its calculation;

(x) A statement of any liens, defects, or encumbrances on or affecting the title to the time-share units;

(xi) A description of any financing offered by the developer;

(xii) The terms and significant limitations of any warranties provided by the developer, including statutory warranties and limitations on enforcement of damages;

(xiii) A statement that:

1. Subject to the provisions of § 11A-114(a)(3) of this title, within 10 days after receipt of a public offering statement or signing a contract or the time-share unit meets all building requirements and is ready for occupancy, whichever is latest, a purchaser may cancel the contract for purchase of the time-share from the developer; and

2. If a developer fails to provide a public offering statement to the time-share purchaser before transferring the time-share and the purchaser elects to cancel the contract, the purchaser is entitled to recover from the developer 110 percent of the sales price of the time-share actually paid by the purchaser;

(xiv) A description of any unsatisfied judgments against the developer or the managing entity, the status of any pending suits involving the sale or management of real estate to which the developer or an affiliate of the developer or the managing entity is a defending party, and the status of any pending suits, of which the developer has actual knowledge, of significance to the time-share project;

(xv) A statement that a bond or letter of credit is required under § 11A-116 of this title, and that any deposit made in connection with the purchase of a time-share will be held in an escrow account or a trust account until expiration of the rescission period or any later time specified in the contract, and will be returned to the purchaser if the purchaser cancels the contract;

(xvi) Any restraints on transfer of time-shares or portions thereof;

(xvii) A description of the insurance coverage provided for the benefit of time-share owners;

(xviii) Any facility fees;

(xix) The extent to which financial arrangements have been provided for completion of all promised improvements;

(xx) The extent to which a time-share unit may become subject to a tax or other lien arising out of claims against other time-share owners of the same time-share unit or the developer, managing entity, or association; and

(xxi) A description of the rights and remedies provided in the time-share instrument for a time-share owner who is prevented from enjoying exclusive occupancy of a time-share unit, or a statement that none is provided in the instrument; and

(5) If the time-share owners are to be permitted or required to become members of or to participate in any exchange program, a statement containing the information set forth in § 11A-120 of this title.

(g) A developer shall promptly amend the public offering statement to report any material change in the required information. Insofar as the developer relies in good faith on information provided by others in making the required disclosures about exchange programs, he is responsible for a misrepresentation only if he has knowledge of its falsity.

(h) (1) At any time that a time-share project is registered with the Securities and Exchange Commission of the United States, a developer satisfies all requirements relating to the preparation of a public offering statement under this section if he delivers to the time-share purchaser and files with the Secretary of State and the Commission a copy of the public offering statement filed with the Securities and Exchange Commission if that contains substantially the same information as is required in a public offering statement under this title.

(2) The mere offering of a time-share or the offering of an exchange program in conjunction with the offering or sale of a time-share in this State shall not constitute a security under the laws of this State.

(i) (1) (i) In the case of a time-share situated wholly outside of this State, an application for registration of a public offering statement with the Secretary of State that has been approved by an agency in the state where the time-share is located and that substantially complies with the requirements of this title may be accepted for registration at the discretion of the Secretary.

(ii) The Secretary of State may require additional information, before accepting a registration under this subsection, to assure adequate disclosure.

(2) If there is no out-of-state agency where the time-share is located that has approved the public offering statement, the application for registration of the out-of-state time-share shall consist of the public offering statement described under this section and the application form prescribed by the Secretary of State.

§11A–113.

(a) If a conversion building is more than 5 years old, and the developer owns or controls time-shares in more than 50 percent of all units in the building, the public offering statement shall contain, in addition to other required information, a statement of the physical condition and state of repair of the major structural, mechanical, electrical, and plumbing systems of the conversion building, to the extent reasonably

ascertainable, and estimated costs of repair for which a present need is disclosed in such statement. The developer is entitled to rely on the reports of architects and engineers who examine the conversion building. This requirement applies only to units in which use as a dwelling or for recreational purposes, or both, is permissible.

(b) (1) The developer of a time-share project which includes all or any part of a conversion building, and any person in the business of selling real estate for his own account who intends to offer time-share in a conversion building, shall give each of the residential tenants and any residential subtenant in possession of each proposed time-share unit notice of the conversion no later than 120 days before such developer will require the tenants and any subtenant in possession to vacate. The notice must set forth generally the rights of tenants and subtenants under this section and be hand delivered to the unit or mailed to the tenant and subtenant at the address of the unit or any other mailing address provided by the tenant or subtenant.

(2) No tenant or subtenant may be required by the developer to vacate upon less than 120 days' notice, except by reason of nonpayment of rent, waste, normal expiration of the term of the lease, or conduct that disturbs other tenants' peaceful enjoyment of the premises, and the terms of the tenancy may not be altered during that period without the consent of the tenant or subtenant. Failure to give notice as required by this subsection is a defense to an action for possession.

§11A–114.

(a) A time-share purchaser shall have the right to cancel the sales contract until midnight of the tenth calendar day following whichever occurs latest:

(1) The contract date;

(2) The day on which the time-share purchaser received the last of all documents required to be provided as part of the public offering statement; or

(3) The time-share unit meets all building requirements and is ready for occupancy. However, if the developer obtains a payment and performance bond from a surety to insure completion of the project as represented in the public offering statement and contract of sale, and files the bond with the Commission, this item does not apply.

(b) The right of cancellation cannot be waived by the purchaser or by any other person. No closing shall occur until the purchaser's cancellation period has expired. Any false representation made by or on behalf of a developer that a purchaser may not exercise the right of cancellation, or any attempt to obtain a waiver of the purchaser's cancellation rights, or a closing prior to the expiration of the cancellation period, shall be unlawful and such closing shall be voidable at the option of the purchaser for a period of 1 year after the expiration of the cancellation period. Nothing in this section shall preclude the execution of documents in advance of closing for delivery after expiration of the cancellation period.

(c) Any notice of cancellation given by mail or telegraphic communication shall be considered given on the date postmarked, if mailed, or when transmitted from the place of origin, if telegraphed, so long as the notice is actually received by the developer. If notice is given by means of a writing transmitted other than by mail or telegraph, it shall be considered given at the time of receipt at the principal place of business of the developer.

(d) In the event of a timely cancellation, or in the event the time-share plan is one in which time-share licenses are sold and at any time the time-share project is no longer available to such licensees, the developer shall honor the rights of any purchaser to cancel the sales contract. Upon such cancellation, the developer shall refund to the purchaser all payments made which exceed the proportionate amount of benefits made available under the plan, using the number of years of the proposed plan as the base. Such refund shall be made within 20 business days of demand or within 5 days after receipt of funds from the purchaser's cleared check, whichever is later.

§11A–115.

(a) In this section, "time-share owner" includes an association reselling time-shares acquired by the association:

(1) Through foreclosure of a lien for nonpayment of assessments or other charges by a time-share owner as provided in § 11A-110 of this title; or

(2) By deed in lieu of foreclosure from a time-share owner who is delinquent in payment of assessments or other charges as provided in § 11A-110 of this title.

(b) In the event of the resale of a time-share by a time-share owner, the selling time-share owner shall furnish to the purchaser before the execution of any sales contract, or, if there is no sales contract, before the transfer of title or use, a copy of the time-share instrument, other than plats and plans, and a certificate containing:

(1) A statement disclosing the effect on the proposed transfer of any right of first refusal or other restraint on transfer of the time-share or any portion thereof;

(2) A statement setting forth the amount of the periodic time-share expense liability and any unpaid time-share expense or other sums currently due and payable from the selling time-share owner in respect of the time-share;

(3) A statement of any other facility fees payable by time-share owners; and

(4) A statement of any judgments or other matters that are or may become liens against the time-share being sold or the time-share unit of which it is a part and the status of any pending suits that may result in those liens.

(c) The managing entity, within 10 days after a written request by the selling

time-share owner, shall for a reasonable fee furnish a certificate containing the information necessary to enable the selling time-share owner to comply with this section. A selling time-share owner providing a certificate from the managing entity is not liable to the purchaser for any erroneous information provided by the managing entity, other than for judgment liens against the time-share or the time-share unit of which it is a part, but the managing entity shall be liable therefor.

(d) The purchaser is not liable for any unpaid time-share expense or facility fee greater than the amount set forth in a certificate prepared by the managing entity. The selling time-share owner is not liable to the purchaser for the failure or delay of a managing entity to provide the certificate in a timely manner.

(e) Any purchaser may at any time within 7 days following receipt of all information required by this section, cancel the sales contract without reason and without liability. The purchaser, upon cancellation, is entitled to the return of any deposits made on account of the contract. The rights of the purchaser under this section may not be waived, and any attempted waiver is void.

§11A–116.

(a) (1) In this section, "purchase money" includes any money, note, security, or other monetary consideration paid by a purchaser for a time–share.

(2) All purchase money received by or on behalf of a developer from a purchaser for the purchase or reservation of a time–share shall be deposited in an escrow account designated solely for that purpose with a financial institution whose accounts are insured by a government agency until the expiration of the time for cancellation or any later time provided in the contract.

(3) After the expiration of the cancellation period or that provided in the contract, if no notice of cancellation is received, such funds or instruments may be released as provided in subsection (b).

(b) Any purchase money received by or on behalf of a developer from purchasers of time–shares may be released to the developer, provided he maintains a surety bond for the benefit of each purchaser of a time–share, until the happening of the earlier of:

(1) The conveying of good and merchantable title to the time–share estate or the granting of an unencumbered right to use the time–share project pursuant to a time–share license;

(2) The return of the purchase money to the purchaser; or

(3) The forfeiture of the purchase money by the purchaser, under the terms of the contract.

(c) As used in this section the word "bond" includes a bond issued by a surety or a letter of credit issued by a financial institution acceptable to the Commission and

in a form acceptable to the Commission.

(d) The bond may not be canceled by the surety until 30 days after the surety gives notice of cancellation to the Commission.

(e) The penalty of the bond shall be adjusted from time to time in accordance with the following schedule:

	Total Amount of Purchase Money Held	Penalty of Bond
(1)	Zero to $200,000	$ 100,000
(2)	$200,001 to $500,000	200,000
(3)	$500,001 to $1,000,000	500,000
(4)	Over $1,000,000	1,000,000

(f) (1) The amount of purchase money from sales of time–shares held at any one time by the time–share developer shall not exceed the amount for which the developer is bonded in accordance with the schedule set forth in this section.

(2) If a developer is required to be bonded with respect to more than one project that the developer owns or controls, directly or indirectly, the developer shall obtain a separate bond in the appropriate penalty amount for the purchase money held on each project which becomes registered with the Commission on or after July 1, 1987.

(g) A developer who fails to maintain an escrow account or a surety bond as required by this section shall be guilty of a misdemeanor and, upon conviction, shall be sentenced to pay a fine of not more than $1,000 or to undergo imprisonment for a term of not more than 1 year, or both, for each violation.

(h) The requirements of this section may be waived by the Commission with respect to a time–share project located outside this State provided:

(1) Compliance and enforcement of the specific provisions are impractical or impossible;

(2) The laws of the state or country in which the time–share project is

located require escrow or bonding protection for purchases of time–shares, and the developer has complied with such law; or

(3) Any other reason the Commission finds relevant to permitting an alternative arrangement.

(i) No claim shall be made for reimbursement from the Real Estate Guaranty Fund under Title 17, Subtitle 4 of the Business Occupations and Professions Article if the claim can be successfully maintained against the surety bond. Under no circumstances shall the surety be entitled to reimbursement from the Real Estate Guaranty Fund.

(j) A developer of a project located outside this State shall secure a bond only for the benefit of purchasers who are residents of this State or whose contract to purchase a time–share was negotiated or executed in whole or in part in this State.

(k) The insurance company or financial institution issuing a bond shall remain liable, after cancellation or termination of the bond, for any purchase money paid prior to the cancellation or termination.

(l) By the issuance of a bond, a foreign insurance company or financial institution shall be deemed to have consented to being sued in this State regarding any dispute or claim against the bond.

§11A–117.

(a) Sections 10-201, 10-202, and 10-203 of this article apply to all sales by developers under this title. For purposes of this section, a newly constructed unit means a newly constructed or converted unit.

(b) In addition to the implied warranties set forth in § 10-203 of this article, there is an implied warranty on every time-share unit from the developer to a purchaser that the developer will correct any defects in materials or workmanship in the construction of walls, ceilings, floors, and heating and air conditioning systems in the unit. The warranty on the unit commences with the transfer of either title or use to the unit and extends to each time-share owner for a period of 1 year. In addition, a developer shall warrant to a purchaser of a time-share that any existing use of the time-share unit that will continue does not violate applicable law or the project instrument.

(c) (1) In addition to the implied warranties set forth in Section 10-203 of this article, there is an implied warranty from the developer to the association that the developer will correct any defect in material or workmanship in the common elements, including the roof, foundation, external and bearing walls, mechanical, electrical, and plumbing systems, and other structural elements of the common elements, and that the common elements are within acceptable industry standards in effect when such common elements were constructed.

(2) The warranty of this subsection commences when a given common element is completed or when it is made available to a time-share purchaser, whichever shall later occur, and shall continue for a period of 3 years.

(d) (1) A suit for enforcement of a warranty may be brought by a time-share owner or by the association. If any warranty is breached, the court may award legal or equitable relief, or both.

(2) Notice of a defect shall be given within the warranty period and suit for enforcement shall be brought within 1 year of the end of the warranty period.

(3) (i) Except as provided in subparagraph (ii), a cause of action for breach of warranty, regardless of the purchaser's lack of knowledge of the breach, accrues, unless extended by agreement:

1. As to a unit, 6 months after the time the unit is first occupied by a purchaser; and

2. As to other improvements, at the time each is completed.

(ii) If a warranty explicitly extends to future performance or duration of any improvement or component of the time-share project, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

(e) Warranties shall not apply to any defects caused through abuse or failure to perform maintenance by a time-share owner, the association, or managing entity, if other than the developer.

§11A–118.

(a) A developer shall furnish each purchaser a copy of the sales contract which contains the following information:

(1) The date the contract is executed by each party;

(2) The name and address of the developer;

(3) The total financial obligation of the purchaser, including the initial purchase price and any additional charges, time-share expenses, or facility fees;

(4) A description of the time-share period being sold, including whether any interest in real property is being conveyed and the number of years constituting the term of the time-share plan;

(5) The estimated date of completion of construction of each unit or common element which is not completed at the time the sales contract is executed; and

(6) Immediately before the space for the signature of the purchaser, in conspicuous type, subject to the provisions of § 11A-114(a)(3), the following statements are to be inserted:

"You may cancel this contract without any penalty or obligation within 10 days from the date of this contract, or until 10 days after you receive the public offering statement, or the time-share unit meets all building requirements and is ready for occupancy, whichever last occurs.

If you decide to cancel this contract, you must notify the developer in writing, in which case, your notice of cancellation shall be effective on the date sent provided it is actually received by the developer and shall be sent to (name of developer) at (address of developer).

Any attempt to obtain a waiver of your cancellation rights is unlawful. While you may execute all documents in advance, the closing, as evidenced by delivery of the deed or other document, before expiration of your 10 day cancellation period, is prohibited."

(b) If a time-share license is being conveyed, the contract shall also contain, in conspicuous type, the following statement:

"You may also cancel this contract, at any time after the accommodations or facilities at the time-share project are no longer available as provided in this contract and the public offering statement."

(c) A statement that, in the event of cancellation of the contract within the 10-day period, a refund shall be made within 20 business days after receipt of notice of cancellation, or within 5 days after receipt of funds from the purchaser's cleared check, whichever is later.

§11A–119.

(a) It is unlawful for any person when selling time-shares in the State, to authorize, use, direct, or aid in the dissemination, publication, distribution, or circulation of any statement, advertisement, radio broadcast, or telecast concerning the time-share project in which the time-shares are offered which contains any statement or sketch which is false or misleading or contains any representation or pictorial representation of proposed improvements or nonexistent scenes without clearly indicating that the improvements are proposed and the scenes do not exist.

(b) No advertising for the offer or disposition of time-shares shall:

(1) Contain any representation as to the availability of a resale program or rental program offered by or on behalf of the developer unless the resale program or rental program has been made a part of the offering and submitted to the Commission;

(2) Contain an offer or inducement to purchase which purports to be

limited as to quantity or restricted as to time unless the numerical quantity or time applicable to the offer or inducement is clearly and conspicuously disclosed;

(3) Contain statements concerning the availability of time-shares at a particular minimum price if the number of time-shares available at that price comprises less than 10 percent of the unsold inventory of the developer, unless the number of time-shares then for sale at the minimum price is set forth in the advertisement;

(4) Contain any statement that the time-shares being offered for sale can be further divided unless a full disclosure of the legal requirements for further division of the time-share is included;

(5) Contain any asterisk or other reference symbol as a means of contradicting or changing the ordinary meaning of any previously made statement in the advertisement;

(6) Misrepresent the size, nature, extent, qualities, or characteristics of the accommodations or facilities which comprise the time-share project;

(7) Misrepresent the nature or extent of any services incident to the time-share project;

(8) Misrepresent or imply that a facility or service is available for the exclusive use of purchasers or owners if a public right of access or of use of the facility or service exists;

(9) Make any misleading or deceptive representation with respect to the contents of the time-share instrument, the sales contract, or this title;

(10) Misrepresent the conditions under which a purchaser or owner may participate in an exchange program;

(11) Describe any proposed or uncompleted private facilities over which the developer has no control unless the estimated date of completion is set forth and evidence has been presented to the Commission that the completion and operation of the facilities are reasonably assured within the time represented in the advertisement; or

(12) Describe or portray any improvement which is not required to be built unless the description or portrayal of the improvement is conspicuously labeled or identified as "need not be built".

(c) It is unlawful for any person to use any promotional device, including sweepstakes, gift awards, lodging certificates or discounts, with the intent to solicit the acquisition of time-shares without disclosing that purpose.

(d) A person may not utilize a promotional device to solicit the purchase of

a time-share or offer merchandise or services to any prospective purchaser without clearly disclosing the retail value of such merchandise or services. No promotional device may involve any elements of chance as to the selection or award of particular merchandise or services to any prospective purchaser.

(e) It is unlawful for any person using a promotional device to solicit the purchase of a time-share to fail to award all items promised in such promotion by the date and year specified in the promotion.

(f) A public offering statement may not be used for promotional purpose before the developer is registered and afterwards only if used in its entirety. No person may advertise or represent that the Commission or the Secretary of State has approved or recommended the time-shares or any of the documents contained in the application for registration.

§11A–120.

(a) If at the time of purchase of a time-share, the purchaser is permitted through any arrangement of the developer to become a member of or to participate in any program for the exchange of occupancy rights with other time-share projects, the public offering statement or a supplement delivered with the public offering statement shall disclose:

(1) The name and address of the exchange company;

(2) The names of all officers, directors, and shareholders holding more than 10 percent of the voting stock of the exchange company;

(3) Whether the exchange company or any of its officers or directors has any legal or beneficial interest in any developer or managing entity for any time-share project participating in the exchange program, and if so, the name and location of the time-share project and the nature of the interest;

(4) Whether the purchaser's participation in the exchange program is dependent upon the time-share project's continued affiliation with the exchange program;

(5) That the purchaser's participation in the exchange program is voluntary;

(6) The terms and conditions of the purchaser's contractual relationship with the exchange program, and the procedure by which changes may be made;

(7) The procedure to qualify for and effectuate exchanges;

(8) All limitations, restrictions, or priorities employed in the operation of the exchange program, including limitations on exchanges based on season, unit size, or levels of occupancy, expressed in bold-faced type; and in the event that such

limitations, restrictions, or priorities are not uniformly applied by the exchange program, the manner in which they are applied;

(9) Whether exchanges are arranged on a space available basis, and whether any guarantees of fulfillment of specific requests for exchanges are made by the exchange program;

(10) Whether and under what circumstances a purchaser may, in dealing with the exchange program, lose the use and occupancy of his time-share period in any properly applied for exchange without being provided with substitute accommodations by the exchange program;

(11) The fees for participation by purchasers in the exchange program, whether any such fees may be altered by the exchange company, and the circumstances under which alterations may be made;

(12) The name and address of the site of each accommodation or facility in the time-share projects participating in the exchange program;

(13) The number of time-share units in each participating time-share project which are available for occupancy expressed within the following numerical groupings: 1-5; 6-10; 11-20; 21-50; 51 and over;

(14) The number of currently enrolled purchasers at each time-share project participating in the exchange program, expressed within the following numerical groupings: 1-100; 101-249; 250-499; 500-999; 1,000 and over; and a statement of the criteria used to determine those purchasers who are currently enrolled in the exchange program;

(15) The disposition made by the exchange company of time-share periods deposited with the exchange program by purchasers enrolled in the exchange program and not used by the exchange company in effecting exchanges;

(16) The following information which shall be independently audited by a certified public accountant or accounting firm in accordance with the standards of the Accounting Standards Board of the American Institute of Certified Public Accountants, and reported on an annual basis on or before July 1 of the succeeding year but prepared not more than 18 months before the information is delivered:

(i) The number of purchasers currently enrolled in the exchange program;

(ii) The number of accommodations and facilities that have current affiliation agreements with the exchange program;

(iii) The percentage of confirmed exchanges which shall be based on the number of exchanges properly applied for, together with the criteria used to determine whether an exchange request was properly applied for;

(iv) The number of time-share periods for which the exchange program has an outstanding obligation to provide an exchange to purchasers who relinquished a time-share period during the year in exchange for a time-share period in any future year; and

(v) The number of exchanges confirmed by the exchange program during the year; and

(17) A statement in bold-faced type to the effect that the percentage described in paragraph (16)(iii) of this subsection is a summary of the exchange requests entered with the exchange program in the period reported, and that the percentage does not indicate a purchaser's probabilities of being confirmed to any specific choice or range of choices.

(b) Any exchange company offering an exchange program to purchasers in this State shall file with the Commission on an annual basis the information required to be included in the public offering statement. If at any time the Commission determines that any of the information supplied by an exchange company fails to meet the requirements of this section, the Commission may undertake enforcement action against the exchange company in accordance with the provisions of this title. No developer shall have any liability with respect to any violation of this section arising out of the publication by the developer of written information provided by an exchange company. No exchange company shall have any liability with respect to any violation of this title arising out of the use by a developer of information relating to an exchange program other than written information provided to the developer by the exchange company.

§11A–121.

(a) (1) A developer may not offer a time-share to the public until the developer has received a certificate of registration as a time-share developer.

(2) Every application for registration shall be on a form prepared by the Commission and shall provide such information as may be reasonably required by the Commission. The developer shall file with the Commission the following documents and information:

(i) Copies of all project instruments and time-share instruments;

(ii) A copy of the proposed public offering statement which shall be supplemented by the public offering statement as finally approved by the Secretary of State;

(iii) Copies of the forms of the deed, sales contract, and all other written materials to be used in the normal course of the sale of the time-shares;

(iv) Evidence that time-share use complies with the zoning laws of the municipality in which the time-share project is located;

(v) If the time-share units are subject to any project instrument, evidence that the project instruments do not prohibit the use of units for time-sharing purposes and, if the project instruments do not expressly authorize time-share use, a copy of a letter to the president of the governing entity of the project stating the developer's intent to use units for time-share purposes, together with evidence of its receipt by the addressee; and

(vi) The name and address of any project broker.

(3) A registration application may not be approved until the applicant has:

(i) Executed an irrevocable appointment of the Commission to receive service of process in any legal proceeding brought against the applicant arising out of the sale of time-share estates in this State provided that a duplicate copy of all papers regarding the applicant filed with the Commission is sent to the applicant at its last known address within 5 days thereafter;

(ii) Paid a registration fee of $100;

(iii) Provided the Commission with a list of the time-share estates and licenses to be offered and the name of the licensed broker of record representing the developer; and

(iv) Posted with the Commission a surety bond or letter of credit in an amount of $100,000 issued by an issuer and in a form acceptable to the Commission conditioned on the return of all money paid by a purchaser in the event the purchaser becomes entitled to the return of the money.

(4) The Commission shall approve or disapprove the application within the later to occur of 30 days after receipt of all required information or 5 days after approval by the Secretary of State of the public offering statement. Should the application be disapproved, a hearing shall be afforded the applicant in conformance with § 17-324 of the Business Occupations and Professions Article. Approved registrations shall expire on the 30th day of April in each even numbered year or on such other day as the Commission may designate.

(b) It shall be unlawful for any person to submit any information to the Commission which that person knows to be untrue or misleading or to fail to submit information which that person knows to be material. Any information submitted to the Commission may be disseminated to and relied upon by each purchaser.

(c) The Commission may review the materials submitted, except the public offering statement, pursuant to this section to determine compliance by the developer with this title. The Commission shall notify the developer within 30 days after receipt of the application of any deficiency in the materials submitted.

(d) A developer shall promptly amend and supplement its registration with the Commission to report any material change in the information required by this section.

(e) The Commission, after notice and hearing, may issue an order revoking a registration upon determination that a developer has:

(1) Failed to comply with a cease and desist order issued by the Commission;

(2) Concealed, diverted, or disposed of any funds or assets of any person in a manner impairing rights of purchasers of those time-shares;

(3) Failed to perform any stipulation or agreement made to induce the Commission to issue an order relating to those time-shares;

(4) Misrepresented or failed to disclose a material fact in the application for registration;

(5) Failed to meet any of the requirements for registration;

(6) Violated any provisions of this title; or

(7) Committed an unfair or deceptive trade practice.

(f) (1) Subject to the provisions of paragraph (2) of this subsection, the Commission may order summarily the suspension of the registration of a developer if the developer:

(i) Fails to account promptly for any funds held in trust; or

(ii) On demand, fails to display to the Commission all records, books, and accounts of the funds held in trust.

(2) The Commission may order summarily a suspension under this subsection only if it gives the developer:

(i) Written notice of the suspension and the finding on which the suspension is based; and

(ii) After the summary suspension is effective, an opportunity to be heard promptly before the Commission.

(3) A summary suspension ordered by the Commission under this subsection:

(i) May start immediately or at any later date, as set by the order; and

(ii) Shall continue until:

1. The developer complies with the conditions set forth by the Commission in its order; or

2. The Commission orders a different disposition after a hearing held under this section.

(4) (i) Rather than order summarily a suspension of the registration of a developer under this subsection, the Commission may elect not to suspend the registration until after the developer is given an opportunity for a hearing.

(ii) If the Commission elects to give the developer an opportunity for a hearing before suspending the registration for the grounds set forth in this subsection, notice shall be given and the hearing shall be held in the same manner as required in comparable proceedings under the Maryland Real Estate Brokers Act for violation of trust money provisions by a real estate broker.

(g) A developer shall maintain all records of trust money, as defined in Title 17, Subtitle 5 of the Business Occupations and Professions Article, in a secured area within the office of the developer.

(h) A developer may not transfer, cause to be transferred, or contract for the transfer of a time-share while an order revoking registration is in effect, without the consent of the Commission.

(i) (1) Each registered developer shall file with the Commission an annual report to update any information contained in the application for registration.

(2) If an annual report reveals that a developer owns or controls time-shares representing less than 25 percent of the total time-shares in the time-share project and that a developer has no power to increase the number of time-shares he owns or controls, the Commission shall issue an order relieving the developer of any further obligation to file annual reports. Thereafter, so long as the developer is offering any time-shares for sale, the Commission has jurisdiction over the developer's activities, but has no other authority to regulate the time-shares.

(j) In the case of the time-share project situated wholly outside the State, no application for registration filed with the Commission which has been approved by an agency of the state in which the time-share project is located and substantially complies with the requirements of this title may be rejected by the Commission on the grounds of noncompliance with any different or additional requirements imposed by this title or by the Commission's regulations. However, the Commission may require additional documents or information to assure adequate and accurate disclosure to prospective purchasers.

(k) (1) The Commission, after notice and hearing, may levy a civil penalty against a developer of not more than $1,000 for any violation by the developer of § 11A-112, § 11A-113, § 11A-114, § 11A-116, § 11A-118, § 11A-119, § 11A-120, § 11A-121, or § 11A-124 of this title.

(2) In determining the amount of the penalty, the Commission shall give due consideration to:

(i) The seriousness of the violation;

(ii) The lack of good faith on the part of the developer;

(iii) The adverse impact, if any, on other persons;

(iv) Any efforts made by the developer to remedy or correct the violation; and

(v) The developer's history of prior violations, particularly violations of the same or similar nature.

(3) (i) If any penalty is not paid in full within 30 days after becoming final, the Commission may summarily revoke the developer's registration, and the Commission or the State Central Collection Unit may bring suit in the District Court or other court of competent jurisdiction to enforce payment.

(ii) A judgment shall be entered against the developer upon a showing that:

1. The penalty was assessed against the developer;

2. The penalty has become final;

3. No appeal is pending;

4. The penalty remains unpaid in whole or part; and

5. The developer contested the charge for which the penalty was assessed, or was duly served with a copy of the charge under any applicable rules and regulations of the Commission.

§11A–122.

(a) The Commission may issue regulations and orders consistent with this title.

(b) The Commission may bring suit in the appropriate court to enforce this title and may intervene in any action involving a registered developer.

(c) The Commission may accept grants in aid from any governmental source and may contract with agencies charged with similar functions in furtherance of the objectives of this title.

(d) The Commission may cooperate with agencies performing similar functions to develop uniform filing procedures and forms, disclosure standards, and administrative practices.

(e) If the Commission determines, after notice and hearing, that any person has disseminated or caused to be disseminated any false or misleading promotional

materials in connection with a time-share, or that any person has otherwise violated any provision of this title or the Commission's regulations or orders, the Commission may issue an order to cease and desist from that conduct, to comply with the provisions of this title and the Commission's regulations and orders, or to take affirmative action to correct conditions resulting from that conduct or failure to comply.

(f) (1) The Commission may initiate investigations to determine whether any representation in any document or information filed with the Commission is false or misleading or whether any person has engaged, is engaging, or is about to engage in any unlawful act or practice.

(2) In the course of any investigation or hearing, the Commission may subpoena witnesses and documents, administer oaths and affirmations, and adduce evidence. If a person fails to comply with a subpoena or to answer questions propounded during the investigation or hearing, the Commission may apply to an appropriate court to secure compliance.

(g) (1) If the applicant or developer fails to demonstrate financial solvency, the Commission may deny an application for a certificate of registration or revoke a certificate of registration already granted.

(2) The Commission may adopt regulations under paragraph (1) of this subsection requiring an applicant or developer to:

(i) Provide information;

(ii) Grant access to records; and

(iii) Otherwise demonstrate financial solvency.

§11A–123.

Persons engaged in the following transactions involving time–shares are not required to register with the Commission, to prepare a public offering statement, or to deliver documents described in § 11A–115 of this title:

(1) A gratuitous disposition;

(2) A disposition pursuant to court order;

(3) A disposition by a government or governmental agency;

(4) A disposition by foreclosure or deed in lieu of foreclosure or by enforcement of a lien or security interest;

(5) A disposition that may be canceled at any time and for any reason by the purchaser without penalty;

(6) A disposition of a time–share in a unit situated wholly outside this State pursuant to a contract executed and negotiated wholly outside this State; or

(7) A disposition of a time–share project or all time–shares therein to one purchaser.

§11A–124.

(a) It is unlawful for any developer to sell or offer to sell a time-share in this State unless the developer has designated a person as the project broker for the time-share project. The time-share project shall be considered a separate real estate office for purposes of the real estate licensing laws of this State.

(b) It is unlawful for any person to act as project broker for a time-share project unless such person is a licensed real estate broker.

(c) It is unlawful for any person to sell, advertise, or offer for sale any time-share unless such person is a licensed real estate broker, associate real estate broker, or real estate salesperson, or is exempt from licensure under the Maryland Real Estate Brokers Act.

(d) Notwithstanding subsection (c) of this section, any person who is not a licensed real estate broker, associate real estate broker, or real estate salesperson may be employed by the developer or project broker to contact but not solicit, in person or by telephone, any person to attend any sales presentation concerning a time-share project, provided however, that the person so employed:

(1) Performs only clerical tasks;

(2) Merely arranges appointments induced by others; or

(3) Only prepares or distributes promotional materials.

§11A–125.

(a) Remedies provided by this title shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. However, consequential, special, or punitive damages may not be awarded except as specifically provided in this title or by other rule of law.

(b) A court, upon finding as a matter of law that a sales contract or a clause in a contract was unconscionable at the time the contract was made, may refuse to enforce the entire contract or refuse to enforce the remainder of the contract without such unconscionable clause or limit the application of any unconscionable clause in order to avoid an unconscionable result.

(c) If a developer or any other person fails to comply with any provision of this title or the time-share instrument, any person adversely affected by the failure

to comply has a claim for appropriate relief. Punitive damages may be awarded for the willful and wanton failure to comply with this title. The court may also award reasonable attorney's fees to the prevailing party.

(d) Any purported conveyance, encumbrance, judicial sale, foreclosure sale, or other voluntary or involuntary transfer of a time-share made without the use period which is part of that time-share is void.

(e) Penalties and remedies provided in this title are in addition to penalties and remedies available under any other law.

(f) If any provision of this title or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect the other provisions or applications of this title which can be given effect without the invalid provisions or application, and to this end the provisions of this title are severable.

§11A–126.

In the event of any conflict between this title and Title 11 of this article, the provisions of this title shall prevail, but this title does not invalidate or otherwise affect rights or obligations vested under Title 11 of this article before January 1, 1985, or prior to the recording of a time-share instrument.

§11A–127.

(a) This title applies to all time–share projects in the State except to the extent of any inconsistent right or obligation under a preexisting project instrument, document transferring an interest in real estate, or contract.

(b) The project instrument of any time–share project in existence before January 1, 1985, may be amended in accordance with this title. If an amendment grants to any person any rights, powers, or privileges permitted by this title, all correlative obligations, liabilities, and restrictions shall also apply to that person.

(c) (1) The requirements of §§ 11A–102, 11A–103, 11A–104, 11A–105, 11A–106, 11A–107, 11A–108, 11A–109, 11A–110, 11A–111, 11A–115, and 11A–117 of this title apply only to projects located in this State.

(2) The requirements of §§ 11A–112, 11A–113, 11A–114, 11A–116, 11A–118, 11A–119, 11A–120, 11A–121, 11A–122, 11A–124, and 11A–125 of this title apply to any developer required to register under this title with the Commission, whether or not the project is located in this State.

(d) Except for the developer of the project or an employee, officer, agent, or assign of the developer of the project where the time–shares are located, a person engaged in the business of selling time–shares owned by that person is required to comply with §§ 11A–115, 11A–116, 11A–119, 11A–121, 11A–122, 11A–124, and 11A–125 of this title, but is not required to comply with § 11A–112 of this title.

§11A–128.

(a) The association, or developer during the developer control period, shall keep books and records in accordance with generally accepted accounting principles.

(b) (1) On the request of the owners of at least 5 percent of the time-shares, the association, or developer during the developer control period, shall cause an audit of the books and records to be made by an independent certified public accountant at common expense.

(2) An audit may not be required more than once in any consecutive 12-month period.

(c) Every record of the association kept by the association, or by the developer during the developer control period, shall be available at some place designated by the association or developer within the county where the time-share is located for inspection and copying by any time-share owner, the owner's mortgagee, or their duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

(d) A meeting of the board of directors or governing body of the association may be held in closed session only for the following purposes:

(1) Discussion of matters pertaining to employees and personnel;

(2) Protection of the privacy or reputation of individuals in matters not related to the council of unit owners' business;

(3) Consultation with legal counsel;

(4) Consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;

(5) Investigative proceedings concerning possible or actual criminal misconduct;

(6) Complying with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(7) On an individually recorded affirmative vote of two-thirds of the board members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

(e) If a meeting is held in closed session under subsection (d) of this section:

(1) An action may not be taken and a matter may not be discussed if it is not permitted by subsection (d) of this section; and

(2) A statement of the time, place, and purpose of any closed meeting, the record of the vote of each board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the board of directors.

§11A–129.

This title may be cited as the "Maryland Real Estate Time-Sharing Act".

§11B–101.

(a) In this title the following words have the meanings indicated, unless the context requires otherwise.

(b) "Common areas" means property which is owned or leased by a homeowners association.

(c) "Declarant" means any person who subjects property to a declaration.

(d) (1) "Declaration" means an instrument, however denominated, recorded among the land records of the county in which the property of the declarant is located, that creates the authority for a homeowners association to impose on lots, or on the owners or occupants of lots, or on another homeowners association, condominium, or cooperative housing corporation any mandatory fee in connection with the provision of services or otherwise for the benefit of some or all of the lots, the owners or occupants of lots, or the common areas.

(2) "Declaration" includes any amendment or supplement to the instruments described in paragraph (1) of this subsection.

(3) "Declaration" does not include a private right-of-way or similar agreement unless it requires a mandatory fee payable annually or at more frequent intervals.

(e) "Depository" or "homeowners association depository" means the document file created by the clerk of the court of each county and the City of Baltimore where a homeowners association may periodically deposit information as required by this title.

(f) (1) "Development" means property subject to a declaration.

(2) "Development" includes property comprising a condominium or cooperative housing corporation to the extent that the property is part of a development.

(3) "Development" does not include a cooperative housing corporation or a condominium.

(g) "Electronic transmission" means any form of communication, not directly

involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

(h) "Governing body" means the homeowners association, board of directors, or other entity established to govern the development.

(i) (1) "Homeowners association" means a person having the authority to enforce the provisions of a declaration.

(2) "Homeowners association" includes an incorporated or unincorporated association.

(j) (1) "Lot" means any plot or parcel of land on which a dwelling is located or will be located within a development.

(2) "Lot" includes a unit within a condominium or cooperative housing corporation if the condominium or cooperative housing corporation is part of a development.

(k) "Primary development" means a development such that the purchaser of a lot will pay fees directly to its homeowners association.

(l) "Recorded covenants and restrictions" means any instrument of writing which is recorded in the land records of the jurisdiction within which a lot is located, and which instrument governs or otherwise legally restricts the use of such lot.

(m) "Related development" means a development such that the purchaser of a lot will pay fees to the homeowners association of such development through the homeowners association of a primary development or another development.

(n) "Unaffiliated declarant" means a person who is not affiliated with the vendor of a lot but who has subjected such property to a declaration required to be disclosed by this title.

§11B–102.

(a) Except as expressly provided in this title, the provisions of this title apply to all homeowners associations that exist in the State after July 1, 1987.

(b) The provisions of §§ 11B-105 and 11B-108 of this title do not apply to the initial sale of lots within the development to members of the public if on July 1, 1987:

(1) More than 50 percent of the lots included within or to be included

within the development have been sold under a bona fide arm's length contract to members of the public who intend to occupy or rent the lots for residential purposes; and

(2) Less than 100 lots included within or to be included within the development have not been sold under a bona fide arm's length contract to members of the public who intend to occupy or rent the lots for residential purposes.

(c) The provisions of § 11B-110 of this title do not apply to common area improvements substantially completed before July 1, 1987.

(d) The provisions of § 11B-105 of this title do not apply to developments containing 12 or fewer lots or in which 12 or fewer lots remain to be sold as of July 1, 1987.

(e) Except as provided in § 11B-101(f) of this title, this title does not apply to any property which is:

(1) Part of a condominium regime governed by Title 11 of this article;

(2) Part of a cooperative housing corporation; or

(3) To be occupied and used for nonresidential purposes.

(f) For any contract for the sale of a lot that is entered into before July 1, 1987, the provisions of §§ 11B-105, 11B-106, 11B-107, and 11B-108 of this title do not apply.

§11B–103.

Except as expressly provided in this title, the provisions of this title may not be varied by agreement, and rights conferred by this title may not be waived. A declarant or vendor may not act under a power of attorney or use any other device to evade the requirements, limitations, or prohibitions of this title.

§11B–104.

(a) The provisions of all laws, ordinances, and regulations concerning building codes or zoning shall have full force and effect to the extent that they apply to a development and shall be construed and applied with reference to the overall nature and use of the property without regard to whether the property is part of a development.

(b) A local government may not enact any law, ordinance, or regulation which would:

(1) Impose a burden or restriction on property which is part of a development because it is part of a development;

(2) Require that additional disclosures relating to the development be made to purchasers of lots within the development, other than the disclosures required by § 11B-105, § 11B-106, or § 11B-107 of this title;

(3) Provide that the disclosures required by § 11B-105, § 11B-106, or § 11B-107 of this title be registered or otherwise subject to the approval of any governmental agency;

(4) Provide that additional cancellation rights be provided to purchasers, other than the cancellation rights under § 11B-108(b) and (c) of this title;

(5) Create additional implied warranties or require additional express warranties on improvements to common areas other than those warranties described in § 11B-110 of this title; or

(6) Expand the open meeting requirements of § 11B-111 of this title or open record requirements of § 11B-112 of this title.

(c) Subject to the provisions of this title, a code home rule county located in the Southern Maryland class, as identified in § 9–302 of the Local Government Article, may establish a homeowners association commission with the authority to hear and resolve disputes between a homeowners association and a homeowner regarding the enforcement of the recorded covenants or restrictions of the homeowners association by providing alternative dispute resolution services, including binding arbitration.

§11B–105.

(a) A contract for the initial sale of a lot in a development containing more than 12 lots to a member of the public who intends to occupy or rent the lot for residential purposes is not enforceable by the vendor unless:

(1) The purchaser is given, at or before the time a contract is entered into between the vendor and the purchaser, or within 7 calendar days of entering into the contract, the disclosures set forth in subsection (b) of this section;

(2) The purchaser is given notice of any changes in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist or any other substantial and material amendment to the disclosures after the same becomes known to the vendor; and

(3) The contract of sale contains a notice in conspicuous type, which shall include bold and underscored type, in a form substantially the same as the following:

"This sale is subject to the requirements of the Maryland Homeowners Association Act (the "Act"). The Act requires that the seller disclose to you at or before the time the contract is entered into, or within 7 calendar days of entering into the contract, certain information concerning the development in which the lot you are purchasing is located. The content of the information to be disclosed is set forth in §

11B-105(b) of the Act (the "MHAA information") as follows:

(The notice shall include at this point the text of § 11B-105(b) in its entirety).

If you have not received all of the MHAA information 5 calendar days or more before entering into the contract, you have 5 calendar days to cancel this contract after receiving all of the MHAA information. You must cancel the contract in writing, but you do not have to state a reason. The seller must also provide you with notice of any changes in mandatory fees exceeding 10% of the amount previously stated to exist and copies of any other substantial and material amendment to the information provided to you. You have 3 calendar days to cancel this contract after receiving notice of any changes in mandatory fees, or copies of any other substantial and material amendment to the MHAA information which adversely affects you. If you do cancel the contract you will be entitled to a refund of any deposit you made on account of the contract. However, unless you return the MHAA information to the seller when you cancel the contract, the seller may keep out of your deposit the cost of reproducing the MHAA information, or $100, whichever amount is less.

By purchasing a lot within this development, you will automatically be subject to various rights, responsibilities, and obligations, including the obligation to pay certain assessments to the homeowners association within the development. The lot you are purchasing may have restrictions on:

(1) Architectural changes, design, color, landscaping, or appearance;

(2) Occupancy density;

(3) Kind, number, or use of vehicles;

(4) Renting, leasing, mortgaging, or conveying property;

(5) Commercial activity; or

(6) Other matters.

You should review the MHAA information carefully to ascertain your rights, responsibilities, and obligations within the development."

(b) The vendor shall provide the purchaser the following information in writing:

(1) (i) The name, principal address, and telephone number of the vendor and of the declarant, if the declarant is not the vendor; or

(ii) If the vendor is a corporation or partnership, the names and addresses of the principal officers of the corporation, or general partners of the partnership;

(2) (i) The name, if any, of the homeowners association; and

(ii) If incorporated, the state in which the homeowners association is incorporated and the name of the Maryland resident agent;

(3) A description of:

(i) The location and size of the development, including the minimum and maximum number of lots currently planned or permitted, if applicable, which may be contained within the development; and

(ii) Any property owned by the declarant or the vendor contiguous to the development which is to be dedicated to public use;

(4) If the development is or will be within or a part of another development, a general description of the other development;

(5) If the declarant has reserved in the declaration the right to annex additional property to the development, a description of the size and location of the additional property and the approximate number of lots currently planned to be contained in the development, as well as any time limits within which the declarant may annex such property;

(6) A copy of:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable; and

(ii) The bylaws and rules of the primary development and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable;

(7) A description or statement of any property which is currently planned to be owned, leased, or maintained by the homeowners association;

(8) A copy of the estimated proposed or actual annual budget for the homeowners association for the current fiscal year, including a description of the replacement reserves for common area improvements, if any, and a copy of the current projected budget for the homeowners association based upon the development fully expanded in accordance with expansion rights contained in the declaration;

(9) A statement of current or anticipated mandatory fees or assessments to be paid by owners of lots within the development for the use, maintenance, and operation of common areas and for other purposes related to the homeowners association and whether the declarant or vendor will be obligated to pay the fees in whole or in part;

(10) (i) A brief description of zoning and other land use requirements affecting the development; or

(ii) A written disclosure of where the information is available for inspection;

(11) A statement regarding:

(i) When mandatory homeowners association fees or assessments will first be levied against owners of lots;

(ii) The procedure for increasing or decreasing such fees or assessments;

(iii) How fees or assessments and delinquent charges will be collected;

(iv) Whether unpaid fees or assessments are a personal obligation of owners of lots;

(v) Whether unpaid fees or assessments bear interest and if so, the rate of interest;

(vi) Whether unpaid fees or assessments may be enforced by imposing a lien on a lot under the terms of the Maryland Contract Lien Act; and

(vii) Whether lot owners will be assessed late charges or attorneys' fees for collecting unpaid fees or assessments and any other consequences for the nonpayment of the fees or assessments;

(12) If any sums of money are to be collected at settlement for contribution to the homeowners association other than prorated fees or assessments, a statement of the amount to be collected and the intended use of such funds; and

(13) A description of special rights or exemptions reserved by or for the benefit of the declarant or the vendor, including:

(i) The right to conduct construction activities within the development;

(ii) The right to pay a reduced homeowners association fee or assessment; and

(iii) Exemptions from use restrictions or architectural control provisions contained in the declaration or provisions by which the declarant or the vendor intends to maintain control over the homeowners association.

(c) Except as provided in subsection (d) of this section, the requirements of subsection (b) of this section shall be deemed to have been fulfilled if the information

required to be disclosed is provided to the purchaser in writing in a clear and concise manner. The disclosure may be summarized or produced in a collection of documents, including plats, the declaration, or the organizational documents of the homeowners association, provided those documents effectively convey the required information to the purchaser.

(d) (1) (i) Subject to the provisions of subparagraph (ii) of this paragraph, if any of the information required to be disclosed by subsection (b) of this section concerns property that is subjected to a declaration by a person who is not affiliated with the vendor, within 20 calendar days after receipt of a written request from the vendor of such property, and receipt of a reasonable fee therefor not to exceed the cost, if any, of reproduction, an unaffiliated declarant shall notify the vendor in writing of the information that is contained in the depository, and furnish the information necessary to enable the vendor to comply with subsection (b) of this section; and

(ii) An unaffiliated declarant may not be required to furnish information regarding a homeowners association over which the unaffiliated declarant has no control, or with respect to any declaration which the unaffiliated declarant did not file.

(2) A vendor is not liable to the purchaser for any erroneous information provided by an unaffiliated declarant, so long as the vendor provides the purchaser with a certificate stating the name of the person who provided the information along with an address and telephone number for contacting such person.

(e) (1) In satisfying the requirements of subsection (b) of this section, the vendor shall be entitled to rely upon the disclosures contained in the depository after June 30, 1989.

(2) In satisfying a vendor's request for any information described under subsection (b) of this section, a homeowners association:

(i) Shall be entitled to direct the vendor to obtain such information from the depository for all disclosures contained in the depository after June 30, 1989; and

(ii) May not be required to supply a vendor with any information which is contained in the depository.

(f) The provisions of this section do not apply to a sale of a lot in an action to foreclose a mortgage or deed of trust.

§11B–106.

(a) A contract for the resale of a lot within a development, or for the initial sale of a lot within a development containing 12 or fewer lots, to a member of the public who intends to occupy or rent the lot for residential purposes, is not enforceable by the vendor unless:

(1) The purchaser is given, on or before entering into the contract for the sale of such lot, or within 20 calendar days of entering into the contract, the disclosures set forth in subsection (b) of this section;

(2) The purchaser is given any changes in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist and any other substantial and material amendment to the disclosures after they become known to the vendor; and

(3) The contract of sale contains a notice in conspicuous type, which shall include bold and underscored type, in a form substantially the same as the following:

"This sale is subject to the requirements of the Maryland Homeowners Association Act (the "Act"). The Act requires that the seller disclose to you at or before the time the contract is entered into, or within 20 calendar days of entering into the contract, certain information concerning the development in which the lot you are purchasing is located. The content of the information to be disclosed is set forth in § 11B-106(b) of the Act (the "MHAA information") as follows:

(The notice shall include at this point the text of § 11B-106(b) in its entirety).

If you have not received all of the MHAA information 5 calendar days or more before entering into the contract, you have 5 calendar days to cancel this contract after receiving all of the MHAA information. You must cancel the contract in writing, but you do not have to state a reason. The seller must also provide you with notice of any changes in mandatory fees exceeding 10% of the amount previously stated to exist and copies of any other substantial and material amendment to the information provided to you. You have 3 calendar days to cancel this contract after receiving notice of any changes in mandatory fees, or copies of any other substantial and material amendment to the MHAA information which adversely affects you. If you do cancel the contract you will be entitled to a refund of any deposit you made on account of the contract. However, unless you return the MHAA information to the seller when you cancel the contract, the seller may keep out of your deposit the cost of reproducing the MHAA information, or $100, whichever amount is less.

By purchasing a lot within this development, you will automatically be subject to various rights, responsibilities, and obligations, including the obligation to pay certain assessments to the homeowners association within the development. The lot you are purchasing may have restrictions on:

(1) Architectural changes, design, color, landscaping, or appearance;

(2) Occupancy density;

(3) Kind, number, or use of vehicles;

(4) Renting, leasing, mortgaging, or conveying property;

(5) Commercial activity; or

(6) Other matters.

You should review the MHAA information carefully to ascertain your rights, responsibilities, and obligations within the development."

(b) The vendor shall provide the purchaser the following information in writing:

(1) A statement as to whether the lot is located within a development;

(2) (i) The current monthly fees or assessments imposed by the homeowners association upon the lot;

(ii) The total amount of fees, assessments, and other charges imposed by the homeowners association upon the lot during the prior fiscal year of the homeowners association; and

(iii) A statement of whether any of the fees, assessments, or other charges against the lot are delinquent;

(3) The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development, or a statement that no agent or officer is presently so authorized by the homeowners association;

(4) A statement as to whether the owner has actual knowledge of:

(i) The existence of any unsatisfied judgments or pending lawsuits against the homeowners association; and

(ii) Any pending claims, covenant violations actions, or notices of default against the lot; and

(5) A copy of:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner's tenants, if applicable; and

(ii) The bylaws and rules of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

(c) (1) Within 30 calendar days of any resale transfer of a lot within a development, the transferor shall notify the homeowners association for the primary

development of the transfer.

(2) The notification shall include, to the extent reasonably available, the name and address of the transferee, the name and forwarding address of the transferor, the date of transfer, the name and address of any mortgagee, and the proportionate amount of any outstanding homeowners association fee or assessment assumed by each of the parties to the transaction.

(d) The requirements of subsection (b) of this section shall be deemed to have been fulfilled if the information required to be disclosed is provided to the purchaser in writing in a clear and concise manner. The disclosures may be summarized or produced in any collection of documents, including plats, the declaration, or the organizational documents of the homeowners association, provided those documents effectively convey the required information to the purchaser.

(e) In satisfying the requirements of subsection (b) of this section, the vendor shall be entitled to rely upon the disclosures contained in the depository after June 30, 1989.

(f) The provisions of subsections (a), (b), (d), and (e) of this section do not apply to the sale of a lot in an action to foreclose a mortgage or deed of trust.

§11B–106.1.

(a) A meeting of the members of the homeowners association to elect a governing body of the homeowners association shall be held within:

(1) 60 days from the date that at least 75% of the total number of lots that may be part of the development after all phases are complete are sold to members of the public for residential purposes; or

(2) If a lesser percentage is specified in the governing documents of the homeowners association, 60 days from the date the specified lesser percentage of the total number of lots in the development after all phases are complete are sold to members of the public for residential purposes.

(b) (1) Before the date of the meeting held under subsection (a) of this section, the declarant shall deliver to each lot owner notice that the requirements of subsection (a) of this section have been met.

(2) The notice shall include the date, time, and place of the meeting to elect the governing body of the homeowners association.

(c) The term of each member of the governing body of the homeowners association appointed by the declarant shall end 10 days after the meeting under subsection (a) of this section is held, if a replacement board member is elected.

(d) Within 30 days from the date of the meeting held under subsection (a) of

this section, the declarant shall deliver the following items to the governing body at the declarant's expense:

(1) The deeds to the common areas;

(2) Copies of the homeowners association's filed articles of incorporation, declaration, and all recorded covenants, plats, restrictions, and any other records of the primary development and of related developments;

(3) A copy of the bylaws and rules of the primary development and of other related developments as filed in the depository of the county in which the development is located;

(4) The minute books, including all minutes;

(5) Subject to the restrictions of § 11B–112 of this title, all books and records of the homeowners association, including financial statements, minutes of any meeting of the governing body, and completed business transactions;

(6) Any policies, rules, and regulations adopted by the governing body;

(7) The financial records of the homeowners association from the date of creation to the date of transfer of control, including budget information regarding estimated and actual expenditures by the homeowners association and any report relating to the reserves required for major repairs and replacement of the common areas of the homeowners association;

(8) A copy of all contracts to which the homeowners association is a party;

(9) The name, address, and telephone number of any contractor or subcontractor employed by the homeowners association;

(10) Any insurance policies in effect;

(11) Any permit or notice of code violations issued to the homeowners association by the county, local, State, or federal government;

(12) Any warranty in effect and all prior insurance policies;

(13) The homeowners association funds, including operating funds, replacement reserves, investment accounts, and working capital;

(14) The tangible property of the homeowners association;

(15) A roster of current lot owners, including their mailing addresses, telephone numbers, and lot numbers, if known;

(16) Individual member files and records, including assessment account records, correspondence, and notices of any violations; and

(17) Drawings, architectural plans, or other suitable documents setting forth the necessary information for location, maintenance, and repairs of all common areas.

(e) (1) This subsection does not apply to a contract entered into before October 1, 2009.

(2) (i) In this subsection, "contract" means an agreement with a company or individual to handle financial matters, maintenance, or services for the homeowners association.

(ii) "Contract" does not include an agreement relating to the provision of utility services or communication systems.

(3) Until all members of the governing body are elected by the lot owners at a transitional meeting under subsection (a) of this section, a contract entered into by the governing body may be terminated, at the discretion of the governing body and without liability for the termination, not later than 30 days after notice.

(f) If the declarant fails to comply with the requirements of this section, an aggrieved lot owner may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General under § 11B–115(c) of this title.

§11B–107.

(a) A contract for the initial sale of a lot in a development of any size to a person who does not intend to occupy or rent the lot for residential purposes is not enforceable by the vendor unless:

(1) The purchaser is given, at or before the time a contract is entered into between the vendor and the purchaser, or within 7 calendar days of entering into the contract, the disclosures set forth in subsection (b) of this section;

(2) The purchaser is given notice of any change in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist or any other substantial and material amendment to the disclosures after the same becomes known to the vendor; and

(3) The purchaser is given at or before the time a contract is entered into between the vendor and the purchaser, a notice in a form substantially the same as the following:

"NOTICE

The seller is required by law to furnish you at or before the time a contract is entered into, or within 7 calendar days of entering into the contract, all of the information listed in § 11B-107(b) of the Maryland Homeowners Association Act. The information is as follows: (The notice shall include at this point the text of § 11B-107(b)

in its entirety)."

(b) The vendor shall provide the purchaser the following information in writing:

(1) The name, principal address, and telephone number of the vendor and of the declarant, if the declarant is not the vendor;

(2) A description of:

(i) The location and size of the development, including the minimum and maximum number of lots currently planned or permitted, if applicable, which may be contained within the development; and

(ii) Any property owned by the declarant or the vendor contiguous to the development which is to be dedicated to public use; and

(3) A copy of the bylaws and rules of the primary development, and of other related developments to the extent available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

(c) In satisfying a vendor's request for any information described under subsection (b) of this section, a homeowners association:

(1) Shall be entitled to direct the vendor to obtain the information from the depository for all disclosures contained in the depository after June 30, 1989; and

(2) May not be required to supply a vendor with any information which is contained in the depository.

(d) The provisions of this section do not apply to a sale of a lot in an action to foreclose a mortgage or deed of trust.

§11B–108.

(a) A person who enters into a contract as a purchaser but who has not received all of the disclosures required by § 11B–105, § 11B–106, or § 11B–107 of this title, as applicable, shall, prior to settlement, be entitled to cancel the contract and to the immediate return of deposits made on account of the contract.

(b) (1) Any purchaser who has not received all of the disclosures required under § 11B–105 or § 11B–106 of this title, as applicable, 5 calendar days or more before the contract was entered into, within 5 calendar days following receipt by the purchaser of the disclosures required by § 11B–105(a) and (b) or § 11B–106(a) and (b) of this title, as applicable, may cancel in writing the contract without stating a reason and without liability on the part of the purchaser.

(2) The purchaser shall be entitled to the return of any deposits made on

account of the contract, except that the vendor shall be entitled to retain the cost of reproducing the information specified in § 11B–105(b), § 11B–106(b), or § 11B–107(b) of this title, as applicable, or $100, whichever amount is less, if the disclosures are not returned to the vendor at the time the contract is cancelled.

(c) Any purchaser may within 3 calendar days following receipt by the purchaser of a change in mandatory fees and payments exceeding 10 percent of the amount previously stated to exist or any other substantial and material amendment to the disclosures required by § 11B–105 or § 11B–106 of this title, as applicable, which adversely affects the purchaser, cancel in writing the contract without stating a reason and without liability on the part of the purchaser, and the purchaser shall be entitled to the return of deposits made on account of the contract.

(c–1) If any deposits are held in trust by a licensed real estate broker, the return of the deposits to a purchaser under subsection (a), (b), or (c) of this section shall comply with the procedures set forth in § 17–505 of the Business Occupations and Professions Article.

(d) The rights of a purchaser under this section may not be waived in the contract and any attempted waiver is void. However, if any purchaser proceeds to settlement, the purchaser's right to cancel under this section is terminated.

(e) In satisfying the requirements of subsection (b) of this section, the vendor shall be entitled to rely upon the disclosures contained in the depository after June 30, 1989.

(f) The provisions of this section do not apply to a sale of a lot in an action to foreclose a mortgage or deed of trust.

§11B–109.

(a) Any vendor, required under § 11B–105, § 11B–106, or § 11B–107 of this title to disclose information to a purchaser, who makes an untrue statement of a material fact, or who omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, shall be liable for damages proximately caused by the untrue statement or omission to the person purchasing a lot from that vendor. However, an action may not be maintained to enforce a liability created under this section unless brought within one year after the facts constituting the cause of action have or should have been discovered.

(b) A vendor may not be liable under subsection (a) of this section if the vendor had, after reasonable investigation, reasonable grounds to believe, and did believe, at the time the information required to be disclosed under § 11B–105, § 11B–106, or § 11B–107 of this title was provided to the purchaser, that the statements were true and that there was no omission to state a material fact necessary to make the statements not misleading.

(c) The provisions of this section do not apply to trustees, mortgagees, assignees of mortgagees or other persons selling a lot in an action to foreclose a mortgage or deed of trust.

§11B–110.

(a) (1) In addition to the implied warranties on private dwelling units under § 10–203 of this article and the express warranties on private dwelling units under § 10–202 of this article, there shall be an implied warranty to the homeowners association that the improvements to common areas are:

(i) Free from faulty materials;

(ii) Constructed in accordance with sound engineering standards; and

(iii) Constructed in a workmanlike manner.

(2) (i) Subject to the provisions of subparagraph (ii) of this paragraph, if the improvements to the common areas were constructed by the vendor, its agents, servants, employees, contractors, or subcontractors, then the warranty on improvements shall be from the vendor of the lots within the development.

(ii) If the improvements to the common areas were constructed on the common areas prior to its conveyance to the homeowners association, then the warranty on improvements shall be from the grantor of the common areas.

(3) (i) The warranty on improvements to the common areas begins with the first transfer of title to a lot to a member of the public by the vendor of the lot.

(ii) The warranty on improvements to common areas not completed at the first transfer of title to a lot shall begin with the completion of the improvement or with its availability for use by lot owners, whichever occurs later.

(iii) The warranty extends for a period of 2 years from commencement under subparagraph (i) or (ii) of this paragraph or 2 years from the date on which the lot owners, other than the declarant and its affiliates, first elect a controlling majority of the members of the governing body of the homeowners association, whichever occurs later.

(4) Suit for enforcement of the warranty on improvements to the common areas may be brought by either the homeowners association or by an individual lot owner.

(b) Notice of a defect shall be given within the warranty period and suit for enforcement of the warranty shall be brought within one year of the expiration of the warranty period.

(c) Warranties shall not apply to defects caused through abuse or failure to perform maintenance by a lot owner or the homeowners association.

§11B–111.

Except as provided in this title, and notwithstanding anything contained in any of the documents of the homeowners association:

(1) Subject to the provisions of item (4) of this section, all meetings of the homeowners association, including meetings of the board of directors or other governing body of the homeowners association or a committee of the homeowners association, shall be open to all members of the homeowners association or their agents;

(2) All members of the homeowners association shall be given reasonable notice of all regularly scheduled open meetings of the homeowners association;

(3) (i) This item does not apply to any meeting of a governing body that occurs at any time before the lot owners, other than the developer, have a majority of votes in the homeowners association, as provided in the declaration;

(ii) Subject to item (iii) of this item and to reasonable rules adopted by a governing body, a governing body shall provide a designated period of time during a meeting to allow lot owners an opportunity to comment on any matter relating to the homeowners association;

(iii) During a meeting at which the agenda is limited to specific topics or at a special meeting, the lot owners' comments may be limited to the topics listed on the meeting agenda; and

(iv) The governing body shall convene at least one meeting each year at which the agenda is open to any matter relating to the homeowners association;

(4) A meeting of the board of directors or other governing body of the homeowners association or a committee of the homeowners association may be held in closed session only for the following purposes:

(i) Discussion of matters pertaining to employees and personnel;

(ii) Protection of the privacy or reputation of individuals in matters not related to the homeowners association's business;

(iii) Consultation with legal counsel on legal matters;

(iv) Consultation with staff personnel, consultants, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters;

(v) Investigative proceedings concerning possible or actual criminal

misconduct;

(vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the homeowners association;

(vii) Compliance with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(viii) Discussion of individual owner assessment accounts; and

(5) If a meeting is held in closed session under item (4) of this section:

(i) An action may not be taken and a matter may not be discussed if it is not permitted by item (4) of this section; and

(ii) A statement of the time, place, and purpose of a closed meeting, the record of the vote of each board or committee member by which the meeting was closed, and the authority under this section for closing a meeting shall be included in the minutes of the next meeting of the board of directors or the committee of the homeowners association.

§11B–111.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Child care provider" means the adult who has primary responsibility for the operation of a family child care home.

(3) "Family child care home" means a unit registered under Title 5, Subtitle 5 of the Family Law Article.

(4) "No–impact home–based business" means a business that:

(i) Is consistent with the residential character of the dwelling unit;

(ii) Is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;

(iii) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no–impact home–based business; and

(iv) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the

State or any local governing body designates as a hazardous material.

(b) (1) The provisions of this section relating to family child care homes do not apply to a homeowners association that is limited to housing for older persons, as defined under the federal Fair Housing Act.

(2) The provisions of this section relating to no–impact home–based businesses do not apply to a homeowners association that has adopted, prior to July 1, 1999, procedures in accordance with its covenants, declaration, or bylaws for the prohibition or regulation of no–impact home–based businesses.

(c) (1) Subject to the provisions of subsections (d) and (e)(1) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a homeowners association that prohibits or restricts commercial or business activity in general, but does not expressly apply to family child care homes or no–impact home–based businesses, may not be construed to prohibit or restrict:

(i) The establishment and operation of family child care homes or no–impact home–based businesses; or

(ii) Use of the roads, sidewalks, and other common areas of the homeowners association by users of the family child care home.

(2) Subject to the provisions of subsections (d) and (e)(1) of this section, the operation of a family child care home or no–impact home–based business shall be:

(i) Considered a residential activity; and

(ii) A permitted activity.

(d) (1) (i) Except as provided in subparagraph (ii) of this paragraph and subject to the provisions of paragraphs (2) and (3) of this subsection, a homeowners association may include in its declaration, bylaws, or recorded covenants and restrictions a provision expressly prohibiting the use of a residence as a family child care home or no–impact home–based business.

(ii) A homeowners association may not include a provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a residence as a family child care home in its declaration, bylaws, or recorded covenants and restrictions until the lot owners, other than the developer, have 90% of the votes in the homeowners association.

(iii) A provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a residence as a family child care home or no–impact home–based business shall apply to an existing family child care home or no–impact home–based business in the homeowners association.

(2) A provision described under paragraph (1)(i) of this subsection

expressly prohibiting the use of a residence as a family child care home or no–impact home–based business may not be enforced unless it is approved by a simple majority of the total eligible voters of the homeowners association, not including the developer, under the voting procedures contained in the declaration or bylaws of the homeowners association.

(3) If a homeowners association includes in its declaration, bylaws, or recorded covenants and restrictions a provision prohibiting the use of a residence as a family child care home or no–impact home–based business, it shall also include a provision stating that the prohibition may be eliminated and family child care homes or no–impact home–based businesses may be approved by a simple majority of the total eligible voters of the homeowners association under the voting procedures contained in the declaration or bylaws of the homeowners association.

(4) If a homeowners association includes in its declaration, bylaws, or recorded covenants and restrictions a provision expressly prohibiting the use of a residence as a family child care home or no–impact home–based business, the prohibition may be eliminated and family child care or no–impact home–based business activities may be permitted by the approval of a simple majority of the total eligible voters of the homeowners association under the voting procedures contained in the declaration or bylaws of the homeowners association.

(e) A homeowners association may include in its declaration, bylaws, rules, or recorded covenants and restrictions a provision that:

(1) Requires child care providers to pay on a pro rata basis based on the total number of family child care homes operating in the homeowners association any increase in insurance costs of the homeowners association that are solely and directly attributable to the operation of family child care homes in the homeowners association; and

(2) Imposes a fee for use of common areas in a reasonable amount not to exceed $50 per year on each family child care home or no–impact home–based business which is registered and operating in the homeowners association.

(f) (1) If the homeowners association regulates the number or percentage of family child care homes under subsection (e)(1) of this section, in order to assure compliance with this regulation, the homeowners association may require residents to notify the homeowners association before opening a family child care home.

(2) The homeowners association may require residents to notify the homeowners association before opening a no–impact home–based business.

(g) (1) A child care provider in a homeowners association:

(i) Shall obtain the liability insurance described under §§ 19–106 and 19–203 of the Insurance Article in at least the minimum amount described under that statute; and

(ii) May not operate without the liability insurance described under item (i) of this paragraph.

(2) A homeowners association may not require a child care provider to obtain insurance in an amount greater than the minimum amount required under paragraph (1) of this subsection.

(h) A homeowners association may restrict or prohibit a no–impact home–based business in any common areas.

§11B–111.2.

(a) In this section, "candidate sign" means a sign on behalf of a candidate for public office or a slate of candidates for public office.

(b) Except as provided in subsection (c) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a homeowners association may not restrict or prohibit the display of:

(1) A candidate sign; or

(2) A sign that advertises the support or defeat of any question submitted to the voters in accordance with the Election Law Article.

(c) A recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a homeowners association may restrict the display of a candidate sign or a sign that advertises the support or defeat of any proposition:

(1) In the common areas;

(2) In accordance with provisions of federal, State, and local law; or

(3) If a limitation to the time period during which signs may be displayed is not specified by a law of the jurisdiction in which the homeowners association is located, to a time period not less than:

(i) 30 days before the primary election, general election, or vote on the proposition; and

(ii) 7 days after the primary election, general election, or vote on the proposition.

§11B–111.3.

(a) This section does not apply to the distribution of information or materials at any time before the lot owners, other than the developer, have a majority of votes in the homeowners association, as provided in the declaration.

(b) In this section, the door-to-door distribution of any of the following

information or materials may not be considered a distribution for purposes of determining the manner in which a governing body distributes information under this section:

(1) Any information or materials reflecting the assessments imposed on lot owners in accordance with a recorded covenant, the declaration, bylaw, or rule of the homeowners association; and

(2) Any meeting notices of the governing body.

(c) Except for reasonable restrictions to the time of distribution, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a homeowners association may not restrict a lot owner from distributing written information or materials regarding the operation of or matters relating to the operation of the homeowners association in any manner or place that the governing body distributes written information or materials.

§11B–111.4.

(a) This section does not apply to any meetings of lot owners occurring at any time before the lot owners, other than the developer, have a majority of the votes in the homeowners association, as provided in the declaration.

(b) Subject to reasonable rules adopted by the governing body, lot owners may meet for the purpose of considering and discussing the operation of and matters relating to the operation of the homeowners association in any common areas or in any building or facility in the common areas that the governing body of the homeowners association uses for scheduled meetings.

§11B–111.5.

(a) If a homeowners association fails to fill vacancies on the governing body sufficient to constitute a quorum in accordance with the bylaws, three or more owners of lots may petition the circuit court for the county where the condominium is located to appoint a receiver to manage the affairs of the homeowners association.

(b) (1) At least 30 days before petitioning the circuit court, the lot owners acting under the authority granted by subsection (a) of this section shall mail to the governing body a notice describing the petition and the proposed action.

(2) The lot owners shall mail a copy of the notice to the owner of each lot in the development.

(c) If the governing body fails to fill vacancies sufficient to constitute a quorum within the notice period, the lot owners may proceed with the petition.

(d) A receiver appointed by a court under this section may not reside in or own a lot in the development governed by the homeowners association.

(e) (1) A receiver appointed under this section shall have all powers and duties of a duly constituted governing body.

(2) The receiver shall serve until the homeowners association fills vacancies on the governing body sufficient to constitute a quorum.

(f) The salary of the receiver, court costs, and reasonable attorney's fees are expenses of the homeowners association.

§11B–111.6.

(a) In this section, "fidelity insurance" includes a fidelity bond.

(b) This section does not apply to a homeowners association:

(1) That has four or fewer lot owners; and

(2) For which 3 months' worth of gross annual homeowners association fees is less than $2,500.

(c) (1) The board of directors or other governing body of a homeowners association shall purchase fidelity insurance not later than the time of the first conveyance of a lot to a person other than the declarant and shall keep fidelity insurance in place for each year thereafter.

(2) The fidelity insurance required under paragraph (1) of this subsection shall provide for the indemnification of the homeowners association against loss resulting from acts or omissions arising from fraud, dishonesty, or criminal acts by:

(i) Any officer, director, managing agent, or other agent or employee charged with the operation or maintenance of the homeowners association who controls or disburses funds; and

(ii) Any management company employing a management agent or other employee charged with the operation or maintenance of the homeowners association who controls or disburses funds.

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by or on behalf of the homeowners association under § 11B–112 of this title.

(e) (1) The amount of the fidelity insurance required under subsection (c) of this section shall equal at least the lesser of:

(i) 3 months' worth of gross annual homeowners association fees and the total amount held in all investment accounts at the time the fidelity insurance is issued; or

(ii) $3,000,000.

(2) The total liability of the insurance to all insured persons under the fidelity insurance may not exceed the sum of the fidelity insurance.

(f) If a lot owner believes that the board of directors or other governing body of a homeowners association has failed to comply with the requirements of this section, the aggrieved lot owner may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General under § 11B–115 of this title.

§11B–112.

(a) (1) (i) Subject to the provisions of paragraph (2) of this subsection, all books and records kept by or on behalf of the homeowners association shall be made available for examination or copying, or both, by a lot owner, a lot owner's mortgagee, or their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

(ii) Books and records required to be made available under subparagraph (i) of this paragraph shall first be made available to a lot owner no later than 15 business days after a lot is conveyed by the declarant and the lot owner requests to examine or copy the books and records.

(iii) If a lot owner requests in writing a copy of financial statements of the homeowners association or the minutes of a meeting of the governing body of the homeowners association to be delivered, the governing body of the homeowners association shall compile and send the requested information by mail, electronic transmission, or personal delivery:

1. Within 21 days after receipt of the written request, if the financial statements or minutes were prepared within the 3 years immediately preceding receipt of the request; or

2. Within 45 days after receipt of the written request, if the financial statements or minutes were prepared more than 3 years before receipt of the request.

(2) Books and records kept by or on behalf of a homeowners association may be withheld from public inspection, except for inspection by the person who is the subject of the record or the person's designee or guardian, to the extent that they concern:

(i) Personnel records, not including information on individual salaries, wages, bonuses, and other compensation paid to employees;

(ii) An individual's medical records;

(iii) An individual's personal financial records, including assets,

income, liabilities, net worth, bank balances, financial history or activities, and creditworthiness;

(iv) Records relating to business transactions that are currently in negotiation;

(v) The written advice of legal counsel; or

(vi) Minutes of a closed meeting of the governing body of the homeowners association, unless a majority of a quorum of the governing body of the homeowners association that held the meeting approves unsealing the minutes or a recording of the minutes for public inspection.

(b) (1) Except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information, the homeowners association may not impose any charges under this section.

(2) A charge imposed under paragraph (1) of this subsection for copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of the Courts Article.

(c) (1) Each homeowners association that was in existence on June 30, 1987 shall deposit in the depository by December 31, 1988, and each homeowners association established subsequent to June 30, 1987 shall deposit in the depository by the later of the date 30 days following its establishment, or December 31, 1988, all disclosures, current to the date of deposit, specified:

(i) By § 11B-105(b) of this title except for those disclosures required by paragraphs (6)(i), (8), (9), and (12);

(ii) By § 11B-106(b) of this title except for those disclosures required by paragraphs (1), (2), (4), and (5)(i); and

(iii) By § 11B-107(b) of this title.

(2) Beginning January 1, 1989, within 30 days of the adoption of or amendment to any of the disclosures required by this title to be deposited in the depository, a homeowners association shall deposit the adopted or amended disclosures in the depository.

(3) If a homeowners association fails to deposit in the depository any of the disclosures required to be deposited by this section, or by § 11B-105(b)(6)(ii) or § 11B-106(b)(5)(ii) of this title, then those disclosures which were not deposited shall be unenforceable until the time they are deposited.

§11B–112.1.

The declaration or bylaws of a homeowners association may provide for a late

charge of $15 or one-tenth of the total amount of any delinquent assessment or installment, whichever is greater, provided the charge may not be imposed more than once for the same delinquent payment and may be imposed only if the delinquency has continued for at least 15 calendar days.

§11B–112.2.

(a) This section applies only to a homeowners association that has responsibility under its declaration for maintaining and repairing common areas.

(b) (1) The board of directors or other governing body of a homeowners association shall cause to be prepared and submitted to the lot owners an annual proposed budget at least 30 days before its adoption.

(2) The annual proposed budget may be sent to each lot owner by electronic transmission, by posting on the homeowners association's home page, or by including the annual proposed budget in the homeowners association's newsletter.

(c) The annual budget shall provide information on or expenditures for at least the following items:

(1) Income;

(2) Administration;

(3) Maintenance;

(4) Utilities;

(5) General expenses;

(6) Reserves; and

(7) Capital expenses.

(d) (1) The budget shall be adopted at an open meeting of the homeowners association or any other body to which the homeowners association delegates responsibilities for preparing and adopting the budget.

(2) (i) Notice of the meeting at which the proposed budget will be considered shall be sent to each lot owner.

(ii) Notice under subparagraph (i) of this paragraph may be sent by electronic transmission, by posting on the homeowners association's home page, or by including the notice in the homeowners association's newsletter.

(e) Except for an expenditure made by the homeowners association because of a condition that, if not corrected, could reasonably result in a threat to the health or safety of the lot owners or a significant risk of damage to the development, any expenditure

that would result in an increase in an amount of assessments for the current fiscal year of the homeowners association in excess of 15% of the budgeted amount previously adopted shall be approved by an amendment to the budget adopted at a special meeting for which not less than 10 days written notice shall be provided to the lot owners.

(f) The adoption of a budget does not impair the authority of the homeowners association to obligate the homeowners association for expenditures for any purpose consistent with any provision of this title.

§11B–113.

(a) There is a homeowners association depository in the office of the clerk of the court in each county and the City of Baltimore.

(b) Consistent with the duties of a clerk of a court as enumerated in § 2-201 of the Courts and Judicial Proceedings Article, the clerk of the court shall establish and thereafter maintain a depository for the purpose of making available to the public upon request the information to be deposited by homeowners associations.

(c) The depository shall:

(1) Be established and maintained in each county and the City of Baltimore as a document file separate from the land records of the county or City;

(2) Contain a record of the names of all homeowners associations for each county and the City of Baltimore;

(3) Contain all disclosures deposited by a homeowners association; and

(4) Be available to the public for viewing and for obtaining copies during the regular business hours of the office of the clerk.

(d) (1) The clerk of the court is authorized to regulate the form and manner of documents deposited into the depository and to collect fees for a deposit.

(2) The clerk of the court shall permit the deposit of copies of disclosures, however reproduced.

(3) The clerk of the court may adopt regulations as necessary or desirable to implement the depository.

(4) The State Court Administrator shall establish, so as to cover the reasonable and ordinary expenses of maintaining the depository, the amount of the fees that the clerk of the court may charge for deposits in the depository.

(5) (i) The clerk of the court shall maintain a depository index; and

(ii) All disclosures shall be filed under the name of the homeowners

association.

(e) Material contained in the depository may not be viewed as recordation under Title 3 of this article.

§11B–113.1.

(a) Notwithstanding language contained in the governing documents of a homeowners association, the homeowners association may provide notice of a meeting or deliver information to a lot owner by electronic transmission if:

(1) The board of directors or other governing body of the homeowners association gives the homeowners association the authority to provide notice of a meeting or deliver information by electronic transmission;

(2) The lot owner gives the homeowners association prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and

(3) An officer or agent of the homeowners association certifies in writing that the homeowners association has provided notice of a meeting or delivered material or information as authorized by the lot owner.

(b) Notice or delivery by electronic transmission shall be considered ineffective if:

(1) The homeowners association is unable to deliver two consecutive notices; and

(2) The inability to deliver the electronic transmission becomes known to the person responsible for sending the electronic transmission.

(c) The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

§11B–113.2.

(a) Notwithstanding language contained in the governing documents of the homeowners association, the board of directors or other governing body of the homeowners association may authorize lot owners to submit a vote or proxy by electronic transmission if the electronic transmission contains information that verifies that the vote or proxy is authorized by the lot owner or the lot owner's proxy.

(b) If the governing documents of the homeowners association require voting by secret ballot and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if lot owners have the option of casting anonymous printed ballots.

§11B–113.3.

(a) This section applies to any recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin, including a covenant or restriction that is part of a uniform general scheme or plan of development.

(b) Except as provided in subsection (c) of this section, a homeowners association may delete a recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin from the deeds or other declarations of property in the development if at least 85% of the lot owners in the development agree to the deletion of the recorded covenant or restriction from the deeds or other declarations.

(c) If the deeds or other declarations of property in the development expressly provide for a method of amendment or deletion of a recorded covenant or restriction, a recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin may be deleted as provided for in the deeds or declarations or in accordance with subsection (b) of this section.

(d) After the lot owners in the development agree to the deletion of a recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin as provided in subsection (a) of this section, the governing body of the homeowners association shall record with the clerk of the court in the jurisdiction where the development is located an amendment to the deeds or other declarations that include the recorded covenant or restriction, executed by at least 85% of the lot owners in the development, that provides for the deletion of the recorded covenant or restriction from the deeds or declarations of the property in the development.

§11B–113.4.

(a) It is the intent of the General Assembly to prevent unfair treatment of property owners by a homeowners association when annual charges based on the assessed value of property imposed by the homeowners association increase at such a rate that it creates an unexpected windfall for the homeowners association.

(b) In this section, the term "annual charge" means a charge based on the current assessed value of property for county and State property taxes that is levied by a homeowners association on property in a development.

(c) This section only applies to a development that:

(1) Contains at least 13,000 acres of land and has a population of at least 80,000; and

(2) Is governed by a homeowners association that levies an annual charge on property within the development.

(d) (1) A homeowners association shall base the annual charge for the

revalued properties on the phased in value of property as provided under § 8-103 of the Tax - Property Article.

(2) If the value of an improved property has been reduced by the State or county assessments office after, or by reason of, a protest, appeal, credit, or other adjustment, the homeowners association shall reduce the annual charge on the property based on the reduced value.

(e) Until the annual charge for the revalued property is based on the phased in value of property as required under subsection (d) of this section, if the value of the properties revalued as of the most recent date of finality as provided in § 8-104 of the Tax - Property Article exceeds the prior valuation by more than 10%:

(1) The increase shall be considered an unexpected windfall to the homeowners association that should be offset; and

(2) Beginning with the first year following the revaluation of the property for State property tax purposes, the homeowners association shall provide to the owner of the revalued property a rebate or credit in an amount equal to the portion of the annual charge that is attributable to the growth in the value of the revalued property in excess of 10%.

(f) Subsections (d) and (e) of this section do not apply if a governing body certifies on or before April 1 in the first year following the revaluation of property values for State property tax purposes that the revenues from the annual charges are insufficient to meet the debt service requirements during the next taxable year on all bonds that the governing body anticipates will be outstanding during that year.

(g) Notwithstanding any provision of the law to the contrary, when calculating an annual charge, a homeowners association may not consider the rate of assessed value of property to have increased by more than 10% in a taxable year.

§11B–113.5.

(a) This section establishes the process for the annexation of parcels of land that are subject to the deed, agreement, and declaration establishing any of the villages or town center in Columbia in Howard County.

(b) Notwithstanding any provision of law or contract, a parcel of land located in that area of land in Howard County that is subject to the deed, agreement, and declaration of covenants, easements, charges, and liens dated December 13, 1966, and recorded in the land records of Howard County in Liber W.H.H. 463, Folio 158, et seq. (the Columbia Association Declaration) that is not part of the village or town center in which the land is located may be annexed into the village or town center if:

(1) The owner or developer of the land makes an application for annexation to the village or town center community association; and

(2) The Columbia Association or its successor and the village or town center community association approve the annexation.

(c) An instrument that consolidates a parcel of land into the village or town center in which the land is located shall be executed and filed for recordation in the land records of Howard County.

(d) (1) A parcel of land that is annexed into a village or town center in accordance with this section shall be subject to the recorded covenants and restrictions of the village or town center in which the parcel of land is located.

(2) An annexation completed in accordance with this section may not abrogate or in any other way affect any approval previously granted or condition previously imposed under a recorded covenant or contract regarding improvements constructed on the annexed property.

§11B–114.

(a) In this section, "electronic payment" means payment by credit card or debit card.

(b) A homeowners association may require a person from whom payment is due to pay a reasonable electronic payment fee if the person elects to pay the homeowners association by means of electronic payment.

(c) An electronic payment fee may not exceed the amount of any fee that may be charged to the homeowners association in connection with use of the credit card or debit card.

(d) If a homeowners association elects to charge an electronic payment fee under this section, the homeowners association shall specify on or include notice with each bill and other invoices for which electronic payment is authorized that an electronic payment fee will be charged.

§11B–115.

(a) (1) In this section, "consumer" means an actual or prospective purchaser, lessee, assignee, or recipient of a lot in a development.

(2) "Consumer" includes a co–obligor or surety for a consumer.

(b) This section is intended to provide minimum standards for protection of consumers in the State.

(c) (1) To the extent that a violation of any provision of this title affects a consumer, that violation shall be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General, as described in Title 13 of the Commercial Law Article.

(2) The provisions of this title shall otherwise be enforced by each unit of State government within the scope of the authority of the unit.

(d) (1) A county or municipal corporation may adopt a law, ordinance, or regulation for the protection of a consumer to the extent and in the manner provided for under § 13–103 of the Commercial Law Article.

(2) Within 30 days of the effective date of a law, ordinance, or regulation adopted under this subsection that is expressly applicable to a development, the county or municipal corporation shall forward a copy of the law, ordinance, or regulation to the homeowners association depository in the office of the clerk of the court in the county where the development is located.

§11B–115.1.

A lot owner who believes that the board of directors or other governing body of a homeowners association has failed to comply with the election procedures provisions of the governing documents of the homeowners association may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General if the provisions concern:

(1) Notice about the date, time, and place for the election of the board of directors or other governing body;

(2) The manner in which a call is made for nominations for the board of directors or other governing body;

(3) The format of the election ballot;

(4) The format, provision, and use of proxies during the election process; or

(5) The manner in which a quorum is determined for election purposes.

§11B–116.

(a) In this section, "governing document" includes:

(1) A declaration;

(2) Bylaws;

(3) A deed and agreement; and

(4) Recorded covenants and restrictions.

(b) Notwithstanding the provisions of a governing document, a homeowners association created before January 1, 1960, may amend the governing document once every 5 years, or more frequently if allowed by the governing document, by

the affirmative vote of lot owners having at least two–thirds of the votes in the development, or by a lower percentage if required in the governing document.

§11B–117.

(a) As provided in the declaration, a lot owner shall be liable for all homeowners association assessments and charges that come due during the time that the lot owner owns the lot.

(b) In addition to any other remedies available at law, a homeowners association may enforce the payment of the assessments and charges provided in the declaration by the imposition of a lien on a lot in accordance with the Maryland Contract Lien Act.

(c) (1) This subsection does not limit or affect the priority of:

(i) A lien for the annual charge provided first priority over a deed of trust or mortgage by the deed, agreement, and declaration of covenants, easements, charges, and liens dated December 13, 1966, and recorded in the land records of Howard County (the Columbia Association Declaration); or

(ii) Any lien, secured interest, or other encumbrance with priority that is held by or for the benefit of, purchased by, assigned to, or securing any indebtedness to:

1. The State or any county or municipal corporation in the State;

2. Any unit of State government or the government of any county or municipal corporation in the State; or

3. An instrumentality of the State or any county or municipal corporation in the State.

(2) In the case of a foreclosure of a mortgage or deed of trust on a lot in a homeowners association, a portion of the homeowners association's liens on the lot, as prescribed in paragraph (3) of this subsection, shall have priority over a claim of the holder of a first mortgage or a first deed of trust that is recorded against the lot on or after October 1, 2011.

(3) The portion of the homeowners association's liens that has priority under paragraph (2) of this subsection:

(i) Shall consist solely of not more than 4 months, or the equivalent of 4 months, of unpaid regular assessments for common expenses that are levied by the homeowners association in accordance with the requirements of the declaration or bylaws of the homeowners association;

(ii) May not include:

1. Interest;

2. Costs of collection;

3. Late charges;

4. Fines;

5. Attorney's fees;

6. Special assessments; or

7. Any other costs or sums due under the declaration or bylaws of the homeowners association or as provided under any contract, law, or court order; and

(iii) May not exceed a maximum of $1,200.

(4) (i) Subject to subparagraph (ii) of this paragraph, at the request of the holder of a first mortgage or first deed of trust on a lot in a homeowners association, the governing body shall provide to the holder written information about the portion of any lien filed under the Maryland Contract Lien Act that has priority as prescribed under paragraph (3) of this subsection, including information that is sufficient to allow the holder to determine the basis for the portion of the lien that has priority.

(ii) At the time of making a request under subparagraph (i) of this paragraph, the holder shall provide the governing body of the homeowners association with the written contact information of the holder.

(iii) If the governing body of the homeowners association fails to provide written information to the holder under subparagraph (i) of this paragraph within 30 days after the filing of the statement of lien among the land records of each county in which the homeowners association is located, the portion of the homeowners association's liens does not have priority as prescribed under paragraph (2) of this subsection.

§11B–118.

This title may be cited as the Maryland Homeowners Association Act.

§12–101.

(a) All proceedings for the acquisition of private property for public use by condemnation are governed by the provisions of this title and of Title 12, Chapter 200 of the Maryland Rules.

(b) Nothing in this title prevents this State or any of its instrumentalities or political subdivisions, acting under statute or ordinance passed pursuant to Article III

of the Maryland Constitution, from taking private property for public use immediately on making the required payment and giving any required security.

(c) This title does not prevent the State Roads Commission from using the procedures set forth in Title 8, Subtitle 3 of the Transportation Article, or prevent Baltimore City from using the procedure set forth in the Charter of Baltimore City and §§ 21–12 through 21–22, inclusive, of the Public Local Laws of Baltimore City.

(d) Notwithstanding any other law, from June 1, 2014, to May 30, 2016, both inclusive, the State or any of its instrumentalities or political subdivisions may not acquire a mortgage or deed of trust by condemnation.

§12–102.

In this title, property is deemed to be taken:

(1) If the plaintiff lawfully is authorized to take the property before trial pursuant to Article III of the Constitution of the State, or any amendment to it, and the required payment has been made to the defendant or into court, any required security has been given, and the plaintiff has taken possession of the property and actually and lawfully appropriated it to the public purposes of the plaintiff.

(2) In every other case, if the plaintiff pays the judgment and costs pursuant to Title 12, Chapter 200 of the Maryland Rules.

§12–103.

Unless an applicable statute specifies a different time as of which the value is to be determined, the value of the property sought to be condemned and of any adjacent property of the defendant claimed to be affected by the taking shall be determined as of the date of the taking, if taking has occurred, or as of the date of trial, if taking has not occurred.

§12–104.

(a) The damages to be awarded for the taking of land is its fair market value.

(b) The damages to be awarded where land, or any part of it, is taken is the fair market value of the part taken, but not less than the actual value of the part taken plus any severance or resulting damages to the remaining land by reason of the taking and of future use by the plaintiff of the part taken. The severance or resulting damages shall be diminished to the extent of the value of the special (particular) benefits to the remainder arising from the plaintiff's future use of the part taken.

(c) For the purpose of determining the extent of the taking and the valuation of the tenant's interest in a condemnation proceeding, no improvement or installation which otherwise would be deemed part of the land shall be deemed personal property so as to be excluded from the taking solely because of the private right of a tenant, as

against the owner of any other interest in the land sought to be condemned, to remove the improvement or installation, unless the tenant exercises his right to remove it prior to the date when his answer is due, or states in his answer his election to exercise this right.

(d) The damages to be awarded for the taking of a structure, such as a church or place of religious worship, held in fee simple, or under a lease renewable forever, by or for the benefit of a religious body and regularly used by the religious body, are the cost of reproducing or replacing the improvements, adjusted for physical and functional depreciation, to which shall be added the fair market value of the land.

(e) (1) The damages to be awarded for the taking of all land owned and designated by a public body as park land, open space, or recreation area is the fair market value as of the valuation date, of other land substantially similar in size and character and of comparable quality for park, open space, or recreational purposes for the community which made use of the land to be taken. No damages may be awarded unless other land is acquired for park, open space, or recreational purposes. No awarded damages may be less than the fair market value of the land to be taken.

(2) The damages to be awarded for the taking of part of the park land, open space, or recreation area is the fair market value of the part taken, but not less than the actual value of the replacement land as defined in paragraph (1) of this subsection plus any severance or resulting damages to the remaining land by reason of the taking and of the future use by the plaintiff of the part taken. The severance or resulting damages are to be diminished to the extent of the value of the special (particular) benefits to the remainder arising from the plaintiff's future use of the land taken.

(3) Where the land, or any part of it, taken pursuant to this subsection contains improvements, the damages to be awarded, in addition to that provided for in paragraphs (1) and (2) of this subsection, shall include the reasonable cost as of the valuation date of providing new improvements of substantially the same size, comparable character, and for the same purpose as those taken.

(f) The damages to be awarded for the taking of land or an interest in land over which an easement in gross or other right to restrict its use has been granted pursuant to § 2-504 of the Agriculture Article shall be as provided for in this subsection:

(1) The damages to be awarded for the taking of an entire tract is its fair market value after deducting the lesser of (a) the value of the easement granted, or (b) the excess of the aggregate amount of the property taxes that would have been due on the property if the easement had not been granted above the aggregate amount of property taxes actually paid on the property since the easement was granted.

(2) The damages to be awarded where part of a tract of land is taken is the fair market value of the part taken less the deduction computed as described in paragraph (1) of this subsection, but not less than the actual value of the part taken less the deduction computed as described in paragraph (1) of this subsection, plus any

severance or resulting damages to the remaining land by reason of the taking and of future use by the plaintiff of the part taken.

(g) If any easement in gross or other right to restrict use of land or any interest in land has been donated to the Maryland Historical Trust or the Maryland Environmental Trust, damages shall be awarded in any condemnation proceedings under this title to the fee owner and leasehold owner, as their interests may appear, and shall be the fair market value of the land or interest in it, computed as though the easement or other right did not exist.

§12–105.

(a) In this section, the phrase "the effective date of legislative authority for the acquisition of the property," means, with respect to a condemnor vested with continuing power of condemnation, the date of specific administrative determination to acquire the property.

(b) The fair market value of property in a condemnation proceeding is the price as of the valuation date for the highest and best use of the property which a vendor, willing but not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy, would pay, excluding any increment in value proximately caused by the public project for which the property condemned is needed. In addition, fair market value includes any amount by which the price reflects a diminution in value occurring between the effective date of legislative authority for the acquisition of the property and the date of actual taking if the trier of facts finds that the diminution in value was proximately caused by the public project for which the property condemned is needed, or by announcements or acts of the plaintiff or its officials concerning the public project, and was beyond the reasonable control of the property owner.

(c) The defendant property owner may elect to present as evidence in a condemnation proceeding, the assessed value of the property, as determined by the Department of Assessments and Taxation, if the assessed value is greater than the appraised value placed on the property by the condemning authority.

(d) If property is ever acquired by the exercise of the power of eminent domain, the fair market value of the property is not affected by the property having been qualified for a tax credit under § 9-208 of the Tax - Property Article. However, if the grantee of an easement purchased the easement for monetary consideration other than, or in addition to, the tax credit under § 9-208 of the Tax - Property Article, then the condemnation award shall be reduced by an amount equal to the additional consideration.

§12–105.1.

(a) Notwithstanding any other provision of law, the State or any of its instrumentalities or political subdivisions shall file an action to acquire private

property for public use by condemnation within 4 years of the date of the specific administrative or legislative authorization to acquire the property.

(b) If an action for condemnation is not filed within 4 years of the date described in subsection (a) of this section, the State or any of its instrumentalities or political subdivisions may not proceed with condemnation until it first obtains a new authorization to acquire the property.

§12–106.

(a) The plaintiff shall pay all the costs in the trial court.

(b) The costs in a condemnation proceeding include:

(1) The usual per diem to the jurors;

(2) The cost of transporting the trier of fact to view the property;

(3) The cost of meals for the jury if the court so orders;

(4) The cost of recording the inquisition among the land records and of all documentary stamps which may be required in the transfer of the property to the plaintiff; and

(5) An allowance to the defendant, as fixed by the court, for the reasonable legal, appraisal, and engineering fees actually incurred by the defendant because of the condemnation proceeding, if the judgment is for the defendant on the right to condemn.

(c) In proceeding under Article III of the Constitution of the State, or any amendment to it, the plaintiff shall pay interest at the rate of 6 percent per annum on any difference between the amount of money initially paid into court for the use of the defendant and the jury award as stated in the inquisition, from the date the money was paid into court to the date of the inquisition or final judgment, whichever date is later.

(d) On taking possession, acquiring the right to take possession, or the actual transfer of title to the plaintiff, whichever occurs first, the plaintiff immediately shall file with the supervisor of assessments for the county involved a written notification or record setting forth in sufficient detail the area of the land and a description of any improvement being acquired. If the plaintiff is an agency or instrumentality of the State, the supervisor of assessments, on filing of the notification or record, immediately shall remove the property from the tax rolls.

§12–107.

(a) Any party to a condemnation case may appeal from a final judgment or determination in the manner prescribed by the Maryland Rules.

(b) If the final decision on appeal is that the plaintiff is not entitled to condemn the property, a reasonable counsel fee fixed by the trial court shall be awarded to counsel for the defendant and charged against the plaintiff together with the other costs of the case.

(c) Costs on appeal shall be paid as directed by the appellate court.

(d) (1) If the plaintiff desires possession pending appeal, it may make payment of the award pursuant to Title 12, Chapter 200 of the Maryland Rules. In addition, the plaintiff shall file with the clerk of the court a bond to the State for the penalty the court prescribes.

(2) The bond shall be conditioned that if the judgment is reversed, the plaintiff shall pay to the defendant appealing, all damages the plaintiff caused the defendant by taking possession and using the property before the final determination of the appeal. The bond shall be executed by the plaintiff together with another surety approved by the court.

(3) On the payment and filing of the bond, the plaintiff immediately may take possession of the property of the defendant appealing.

(4) Except as provided in paragraph (5) of this subsection, if, on appeal, the judgment is affirmed, the bond is discharged. If, on appeal, the judgment is reversed on the right of the plaintiff to condemn, the plaintiff immediately shall surrender possession of the property of the defendant and the surety shall be liable to the defendant for all damages which have been occasioned to the defendant by the plaintiff in taking possession and using the property before final determination of the appeal.

(5) If the plaintiff is the State or any of its subdivisions or instrumentalities, a bond is not required.

§12–108.

(a) On payment of the judgment and costs by the plaintiff pursuant to the provisions of Title 12, Chapter 200 of the Maryland Rules, the plaintiff immediately shall become vested with the title, estate, or interest of the defendant in the condemned property.

(b) The title acquired in a condemnation proceeding shall be an absolute or fee-simple title including the right, title, and interest of each of the defendants in the proceeding whose property has been condemned unless a different title is specified in the inquisition.

§12–109.

(a) The exclusive method of abandoning a proceeding for condemnation shall be by the plaintiff's filing, in the proceeding, a written election to abandon. A copy of the

election shall be served as provided in the Maryland Rules, on each defendant who has been personally subjected to the jurisdiction of the court. Every other defendant shall be notified of the election by service of a copy or by any other means the court directs.

(b) The filing of the election has the effect of:

(1) Reducing any money judgment entered in the proceeding to a judgment for costs only, and the clerk immediately shall make the entry on his docket and judgment record to reflect this; and

(2) Annulling any inquisition returned in the proceeding, and any judgment entered in it, to the extent that the inquisition or judgment affects the title of any defendant to the property which was sought to be condemned.

(c) On filing the election to abandon, the clerk of any court where the inquisition has been recorded among the land records immediately shall make a notation on the recorded copy of the inquisition that the proceeding has been abandoned.

(d) No condemnation proceeding may be abandoned:

(1) After taking has occurred;

(2) More than 120 days after the entry of final judgment, unless an appeal is taken; or

(3) If an appeal is taken from a final judgment, more than 120 days after the receipt by the clerk of the lower court of a mandate of the Court of Appeals or the Court of Special Appeals evidencing the dismissal of the appeal, the affirmance of the judgment, the entry of judgment pursuant to the Maryland Rules, or the modification of the judgment without the award of a new trial. For the purposes of this section, an appeal stricken out pursuant to the Maryland Rules, or voluntarily abandoned, is deemed not to have been taken. However, if the appeal so stricken out or voluntarily abandoned was taken by the defendant, the plaintiff may abandon the proceeding within 120 days after the appeal is abandoned or stricken out, provided taking has not occurred.

(e) On abandonment of a condemnation proceeding, the defendant is entitled to recover from the plaintiff the reasonable legal, appraisal, and engineering fees actually incurred by the defendant because of the condemnation proceeding. If the parties agree on the proper amount to be recovered by the defendant on account of these fees, they shall file with the clerk of the court a writing evidencing their agreement. If the parties cannot agree on the proper amount to be recovered by the defendant on account of the fees, the court, on motion of either party, shall determine the proper amount. The clerk shall enter the amount agreed on or determined by the court as a part of the costs.

§12–110.

(a) If the condemnee or his predecessor in title has paid taxes, the condemnee

is entitled to receive from the condemnor, in addition to the damages awarded for the premises taken, an amount of money which bears the same ratio to the entire amount of taxes on the premises taken as the part of the taxable year remaining on the date of taking bears to the entire taxable year.

(b) (1) If taxes have not been paid and all the property covered by an assessment is condemned, the condemnor may deduct from the damages awarded to the condemnee an amount of money which bears the same ratio to the entire amount of the taxes on the condemned property as the part of the taxable year which has expired on the date of taking bears to the entire taxable year.

(2) If the taxes have not been paid and a part of the property covered by an assessment is taken, the condemnor may deduct from the damages awarded to the condemnee an amount of money equal to the taxes due and payable on the portion of the property covered by the assessment which is not taken plus an amount of money which bears the same ratio to the amount of the taxes on the property taken as the part of the taxable year which has expired on the date of taking bears to the entire taxable year.

(c) The amount of the adjustment for taxes under this section shall be as the condemnor and condemnee agree, or if they are unable to agree, the amount shall be determined on petition of either party by a judge of the court in which the condemnation proceeding was filed, or, if no proceeding has been filed, by a judge of a court of law in a county where any part of the land is located.

(d) After taxes have been adjusted as provided in subsection (b) of this section, the condemnor shall pay the entire tax bill on the property taken as well as any property remaining to the condemnee, less any allowable readjustments or abatements, within 30 days from the date the adjustment is made. If the condemnor does not pay the taxes within this time, the condemnee may pay them and recover the amount so paid from the condemnor, together with interest from the date of payment, as a common debt.

(e) In addition to any other meaning of the word in this section, "taxes" also includes all annual benefit charges assessed by the Washington Suburban Sanitary Commission or other special taxing district which are collected as taxes. They shall be apportioned over the entire period of the assessment and paid as set forth above for other taxes.

§12–111.

(a) Civil engineers, land surveyors, real estate appraisers, and their assistants acting on behalf of the State or of any of its instrumentalities or any body politic or corporate having the power of eminent domain after every real and bona fide effort to notify the owner or occupant in writing with respect to the proposed entry may:

(1) Enter on any private land to make surveys, run lines or levels, or obtain information relating to the acquisition or future public use of the property or for any

governmental report, undertaking, or improvement;

(2) Set stakes, markers, monuments, or other suitable landmarks or reference points where necessary; and

(3) Enter on any private land and perform any function necessary to appraise the property.

(b) If any civil engineer, surveyor, real estate appraiser, or any of their assistants is refused permission to enter or remain on any private land for the purposes set out in subsection (a) of this section, the person, the State, its instrumentality, or the body politic or corporate on whose behalf the person is acting may apply to a law court of the county where the property, or any part of it, is located for an order directing that the person be permitted to enter on and remain on the land to the extent necessary to carry out the purposes authorized by this section.

(c) If a civil engineer, surveyor, real estate appraiser, or any of their assistants enters on any private land under the authority of this section or any court order passed pursuant to it, and damages or destroys any land or personal property on it, the owner of the property has a cause of action for damages against the civil engineer, surveyor, real estate appraiser, or assistant and against the State, its instrumentality, or the body politic or corporate on whose behalf the person inflicting the damage was acting.

(d) Any landowner or other person who willfully obliterates, damages, or removes any stake, marker, monument, or other landmark set by any civil engineer, surveyor, or real estate appraiser or any of their assistants acting pursuant to this section, except if the stake, marker, monument, or other landmark interferes with the proper use of the property, is guilty of a misdemeanor and on conviction shall be fined not more than $500.

(e) Any person who has knowledge of an order issued pursuant to subsection (b) and who obstructs any civil engineer, surveyor, real estate appraiser, or any of their assistants acting under the authority of the order may be punished as for contempt of court.

(f) In Anne Arundel County, Montgomery County, or Baltimore City, an agent or employee, or one or more assistants of the jurisdiction, after real and bona fide effort to notify the occupant or the owner, if the land is unoccupied or if the occupant is not the owner, may enter on any private land to make test borings and soil tests and obtain information related to such tests for the purpose of determining the possibility of public use of the property. If an agent, employee, or assistant is refused permission to enter or remain on any private land for the purposes set out in this subsection, Anne Arundel County, Montgomery County, or Baltimore City may apply to a law court of the jurisdiction where the property or any part of it is located for an order directing that its agent, employee, or assistant be permitted to enter and remain on the land to the extent necessary to carry out the purposes authorized by this subsection. The court may require that the applying jurisdiction post a bond in an amount sufficient to reimburse

any person for damages reasonably estimated to be caused by test borings, soil tests, and related activities. If any person enters on any private land under the authority of this section or of any court order passed pursuant to it and damages or destroys any land or personal property on it, the owner of the property has a cause of action for damages against the jurisdiction that authorized the entrance. Any person who knows of an order issued under this subsection and who obstructs any agent, employee, or assistant acting under the authority of the order may be punished for contempt of court.

(g) The State Highway Administration, the Maryland Transit Administration, and the agents, employees, and consultants of the State Highway Administration and the Maryland Transit Administration may enter upon private property to conduct environmental and engineering studies, including soil boring and excavation, necessary to determine the suitability of the property for use by the administration entering the property. Entry onto private property for these purposes shall not be undertaken without prior consent of the property owner. If, after real and bona fide effort, the consent of the property owner cannot be secured, the administration seeking entry may apply to a law or equity court where the property or any part of it is located for an order directing that entry be permitted. "Bona fide effort" shall include either 30 days advance notice in writing by certified mail return receipt requested to the last known address of the property owner or posting notice on the property not less than 30 days in advance, and such other requirements as the court may deem appropriate. The administration entering the property, when removing, displacing, boring, or excavating soil under the provisions of this section, shall replace the topsoil in a manner which will approach the level of compaction and contour as when removed. An administration entering private property under the authority of this subsection shall reimburse the landowner or lessee who is farming the property for agricultural products destroyed or damaged by the administration's agents, employees, or consultants and shall be responsible for any other damages that may be incurred as a result of such entry on private property.

§12–112.

(a) If land is acquired, in whole or in part, by condemnation or by purchase in lieu of condemnation, any person at whose expense any personal property, dead body, grave marker, or monument must be removed as a reasonably necessary consequence of condemnation, or purchase in lieu of condemnation, is entitled to receive from the condemnor or purchaser a pecuniary allowance for the reasonable costs of removing and placing the item or body in another location within a reasonable distance. In order to receive the pecuniary allowance the person shall submit his claim to the condemnor or purchaser within six months after the removal of the personal property, dead body, grave marker, or monument with respect to which he claims pecuniary allowance. The allowance does not include any compensation for loss of profit, goodwill, or for the acquisition of another location.

(b) If personal property is removed from leased premises from which the reversioner could have required its removal on the termination of the lease, the allowance provided for in this section shall be diminished by one fifth for each year by

which five years exceeds the number of full years remaining in the term at the time when the premises were acquired. Any option to renew or extend the lease shall be treated as having been exercised, and the term shall be deemed to include the renewal term or extension. The adjustment provided by this subsection may not be used to reduce the allowance provided for in this section below.

(c) If personal property is removed, the allowance provided for in this section may not exceed its fair market value. Nothing in this subsection requires a condemnor to obtain an expert or detailed appraisal of any personal property before allowing or paying moving costs.

(d) If any personal property, dead body, grave marker, or monument is removed to another location at an unreasonable distance, the allowance provided for in this section is not totally defeated, but no compensation is due for the additional costs resulting from the unreasonable distance of the new location.

(e) No person is entitled to any allowance for the costs of removal and relocation of personal property unless the personal property has been used by him at its original location and is to be used by him at its new location.

(f) The amount of the allowance for the costs of removal and relocation shall be as the condemnor or purchaser and the person entitled agree. If they are unable to agree, the amount shall be determined, on petition of either party filed after removal and relocation have been effected, by the court in which the condemnation proceedings were filed. If no condemnation proceeding has been filed, a law court of the county where any part of the premises is located shall determine the amount, not to exceed the actual moving costs.

(g) No petition may be filed under this section except by the condemnor or purchaser, unless the person entitled to the removal allowance gives written notice to the condemnor or purchaser at least ten days prior to the date of removal, stating the date of intended removal, the identification of the items to be removed, and the place to which they are to be relocated. In addition, he shall give the condemnor or purchaser, on request, a reasonable opportunity to inspect any personal property, grave marker, monument, or burial site that may be involved.

(h) Every petition shall be filed within one year after the removal of the personal property, dead body, grave marker, or monument with respect to which it claims pecuniary allowance.

(i) Nothing in this section may be construed to place a limit on the amount of compensation that a condemnor may allow for moving costs in cases where, under applicable federal law or rule or regulation, compensation may be paid wholly or partly out of federal funds or will be reimbursed wholly or partly to the condemnor out of federal funds.

(j) Notwithstanding any provision of this section, in Baltimore City, where

federal laws and rules and regulations authorize benefits for any displacee from public improvement projects wholly or partially funded by federal funds, a condemnor may do any act necessary to comply with the terms, conditions, and provisions of federal law and rule and regulation in order to obtain the full benefit under them for any condemnor and displacee from the projects in Baltimore City. This subsection applies to existing acts of Congress authorizing benefits for or to displacees from public improvement projects receiving federal funds, subsequent acts of Congress of like character, and any existing or subsequently adopted rules and regulations issued in connection with them.

§12–201.

(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.

(b) "Appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

(c) "Business" means any lawful activity, except a farm operation, conducted primarily:

(1) For the purchase, sale, lease, and rental of personal property and of real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property;

(2) For the sale of services to the public; or

(3) By a nonprofit organization.

(d) "Comparable replacement dwelling" means any dwelling that is:

(1) Decent, safe, and sanitary;

(2) Adequate in size to accommodate the occupants;

(3) Within the financial means of the displaced person;

(4) Functionally equivalent;

(5) In an area not subject to unreasonable adverse environmental conditions;

(6) In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment; and

(7) Currently available on the private market.

(e) (1) "Displaced person" means:

(i) Any person who moves from real property, or moves his personal property from real property:

1. As a direct result of a written notice of intent to acquire or the acquisition of such real property in whole or in part by a displacing agency; or

2. On which that person is a residential tenant or conducts a small business, a farm operation, or a nonprofit organization, in any case in which the head of the displacing agency determines that displacement is permanent, as a direct result of rehabilitation, demolition, or other displacing activity as the lead agency may prescribe, undertaken by a displacing agency; and

(ii) Solely for the purposes of §§ 12–205(a) and (b) and 12–206 of this subtitle, any person who moves from real property, or moves his personal property from real property:

1. As a direct result of a written notice of intent to acquire or the acquisition of other real property, in whole or in part, on which such person conducts a business or farm operation, by a displacing agency; or

2. As a direct result of rehabilitation, demolition, or other displacing activity as the lead agency may prescribe, of other real property on which such person conducts a business or a farm operation in any case in which the head of the displacing agency determines that displacement is permanent, by a displacing agency.

(2) "Displaced person" does not include:

(i) Except to the extent that this exclusion conflicts with federal financial participation requirements, any person who, on the open market, without threat of condemnation, sells his real property to a displacing agency;

(ii) Unlawful occupants, or anyone occupying such dwelling for the purpose of obtaining assistance under this subtitle; or

(iii) A person who leases from the displacing agency after the displacing agency takes title to the real property, or any person other than a person who was an occupant of such property at the time it was acquired who occupies the property on a rental basis for a short term or period subject to termination when the property is needed for the program or project.

(f) "Displacing agency" means any public or private agency or person carrying out:

(1) A program or project with federal financial assistance;

(2) A public works program or project with State financial assistance; or

(3) Acquisition by eminent domain or by negotiation.

(g) "Farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber for sale or home use, and customarily producing these products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(h) "Federal financial assistance" means a grant, loan, or contribution provided by the United States to the State or any of its political subdivisions, agencies, or any person, except any federal guarantee or insurance, or any interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual, or any federal income tax credit or incentive, or any other tax advantage or interest rate advantage in connection with the issuance of bonds, the income on which is exempt from federal income tax.

(i) "Lead agency" means the United States Department of Transportation.

(j) "Mortgage" means the class of liens commonly given to secure advances on, or the unpaid purchase price of real property together with any credit instrument secured by the real property.

(k) "Person" means an individual, receiver, trustee, guardian, executor, administrator, fiduciary, or representative of any kind, or any partnership, firm, or association, public or private corporation, a nonprofit organization, or any other entity not defined as a public agency.

(l) "Private agency" means any public or private utility company, railroad, person, or other organization having the right to acquire real property for a public purpose with federal financial assistance or through the use of eminent domain or by negotiation.

(m) "Public agency" means the State, a political subdivision, or any of their agencies, boards, or commissions having the right to acquire real property for public purposes with federal financial assistance or through the use of eminent domain or by negotiation. The term does not include a public agency if acquiring real property for Program Open Space or any political subdivision, other than Baltimore City, Baltimore, Anne Arundel, and Montgomery counties, the Board of Education of Montgomery County, the Board of Trustees of Montgomery College or any board or agency of any of them, or any agency, board, or commission of the subdivision when acquiring real property for a public purpose for which relocation assistance is not required by federal law.

(n) "Uneconomic remnant" means a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and which

the displacing agency concerned has determined has little or no value or utility to the owner.

§12–202.

(a) (1) In addition to payment otherwise authorized, a displacing agency shall make an additional payment not in excess of $45,000 to any displaced person who is displaced from a dwelling actually owned and occupied by the displaced person for not less than 180 days prior to the initiation of negotiations for the acquisition of the real property.

(2) (i) The displacing agency may exceed the monetary limit stated in paragraph (1) of this subsection on a case–by–case basis if it determines that comparable housing cannot otherwise be made available within the limit; or

(ii) The displacing agency may use any other measures necessary to remedy the unavailability of comparable housing.

(b) The additional payments shall include the following elements:

(1) Any amount which when added to the acquisition cost of the dwelling acquired by the displacing agency, equals the reasonable cost of a comparable replacement dwelling as defined in § 12–201(d) of this subtitle.

(2) Any amount which will compensate the displaced person for any increased interest costs and other debt service costs which the person is required to pay for financing the acquisition of any comparable replacement dwelling. The amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage which was a valid lien on the dwelling for not less than 180 days prior to the initiation of negotiations for the acquisition of the dwelling. The method of calculation shall be determined by the lead agency.

(3) Reasonable expenses incurred by the displaced person for evidence of title, recording fees, and other closing costs incident to the purchase of the replacement dwelling, but not including prepaid expenses.

§12–203.

Subject to the provisions of § 8-309(h)(2) of the Transportation Article, the additional payment authorized by § 12-202 of this subtitle shall be made only to a displaced person who purchases and occupies a replacement dwelling which is decent, safe, and sanitary, not later than the end of the one-year period beginning on:

(1) The date on which he receives from the displacing agency final payment of all costs of the acquired dwelling; or

(2) The date on which the displacing agency's obligation under § 12-206(b)(3) of this subtitle is met, whichever is later, except that the displacing

agency may extend such period for good cause. If such period is extended, the payment under this section shall be based on the costs of relocating the person to a comparable replacement dwelling within 1 year of such date.

§12–204.

(a) In addition to amounts otherwise authorized by this title and Title 8 of the Transportation Article, the displacing agency shall make a payment to or for any displaced person displaced from any dwelling and not eligible to receive a payment under § 12–202 of this subtitle, if the dwelling actually and lawfully was occupied by the displaced person for not less than 90 days before the initiation of negotiations for acquisition of the dwelling or in any case in which displacement is not a direct result of acquisition, such other activity as the lead agency shall prescribe.

(b) (1) (i) The payment shall be the amount necessary to enable the person to lease or rent for a period not to exceed 42 months, a comparable replacement dwelling, but not to exceed $10,500.

(ii) At the discretion of the displacing agency, a payment under this subsection may be made in periodic installments.

(iii) Computation of a payment under this subsection to a low income displaced person for a comparable replacement dwelling shall take into account such person's income.

(2) (i) If the displacing agency determines that comparable housing cannot otherwise be made available within this limit, the monetary limit stated in paragraph (1) of this subsection may be exceeded on a case–by–case basis.

(ii) The displacing agency may use any other measures necessary to remedy unavailability of comparable housing as prescribed by the lead agency.

(c) (1) Any person eligible for a payment under subsection (a) of this section may elect to apply the payment to a down payment on, and other incidental expenses applicable to, the purchase of a decent, safe, and sanitary replacement dwelling.

(2) At the discretion of the displacing agency, that person may be eligible under this subsection for the maximum payment allowed under subsection (a) of this section, except that, in the case of a displaced homeowner who has owned and occupied the displacement dwelling for at least 90 days but not more than 180 days immediately before the initiation of negotiations for the acquisition of the dwelling, the payment may not exceed the payment the person would otherwise have received under § 12–202 of this subtitle had the person owned and occupied the displacement dwelling 180 days immediately before the initiation of the negotiations.

§12–205.

(a) Whenever a program or project undertaken by a displacing agency will result

in the displacement of any person, the displacing agency shall make a payment to the displaced person, on proper application as approved by the displacing agency for:

(1) Actual reasonable expenses in moving himself, his family, business, farm operation, or other personal property;

(2) Actual direct loss of tangible personal property as a result of moving or discontinuing a business or farm operation, but not exceeding an amount equal to the reasonable expenses that would have been required to relocate the personal property, as determined by the agency;

(3) Actual reasonable expenses in searching for a replacement business or farm; and

(4) Actual reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site as determined by the displacing agency, but not to exceed $60,000.

(b) Any displaced person eligible for payments under subsection (a) of this section, who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section, may receive a moving expense allowance, determined according to a schedule established by the lead agency.

(c) (1) Any displaced person eligible for payments under subsection (a) of this section who is displaced from the person's place of business or farm operation and who is eligible under criteria established by the lead agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a) of this section.

(2) Such payment shall consist of a fixed payment in an amount to be determined according to criteria established by the lead agency, except that such payment may not be less than $1,000 nor more than $60,000 or the amount provided under the federal Uniform Relocation Assistance Act, whichever is greater.

(3) A person whose sole business at the displacement dwelling is the rental of such property to others shall not qualify for a payment under this subsection.

§12–205.1.

In any proceeding for the acquisition of private property for public use by condemnation in which land or any part of it is being used for a business or farm operation, a representative of the displacing agency shall contact the owner of the business or farm operation not less than 30 days before the filing of the action and negotiate in good faith regarding a plan under which the business or farm operation may be relocated.

§12–206.

(a) Whenever a program or project undertaken by a displacing agency or person will result in the displacement of any person, the displacing agency shall provide a relocation assistance advisory program for displaced persons which shall offer the services described in subsection (b) of this section. If the displacing agency determines that any person occupying property immediately adjacent to the real property acquired is caused substantial economic injury because of the acquisition, it may offer that person relocation advisory services under the program.

(b) Each relocation assistance advisory program required by subsection (a) of this section includes those measures, facilities, or services necessary or appropriate in order to:

(1) Determine any need of displaced persons for relocation assistance;

(2) Provide current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of suitable commercial properties and locations for displaced businesses and farm operations;

(3) Assure that a person may not be required to move from a dwelling unless the person has had a reasonable opportunity to relocate to a comparable replacement dwelling as defined in § 12-201(d) of this subtitle except in the case of:

(i) A national emergency declared by the President of the United States;

(ii) A major disaster declared by the Governor; or

(iii) Any other emergency which requires permanent displacement from a dwelling because of substantial danger to the health or safety of a person;

(4) Assist a person displaced from a business or farm operation in obtaining and becoming established in a suitable replacement location;

(5) Supply information concerning federal and State housing programs, disaster loan programs, and other federal or State programs offering assistance to displaced persons; and

(6) Provide other advisory services to displaced persons in order to minimize hardships on them in adjusting to relocation.

(c) Programs or projects undertaken with State and federal financial assistance under this subtitle shall be planned in a manner that:

(1) Recognizes, at an early stage in the planning of such programs or projects and before the commencement of any actions which will cause displacements,

the problems associated with the displacement of individuals, families, businesses, and farm operations; and

(2) Provides for the resolution of such problems in order to minimize adverse impacts on displaced persons and to expedite program or project advancement and completion.

(d) The head of the displacing agency shall coordinate the relocation activities performed by that agency with other federal, State, or local governmental actions in the community which could affect the efficient and effective delivery of relocation assistance and related services.

§12–207.

(a) If a displacing agency acquires real property, it shall be guided to the greatest extent feasible by the policies set forth in this section.

(b) The displacing agency shall make every reasonable effort to acquire expeditiously real property by negotiation.

(c) (1) Real property shall be appraised before the initiation of negotiations, and the owner or his designated representative shall be given an opportunity to accompany the appraiser during his inspection of the property.

(2) However, the lead agency may prescribe a procedure to waive the appraisal in cases involving the acquisition by sale or donation of property with a low fair market value.

(d) (1) Before the initiation of negotiations for real property, the displacing agency concerned shall establish an amount which it believes to be just compensation and shall make a prompt offer to acquire the real property for the full amount so established.

(2) This amount may not be less than the displacing agency's approved appraisal of the fair market value of the real property.

(3) The displacing agency concerned shall provide the owner of the real property to be acquired with a written statement of, and summary of the basis for, the amount it established as just compensation.

(4) If appropriate, the just compensation for the real property acquired and for damages to remaining real property shall be stated separately.

(e) No owner may be required to surrender possession of real property before the displacing agency concerned pays the agreed purchase price, or deposits with the court in accordance with applicable law, for the benefit of the owner, an amount not less than the displacing agency's approved appraisal of the fair market value of the real property, or the amount of the award of compensation in the condemnation proceeding

for the real property.

(f) (1) The construction or development of a public improvement shall be so scheduled that, to the greatest extent feasible, no person lawfully occupying real property is required to move from a dwelling, assuming a replacement dwelling as required by §§ 12-202 through 12-204 of this subtitle will be available, or to move his business or farm operation, without at least 90 days' written notice from the displacing agency concerned.

(2) Except under conditions described in § 12-206(b)(3)(i), (ii), and (iii) of this subtitle, the date by which the move is required may be given in a separate notice.

(g) If the displacing agency permits an owner or tenant to occupy the real property acquired on a rental basis for a short term or for a period subject to termination by the displacing agency on short notice, the amount of rent required may not exceed the fair rental value of the real property to a short-term occupier.

(h) The displacing agency may not advance the time of condemnation, defer negotiations or condemnation and the deposit of funds in court for the use of the owner, or take any other action coercive in nature, in order to compel an agreement on the price to be paid for the real property.

(i) If any interest in real property is to be acquired by exercise of the power of eminent domain, the displacing agency concerned shall institute a formal condemnation proceeding. No displacing agency or person intentionally may make it necessary for an owner to institute a legal proceeding to prove the fact of the taking of his real property.

(j) If the acquisition of only part of the real property would leave its owner with an uneconomic remnant, the displacing agency concerned shall offer to acquire the entire real property.

(k) After the person has been fully informed of his right to receive just compensation for that property, a person whose real property is being acquired in accordance with this subtitle may donate the property, any part thereof, any interest therein, or any compensation paid therefor to a State agency, as that person shall determine.

§12–208.

(a) Notwithstanding any other provision of law, if a displacing agency acquires any interest in real property, the displacing agency shall acquire at least an equal interest in all buildings, structures, or other improvements, located on the real property acquired which it requires to be removed from the real property or which it determines will be adversely affected by the use to which the real property will be put.

(b) (1) For the purpose of determining just compensation to be paid for any building, structure, or other improvement required to be acquired by subsection (a) of

this section, the building, structure, or other improvement shall be deemed a part of the real property to be acquired notwithstanding the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove the building, structure, or improvement at the expiration of his term, and the fair market value which the building, structure, or improvement contributes to the fair market value of the real property to be acquired, or the fair market value of the building, structure, or improvement for removal from the real property, whichever is the greater, shall be paid to the tenant.

(2) Payment under this subsection may not result in duplication of any payments otherwise authorized by law. No payment may be made unless the owner of the real property involved disclaims all interest in the improvements of the tenant. In consideration for any payment, the tenant shall assign, transfer, and release to the displacing agency all his right, title, and interest in and to the improvements. Nothing in this subsection may be construed to deprive the tenant of any rights to reject payment under this subsection and to obtain payment for the property interests in accordance with applicable law, other than this subsection.

§12–209.

As soon as feasible, after the date of payment of the purchase price or the date of deposit in court of funds to satisfy the award of compensation in a condemnation proceeding to acquire land, whichever is earlier, the displacing agency shall reimburse the owner to the extent the displacing agency deems fair and reasonable, for expenses he necessarily incurred for:

(1) Recording fees, transfer taxes, and similar expenses incidental to granting the real property to the displacing agency, as provided in § 12-106(b)(4) of this title;

(2) Penalty costs for prepayment of any preexisting recorded mortgage entered into in good faith encumbering the real property; and

(3) The pro rata portion of real property taxes allocable to a period subsequent to the date of vesting title in the displacing agency, or the effective date of possession of the real property by the displacing agency, whichever is earlier, in accordance with the provisions of § 12-110 of this title.

§12–210.

(a) In order to promote uniform and effective administration of relocation assistance and real property acquisition, the displacing agencies, where applicable, shall consult one another and the lead agency on the establishment of rules and regulations and procedures for the implementation of these programs.

(b) Notwithstanding the provisions and limitations of this subtitle:

(1) Except as otherwise determined by the lead agency, any person

receiving federal financial assistance may elect not to comply with §§ 12-207, 12-208, and 12-209 of this subtitle;

(2) When not receiving State or federal financial assistance, a displacing agency may elect not to comply with §§ 12-207, 12-208, and 12-209 of this subtitle; or

(3) When not receiving State or federal financial assistance, a displacing agency having the authority to acquire property by eminent domain or to displace persons permanently under State law may elect not to comply with §§ 12-202, 12-203, 12-204, 12-205, and 12-206 of this subtitle.

(c) Each displacing agency may establish rules and regulations and procedures as it determines to be necessary to assure:

(1) That the payments and assistance authorized by this subtitle are administered in a manner which is fair and reasonable, and as uniformly as feasible;

(2) That a displaced person who makes proper application for a payment, authorized for the person by this subtitle, is paid promptly after a move or, in hardship cases, is paid in advance; and

(3) That any person aggrieved by a determination as to eligibility for a payment, authorized by this subtitle, or the amount of a payment, may have his application reviewed by the displacing agency having authority over the applicable program or project.

(d) Each displacing agency, where applicable, may adopt rules, regulations, and procedures, consistent with the provisions of this subtitle and the federal "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970", Public Law 91-646, the amendments of 1987 Public Law 100-17, and rules and regulations issued in accordance with it, as it deems necessary or appropriate to carry out the provisions of this subtitle and the federal act.

(e) All rules and regulations adopted in accordance with this subtitle, except those adopted in accordance with § 12-205 of this subtitle, shall comply with the State Administrative Procedure Act. This subsection does not apply to rules and regulations adopted by Baltimore City, or any of its agencies or departments.

(f) (1) Notwithstanding any provision of this title, Baltimore City, or any of its agencies or departments responsible either in whole or in part for the administration of any public project, funded either in whole or in part by federal funds, including urban renewal programs and area code enforcement programs, may do any act necessary, including adoption of rules and regulations, to comply with the terms, conditions, and provisions of any federal law and rule and regulation authorizing benefits, payments, and compensation for displacees from these public projects and for persons owning any right, title to, or interest in real property acquired for these public projects in order to obtain the full benefit under them for the city and for persons and displacees from these projects in Baltimore City.

(2) This subsection applies to existing acts of Congress authorizing benefits, payments and compensation for or to persons and displacees from public improvement projects receiving federal funds, subsequent acts of Congress of like character, and any existing or subsequently adopted rules and regulations issued in connection with them.

§12–211.

Except for any federal or State law providing low income housing assistance, a payment received under this subtitle may not be considered as income for the purposes of Title 10 of the Tax - General Article or for the purposes of determining the eligibility or extent of eligibility of any person for assistance under any other State law.

§12–212.

This subtitle may not be construed as creating in any condemnation proceeding brought under the power of eminent domain, any element of value or of damage not in existence prior to January 2, 1971.

§13–101.

(a) In this title the following words have the meanings indicated unless otherwise apparent from context.

(b) "Abandoned land" means land that has boundaries that are located within or contiguous to land owned and managed by the Department of Natural Resources:

(1) For which no property tax payment has been made within 20 years immediately preceding the date of an application for a certificate of reservation for public use by a unit of State government; and

(2) Which has not been actually possessed by a person, under claim of title or otherwise, for a continuous period of 20 years immediately preceding the date of an application for a certificate of reservation for public use by a unit of State government.

(c) "Certificate of reservation" means a certificate issued by the Commissioner at the request of a governmental body upon a determination that vacant land or abandoned land exists and the governmental body wishes to reserve the land for public use.

(d) "Commission" means the Hall of Records Commission.

(e) "Commissioner" means the State Archivist who, while performing the duties and exercising the powers provided in this title, is known as the "Commissioner of Land Patents".

(f) "Expense" includes any charge, cost, deposit, fee, or tax incurred in connection with a land patent proceeding.

(g) "Governmental body" includes any unit of State government, any county or municipal corporation, or any agency or instrumentality of any county or municipal corporation.

(h) (1) "Land" means any area of land in the State, including any two or more areas of land with a common boundary for at least part of their perimeters.

(2) "Land" includes vacant land and abandoned land.

(3) "Land" does not include any area covered by navigable water unless it was included in a patent issued before March 3, 1862.

(i) "Mail" means to deposit in the United States mails, postage prepaid, endorsed "Restricted Delivery — Return Receipt Requested".

(j) "Patent" means:

(1) Any grant confirmed by Article 5 of the Declaration of Rights of the Maryland Constitution;

(2) Any valid grant made under prior law by the State of its interests in any vacant, resurveyed, escheat, or confiscated land; or

(3) Any grant made under this title by the State of its interest in any land.

(k) "Public use" means use by or for the benefit of the public.

(l) "Survey", whether used as a noun or as a verb in any form or tense, means:

(1) The act of surveying any vacant land in order to obtain a patent for the land; or

(2) The act of resurveying any land for which a patent previously was issued in order to obtain a new patent for the land.

(m) "Surveyor" means any professional land surveyor or property line surveyor licensed under the Maryland Professional Land Surveyors Act.

(n) "Vacant land" means land for which a patent never has been issued or for which the applicant believes that a patent never has been issued.

(o) "Verify" means to state in writing, under penalties of perjury, that the matters and facts set forth in the document to which the statement relates are true and complete to the best of the knowledge, information, and belief of the person making the statement.

§13–102.

(a) The purposes of land patent proceedings are to:

(1) Avoid uncertainties caused by the existence of vacant land, by promptly ruling on the claim of a patent applicant;

(2) Give governmental bodies priority in reserving vacant land for public use; and

(3) In the absence of public need, benefit the community by expanding the tax base as previously untaxed, vacant land is recognized and made to contribute its rightful share towards financing government.

(b) It is the intention of the General Assembly, therefore, that the State's land patent proceedings provide a simple, convenient, and prompt method for reserving vacant land for the public use of governmental bodies, for promoting private ownership of vacant land and, in certain instances, for clarifying the ownership of land previously patented.

§13–103.

All proceedings for the issuance of a patent shall be conducted in accordance with this title.

§13–104.

In the manner and to the extent provided in this title, any person may:

(1) Obtain a patent for vacant land; and

(2) Obtain a patent for land that was previously patented and is owned in fee simple by the person, notwithstanding the existence of any mortgage, deed of trust, easement, right-of-way, or similar interest.

§13–105.

Any willful and false verification, oath, or affirmation made in any hearing before the Commissioner or in any application, certification, or other document filed in a patent proceeding is subject to the penalties of perjury.

§13–106.

(a) (1) A governmental body may reserve vacant land or abandoned land by obtaining from the Commissioner a certificate of reservation for public use.

(2) Except as otherwise provided, the provisions of this title applicable to the granting of land patents are applicable to the granting of certificates of reservation.

(b) (1) In order to reserve vacant land or abandoned land for public use, a unit of State government must notify and obtain the approval of the Board of Public Works.

(2) If the Board approves the request, the unit shall immediately apply for

a certificate of reservation.

(c) (1) (i) The application of a governmental body for a certificate of reservation takes precedence over an application of a person for a patent to all or part of the same land.

(ii) The application of a unit of State government takes precedence over the application of any other governmental body.

(2) As a condition of granting a certificate of reservation, the Commissioner may order a governmental body to pay the reasonable expenses of a person whose application for a patent has been superseded.

(d) If no objection to an application for a reservation of land is filed and the Commissioner determines that a vacancy exists, the Commissioner may decide the matter without holding a hearing.

(e) (1) A certificate of reservation remains in effect:

(i) Until the Board of Public Works or, in the case of a governmental body other than a unit of State government, the appropriate local authority determines that the land is no longer needed for public use by the governmental body and notifies the Commissioner of this determination; or

(ii) With respect to abandoned land, until a unit of State government or a court of competent jurisdiction determines that a person who has claimed legal title to the land has established legal title to the land.

(2) (i) Upon application by another governmental body, the Commissioner may transfer the certificate to that body with the approval of the Board of Public Works or the appropriate local authority, as the case may be.

(ii) In the absence of such a transfer, the Commissioner may issue a patent for the land in accordance with the applicable procedures of this title.

§13–107.

(a) In this section, "claimant" means a person who claims legal title to abandoned land for which a certificate of reservation for public use has been issued.

(b) If abandoned land was patented prior to the issuance of a certificate of reservation for public use by a unit of State government, a claimant may file a written claim for legal title to the land with the unit of State government that reserved the land for public use.

(c) If the unit of State government that reserved the land for public use determines that the claimant has legal title to the land, the unit of State government shall:

(1) Pay the claimant fair market value for the land, as determined by the lower of two independent appraisals of the land; or

(2) Notify the Commissioner that the land is no longer needed for public use.

(d) Any action taken by a unit of State government under subsection (c) of this section is subject to approval by the Board of Public Works.

(e) (1) If a unit of State government that reserved land for public use determines that a claimant does not have legal title to the land, the unit of State government shall issue a written denial of the claimant's claim.

(2) A claimant who is aggrieved by the denial of a claim under this section may file an action in the circuit court of the jurisdiction in which the land is located to quiet title to the land.

(f) A claim under this section is barred unless the claimant files the claim within 20 years after the date that the unit of State government obtains a certificate of reservation for public use of the land.

§13–201.

(a) The Commissioner of Land Patents shall administer this title and, in the manner provided in it, issue all patents.

(b) The Commissioner may appoint any person to assist in the performance of the duties imposed by this title.

§13–202.

In administering this title:

(1) The Commissioner shall:

(i) Determine whether a patent may be issued under this title; and

(ii) Adopt a seal for land patent proceedings; and

(2) The Commissioner may:

(i) Administer oaths and affirmations in land patent proceedings; and

(ii) Do anything else necessary to carry out the provisions of this title.

§13–203.

(a) After consultation with the Commission and a committee of three clerks, the

Commissioner shall adopt regulations to carry out the provisions of this title.

(b) (1) The committee of clerks shall be selected by the State of Maryland Court Clerks Association. They shall serve until their successors are selected.

(2) The clerks may not receive any additional compensation for serving on the committee, but shall be entitled to reimbursement for their expenses from the fees of their office, in accordance with the regulations governing reimbursement of expenses incurred for attendance at meetings of appointed committees of the Association.

§13–204.

(a) (1) The Commissioner has custody of and shall maintain all records relating to the application for and issuance of patents. For this purpose, the Commissioner may require the clerk of any court to produce, at the expense of the Commissioner, true copies of any land records maintained by that clerk.

(2) On request of any person, the Commissioner shall certify a copy of any land patent record he maintains.

(3) The Commissioner shall provide for the preservation, indexing, filming, and publication of the patent records in his custody.

(b) The Commissioner shall maintain a patent docket and a separate index for that docket.

(c) In accordance with § 13-203 of this subtitle, the Commissioner shall adopt regulations to govern the use, preservation, repair, and maintenance of the patent records and patent docket.

§13–205.

In accordance with the procedures of § 13-203 of this subtitle for adopting regulations, the Commissioner shall adopt a schedule of costs to be charged by the Commissioner.

§13–206.

(a) The Commissioner annually shall complete and mail to the supervisors of assessments a list of any certificates that have become ready for patent.

(b) Except as otherwise provided in subsection (c) of this section, the list shall contain:

(1) The description or name of the land;

(2) The quantity of land; and

(3) The person who is entitled to patent.

(c) If the list contains certificates adding vacant land to any original tract, in addition to the information required under subsection (b) of this section, the list shall contain:

(1) The description or name of the original tract; and

(2) The quantity of vacancy added.

§13–301.

A proceeding to obtain a patent is commenced by filing with the Commissioner an application for:

(1) A warrant to survey any vacant land; or

(2) A warrant to resurvey any land owned in fee simple by the applicant, which warrant may include any vacant land adjoining land owned in fee simple by the applicant.

§13–302.

(a) The application shall be in writing and contain:

(1) The name and address of the applicant;

(2) The name and address of each person, other than the applicant, who would obtain a direct or indirect title interest in the land for which the patent is sought if the patent were issued to the applicant;

(3) Each county and election district in which any portion of the land for which the patent is sought is located;

(4) As to the land for which the patent is sought, a description of any vacant land, which description need not be referenced by metes and bounds, and a separate description of any land owned by the applicant, each of which descriptions:

(i) Shall include the estimated area covered by it; and

(ii) Shall be made by specific reference to the names and addresses of the owners of each adjoining tract or parcel of land;

(5) If a warrant to resurvey is requested, an officially certified copy of the instrument by which the applicant acquired fee-simple title and, if the instrument does not contain a metes-and-bounds description of the land, an officially certified copy of the last instrument in the chain of title of the applicant which contains that description;

(6) As to the land described in the application, the name and address of:

(i) Each person or governmental body that, to the best of the

knowledge, information, and belief of all persons signing the application, possesses any portion of the land under claim of title;

(ii) Each person who, to the best of the knowledge, information, and belief of all persons signing the application, possesses any portion of the land under claim of ownership in a manner that, either directly or by tacking, is actual, open, notorious, exclusive, and continuous and uninterrupted for the 20 years immediately preceding the date of filing the application; and

(iii) The State or any agency of the State that, to the best of the knowledge, information, and belief of all persons signing the application, uses any portion of the land for public purposes or claims that any portion of the land is required for public purposes;

(7) A statement that, except for those named under item (6) of this subsection, to the best of the knowledge, information, and belief of all persons signing the application:

(i) No person or governmental body possesses any portion of the land under claim of title;

(ii) No person possesses any portion of the land under claim of ownership in a manner that, either directly or by tacking, is actual, open, notorious, exclusive, and continuous and uninterrupted for the 20 years immediately preceding the date of filing the application; and

(iii) Neither the State nor any agency of the State uses any portion of the land for public purposes or claims that any portion of the land is required for public purposes;

(8) The name and address of the surveyor to whom the warrant is to be directed, together with a description of any family, business, or financial relationship between the surveyor and all persons signing the application;

(9) Any name to be given the land to be surveyed;

(10) Any other information the Commissioner requires under a rule or regulation adopted under § 13-203 of this title; and

(11) A request for the issuance of a warrant to survey or a warrant to resurvey and the subsequent issuance of a patent for the land described in the application.

(b) The application shall be signed and verified by the applicant and by each person required to be named under subsection (a)(2) of this section.

§13–303.

(a) (1) At any stage of a proceeding under this title, if an applicant dies or assigns his rights in the application, warrant, certificate of survey, or land described in the application, the assignee, personal representative, heir, or legatee of the applicant may request that he be substituted for the applicant.

(2) On filing a request for substitution in the proper form, the person making the request shall be substituted as the applicant for all purposes in the proceeding.

(b) A request for substitution shall be in writing and contain:

(1) The name and address of the person requesting substitution;

(2) The name and address of each person, other than the person requesting substitution and those persons named in the original application, who would obtain a direct or indirect title interest in the land for which the patent is sought if the patent were issued to the person requesting substitution;

(3) A statement of the manner by which the person requesting substitution succeeded to the rights of the original applicant;

(4) The original or an officially certified copy of each document by which the succession of interest was effected;

(5) A description of all changes in and required corrections of any of the statements and facts contained in the original application;

(6) A statement that, except as described under item (5) of this subsection, the statements and facts contained in the original application are accurate and complete to the best of the knowledge, information, and belief of all persons signing the request; and

(7) Any other information the Commissioner requires under a rule or regulation adopted under § 13-203 of this title.

(c) The request for substitution shall be signed and verified by the person requesting substitution and by each person required to be named under subsection (b)(2) of this section.

§13–304.

Except as provided in §§ 13-302(b), 13-303(c), and 13-412(d) of this title, any papers filed in a proceeding by an applicant may be filed by an attorney for the applicant. Notice to an applicant may be given to the attorney who appears on behalf of the applicant.

§13–305.

(a) After receipt of an application in the proper form and payment of all costs required by law, the Commissioner shall enter the application on the patent docket. Each application shall be docketed in the order received by the Commissioner.

(b) After an application is docketed, a warrant to survey or warrant to resurvey any of the land described in the application may not be issued on a subsequent application, unless:

(1) The first application is withdrawn; or

(2) The proceeding on the first application is terminated or abandoned as provided in this title.

§13–306.

(a) After the application is docketed, the Commissioner promptly shall issue his warrant and mail it to the surveyor named in the application. On return through the post office of the return receipt, the Commissioner shall notify the applicant of the date the surveyor received the warrant.

(b) (1) In lieu of a survey conducted under a warrant issued by the Commissioner, the applicant may submit with an application a previously performed survey.

(2) The Commissioner may accept the previously performed survey upon finding that the surveyor was a qualified professional land surveyor or property line surveyor, that the survey was conducted in accordance with standards prescribed by the Commissioner, and that adjoining landowners of record were given written notice of the survey.

(3) In determining whether to accept a previously performed survey, the Commissioner may conduct a hearing.

(4) Acceptance of a previously performed survey does not preclude an objector from raising any objection that might otherwise have been raised had the survey been performed pursuant to a warrant issued by the Commissioner.

(c) With respect to an application for a certificate of reservation for public use of abandoned land, instead of a survey conducted under a warrant issued by the Commissioner, the applicant may submit a legal description of the land, provided that the legal description of the land is shown on a plat on file in the county land records.

§13–307.

(a) The warrant shall recite:

(1) The name and address of the applicant;

(2) The date when the application was docketed;

(3) The nature of the request made in the application; and

(4) A description of the land to be surveyed, as described in the application.

(b) The warrant shall direct the surveyor to:

(1) Within 30 days of receipt of the warrant, acknowledge its receipt in writing to the Commissioner;

(2) Specify in the acknowledgement a date, time, and place for making the survey, which date may be no earlier than 10 days and no later than six months after the last publication of notice required by § 13-308 of this subtitle;

(3) Lay out and survey the land as specified in the acknowledgement;

(4) Prepare an accurate plat and metes-and-bounds description of the land to be surveyed;

(5) In a resurvey that discloses an error in any previous survey, correct the error;

(6) Compute the area of any land included within the description and plat; and

(7) Within six months from the date the notice of warrant was last published, return his certificate of survey on these matters, together with all duplicates required by § 13-310(a)(1) of this subtitle, to the Commissioner.

(c) The Commissioner shall sign the warrant and affix the seal for land patent proceedings to it.

§13–308.

(a) (1) On receipt of the surveyor's acknowledgement of the warrant, the Commissioner shall mail a notice of the issuance of the warrant to:

(i) The applicant;

(ii) Each adjoining landowner named in the application under § 13-302(a)(4) of this subtitle;

(iii) Each person, governmental body, or agency named in the application under § 13-302(a)(6) of this subtitle as having a claim to any portion of the land described in the application;

(iv) The Division of State Documents; and

(v) The Board of Public Works.

(2) The notice shall include:

(i) The information required by § 13-302(a)(4) of this subtitle; and

(ii) The date, time, and place for making the survey, as specified by the surveyor under § 13-307(b)(2) of this subtitle.

(b) Immediately on receipt of the notice, the Administrator of the Division of State Documents shall publish the notice in the next available two consecutive issues of the Maryland Register. The Commissioner shall place in the file of the applicant copies of the notice published in the Maryland Register and the dates of publication.

(c) (1) Immediately on receipt of the notice, the applicant shall:

(i) Have the notice published at least once a week for three successive weeks in a newspaper of general circulation in each county in which any portion of the land described in the warrant is located; and

(ii) Request the sheriff of each county in which any portion of the land described in the warrant is located to post the information contained in the notice conspicuously on the land.

(2) The sheriff of each county promptly shall comply with a request made under this subsection.

(3) The applicant promptly shall file with the Commissioner a certificate of publication and a certificate of the sheriff evidencing the date of posting.

§13–309.

(a) (1) If the surveyor to whom a warrant is directed is unable or unwilling to perform the duties set out in the warrant, the applicant may request the Commissioner in writing for issuance of a substitute warrant to another surveyor chosen by the applicant. The request shall set forth in detail the reasons for requesting the substitute warrant.

(2) On receipt of the request, the Commissioner may issue a substitute warrant to the successor surveyor. If notice of the original warrant was published under § 13-308 of this subtitle, further publication is not required.

(3) The issuance of a substitute warrant does not extend the time for filing the certificate of survey. However, a request for extension may be filed under subsection (b) of this section.

(b) (1) If the surveyor to whom an original or substitute warrant is directed is able and willing to perform the duties set out in the warrant but is unable to return his certificate in the time otherwise required by this subtitle, the applicant or the surveyor may request the Commissioner in writing for an extension of that time. The request shall set forth in detail the reasons for requesting the extension.

(2) On receipt of the request, the Commissioner:

(i) May extend the time for the return of the certificate; and

(ii) Shall advise the applicant, the surveyor, and each objector in writing of his decision and the period of any extension granted.

§13–310.

(a) After the surveyor has completed the survey, the surveyor shall:

(1) Prepare a certificate of survey and one additional duplicate certificate for each county in which any vacant land embraced within the survey is located; and

(2) Return the certificate and all of these duplicates to the Commissioner in the time required by this subtitle.

(b) The certificate of survey shall contain, as to all the land embraced within the survey:

(1) A plat that meets the requirements of § 3-108(c) of this article and any rules or regulations adopted under this title;

(2) A description of any vacant land and a separate description of any land owned by the applicant, each of which descriptions:

(i) Shall include the area covered by it; and

(ii) Shall be referenced to adjoining tracts in the manner generally accepted in the profession of land surveying;

(3) A statement of the character and condition of any improvements on the land, or a statement that no improvements exist; and

(4) A certification by the surveyor that the surveyor:

(i) Actually has run and measured on the land the distance of each boundary; and

(ii) Has complied with all the requirements of this subsection.

(c) The certificate and all duplicates shall be signed and verified by the surveyor.

(d) If the surveyor fails to return the certificate and all duplicates in the time required by this subtitle, the Commissioner shall dismiss the application and enter an order of termination in the proceeding.

§13–311.

(a) The Commissioner shall examine the certificate of survey, each duplicate certificate, and the plat returned by the surveyor. If any certificate, duplicate, or plat is found to be incorrect or incomplete, the Commissioner promptly shall return it to the surveyor for immediate completion or appropriate amendment.

(b) If the certificate, duplicates, and plat appear to comply with the requirements of § 13-310 of this subtitle, the Commissioner shall:

(1) File the certificate and plat in the proceeding; and

(2) Promptly mail a notice of the return of the certificate of survey to:

(i) Each party to the proceeding; and

(ii) Each other person, including any potential objector, who has requested the Commissioner in writing for this notice.

§13–312.

All expenses of the surveyor shall be paid directly to the surveyor by the applicant and are not part of the costs or expenses of the proceeding before the Commissioner.

§13–313.

(a) When a certificate of survey embracing any vacant land is filed, the Commissioner shall forward one of the duplicate certificates returned by the surveyor to the supervisor of assessments for each county in which the land is located.

(b) Except as provided in subsection (d) of this section, within 30 days of receipt of the duplicate certificate, the supervisor shall have two assessors:

(1) Independently of each other, inspect and assess the actual fair market value of the vacant land and any improvements on it;

(2) Endorse the duplicate certificate with their joint determination of the assessed value of the vacant land and improvements;

(3) Prepare a statement of the reasons for the valuation;

(4) Sign and verify the endorsed duplicate certificate and the statement; and

(5) Return the endorsed duplicate certificate and the statement to the

Commissioner.

(c) (1) Except as provided in paragraph (2) of this subsection, the purchase price for the vacant land shall be the assessed value of the land in the county or, if located in more than one county, the sum of the assessed values of the land in each county, as determined by the assessors under subsection (b) of this section, less all expenses of the surveyor, reasonable attorney's fees, and costs charged by the Commissioner.

(2) In a hearing before the Commissioner or in any proceeding for declaratory relief under this title, the applicant may present evidence that the assessed value of the vacant land is less than that established under paragraph (1) of this subsection. In this case, the final judgment of the Commissioner or the circuit court, as the case may be, shall set the purchase price for the vacant land at any amount, not exceeding that established under paragraph (1) of this subsection, which the Commissioner or the court, based on the endorsed duplicate certificate and statement of the assessors and any other satisfactory evidence presented in the matter, determines to be the proper assessed value of the land. The determination of the Commissioner or the court is subject to appeal only as provided in § 13-410(b) of this title.

(d) In the case of an application by a governmental body for a certificate of reservation, the supervisor of assessments is not required to assess the value of the land.

§13–401.

The following persons may file an objection to the granting of a patent for all or any portion of the land described in the application:

(1) Any person or governmental body with prior title to any portion of the land, except that, if the land is land for which a patent never has been issued, the State and its agencies may object only in accordance with item (3) of this section;

(2) Any person who possesses any portion of the land under claim of ownership in a manner that, either directly or by tacking, is actual, open, notorious, exclusive, and continuous and uninterrupted for the 20 years immediately preceding the date of filing the application; and

(3) The State or any agency of the State that requires any portion of the land for public purposes.

§13–402.

(a) Each objection in a proceeding shall be filed with the Commissioner:

(1) After the filing of the application for a warrant; and

(2) Within the later to occur of:

(i) Six months after the issuance of the warrant; or

(ii) 60 days after the surveyor returns the certificate of survey under this title.

(b) Each objection shall be in writing and contain:

(1) The name and address of the objector;

(2) A description of that portion of the land to which the objection applies, referenced to the description contained in the certificate of survey and accompanying plat;

(3) The reasons for the objection;

(4) All available documentary and factual information necessary to support the claim of the objector;

(5) If the objection is made by a person claiming ownership under § 13-401(2) of this subtitle:

(i) The name and current address of each person that has possessed the land under claim of ownership in the manner described in § 13-401 (2) of this subtitle;

(ii) The term of each possession; and

(iii) Any physical signs that accompanied each possession; and

(6) If the objection is made by the State or any agency of the State claiming public use under § 13-401(3) of this subtitle:

(i) A statement of the particular public purpose for which the land is required;

(ii) A description of a clear and compelling need for the land;

(iii) The anticipated date when the land will be used for the specified public purpose; and

(iv) A statement of whether the land adjoins any land already held by the objector.

(c) Each objection shall be signed and verified by the objector and contain a certification that a copy of the objection was forwarded, at the address on record with the Commissioner, to:

(1) The applicant;

(2) Each other party in the proceeding; and

(3) Each other person entitled to notice under § 13-404(b) of this subtitle.

(d) If any information required by this section is unavailable when the objection is filed, it may be included in an amendment to the objection, if the amendment is filed in advance of any hearing before the Commissioner or any proceeding for declaratory relief.

§13–403.

Any information, matter, or claim required by § 13-402 of this subtitle to be in an objection is waived if not raised in the objection or in an amendment to it in advance of any hearing before the Commissioner or any proceeding for declaratory relief.

§13–404.

(a) Any person, governmental body, or agency that files an objection under this subtitle becomes a party to the proceeding as of the date the objection is filed. After that date, the Commissioner and each party to the proceeding shall give the objector notice of any action taken by them in connection with the proceeding.

(b) Any owner of land adjoining the land described in the application, without filing an objection, may request the Commissioner in writing for notice of actions taken in connection with the proceeding. After receipt of the request, the Commissioner and each party to the proceeding shall give the adjoining landowner notice of any action taken by them in connection with the proceeding.

(c) As soon as they are known to the Commissioner, the Commissioner shall provide each party to the proceeding with the name and address of each other party and of each adjoining landowner requesting notice.

§13–405.

(a) Except as otherwise provided in this section, the Commissioner shall hold a hearing under § 13-406 of this subtitle to determine whether to issue a patent to the applicant.

(b) (1) Within 30 days after the expiration of the period for filing objections, any party to the proceeding may request the Commissioner in writing for referral of the proceeding to the circuit court for declaratory relief under § 13-407 of this subtitle. The request shall set forth in detail the reasons for requesting the referral.

(2) Each request shall be signed and verified by the person making the request and contain a certification that a copy of the request was forwarded, at the address on record with the Commissioner, to:

(i) Each other party to the proceeding; and

(ii) Each other person entitled to notice under this title.

(c) (1) The Commissioner shall consider any request for referral filed under this section. Promptly after the expiration of the period for filing requests, the Commissioner may:

(i) Notwithstanding any request for referral, order that the proceeding be set for a hearing before the Commissioner under § 13-406 of this subtitle; or

(ii) On request for referral or on the Commissioner's own initiative, order that the proceeding be referred to the circuit court for declaratory relief under § 13-407 of this subtitle.

(2) The order of the Commissioner shall set forth the reasons for it and shall be mailed to:

(i) Each party to the proceeding; and

(ii) Each other person entitled to notice under this title.

§13–406.

(a) If, under § 13-405 of this subtitle, the proceeding is set for a hearing before the Commissioner, the Commissioner shall hold the hearing in accordance with the Administrative Procedure Act as soon as practicable within 30 days of the order of the Commissioner under § 13-405(c) of this subtitle.

(b) Objections filed in the proceeding may be consolidated at any time for hearing or heard separately, as the Commissioner determines.

(c) (1) The Commissioner may issue subpoenas and orders for the attendance and testimony of witnesses and the production of papers, books, and documents at any hearing authorized by this section.

(2) A subpoena or order issued under this subsection shall be directed and served, in the same manner and with the same effect as any other civil process, under the Maryland Rules and applicable statutes. The subpoena or order shall be returnable to the Commissioner.

(3) If a person fails to comply with any subpoena or order issued under this subsection, the Commissioner may invoke the aid of the circuit court of the county in which declaratory relief might have been sought under § 13-407 of this subtitle. The circuit court may order that person to obey the subpoena or order and may charge the costs of the proceedings before it to that person.

(d) If a hearing is held under this section, the proceeding before the Commissioner for the issuance of a patent and all papers, dockets, orders, and decisions resulting from the proceeding:

(1) Have the same force and effect as the proceedings of a court of record; and

(2) Shall be proved in the same manner as proceedings in a court of record.

(e) Within 30 days of the conclusion of a hearing held under this section, the Commissioner shall render a final judgment under § 13-408 of this subtitle.

§13–407.

(a) If, under § 13-405 of this subtitle, the proceeding is to be referred to the circuit court for declaratory relief, then, within 30 days of the order of the Commissioner under § 13-405(c) of this subtitle, the applicant shall file a bill of complaint in equity in the circuit court for the county in which the largest portion of the land described in the warrant is located. The bill of complaint shall seek declaratory relief under Title 3, Subtitle 4 of the Courts Article, the Maryland Uniform Declaratory Judgments Act.

(b) Immediately after suit is filed, the applicant also shall serve the Commissioner by mail with a copy of the complaint.

(c) (1) After service is made on the Commissioner, the Commissioner shall forward to the court a certified copy of any endorsed duplicate certificates and statements of valuation returned to the Commissioner under § 13-313 of this title.

(2) In the court action, the Commissioner is entitled to:

(i) Be heard;

(ii) Request consolidation of any of the objections filed in the proceeding;

(iii) Submit a written statement within a time deemed reasonable by the court; and

(iv) Seek intervention under the Maryland Rules.

(d) The court shall render its judgment as provided in § 3-408.1 of the Courts and Judicial Proceedings Article. A copy of the judgment and any supporting opinion shall be sent to:

(1) The Commissioner, for administrative implementation according to the court's declaration; and

(2) The clerk of the circuit court for each other county in which any portion

of the land is located.

§13–408.

(a) (1) If the Commissioner or the circuit court, as the case may be, determines that the applicant has failed to comply with the requirements of this title, the final judgment of the Commissioner or the court shall dismiss the application and terminate the proceedings on it.

(2) If an objection is filed under this subtitle and the Commissioner or the circuit court, as the case may be, determines that the objector meets the applicable requirements of § 13-401 of this subtitle, the final judgment of the Commissioner or the court shall:

(i) Sustain the objection; and

(ii) As to that portion of the land to which the objection applies, dismiss the application and terminate the proceedings on it.

(3) If the Commissioner or the circuit court, as the case may be, determines that an applicant has complied with the requirements of this title, then, as to any land for which an objection is not filed under this subtitle or, if filed, not sustained under paragraph (2) of this subsection, the final judgment of the Commissioner or the court shall:

(i) In accordance with § 13-313(c) of this title, set the purchase price for any of the land that is vacant land; and

(ii) Order a patent to be issued to the applicant for the land, on payment of the purchase price and any expenses owed.

(b) If the final judgment of the Commissioner or the circuit court establishes that a patent should be issued for less than all of the land embraced within the certificate of survey, the Commissioner shall issue an amended warrant to the surveyor, directing him to amend the certificate of survey in accordance with the judgment within 90 days.

(c) If the final judgment of the Commissioner or the circuit court includes any land not embraced within the certificate of survey, the applicant shall initiate new proceedings for the entire tract.

(d) If an objection by the State or one of its agencies claiming public use under § 13-401(3) of this subtitle is sustained, the final judgment of the Commissioner or the circuit court shall direct the objector to reimburse the applicant for all reasonable expenses and reasonable attorney's and surveyor's fees incurred by the applicant in the proceeding in connection with that portion of the land to which the objection is sustained. If there is a dispute as to the amount, the applicant may recover in a court of law all further expenses incurred by the applicant in connection with the dispute.

(e) The opinion of the Commissioner in a land patent case or a proceeding to reserve land by a governmental body shall be published in the Maryland Register.

§13–409.

(a) If the Commissioner determines that a patent should be issued, he shall certify his final judgment to the applicant and the parties to the proceeding. In addition, if either the Commissioner or the circuit court determines that a patent should be issued, the Commissioner shall mail to the applicant a notice:

(1) Of the purchase price for any vacant land;

(2) Of any expenses outstanding at the time the patent is to be issued; and

(3) That the proceeding will be abandoned if the applicant fails to pay the purchase price and all outstanding expenses:

(i) Within 45 days of receipt of the notice; or

(ii) If an appeal is filed under § 13-410 of this subtitle, within 45 days of the rendering on appeal of a final decision to issue a patent.

(b) A governmental body requesting a certificate of reservation is not required to pay the purchase price of the land.

§13–410.

(a) (1) If the proceeding is heard by the Commissioner under § 13-406 of this subtitle, the final judgment of the Commissioner may be appealed as provided by the Administrative Procedure Act.

(2) If the proceeding is referred to the circuit court for declaratory relief under § 13-407 of this subtitle, the final judgment of the court may be appealed as provided in § 3-408.1 of the Courts Article.

(b) (1) On appeal, the purchase price for any vacant land may be contested only:

(i) By the applicant; or

(ii) If the Commissioner or the court, as the case may be, establishes a purchase price under § 13-313(c)(2) of this title at an amount less than that established by the assessors under § 13-313(c)(1) of this title, by the State.

(2) If the purchase price for vacant land is contested on appeal, the court hearing the appeal may set the purchase price at any amount, not exceeding that established by the assessors under § 13-313(c)(1) of this title, that the court, based on the record before it, determines to be the proper assessed value of the land.

§13–411.

The Commissioner shall enter an order of abandonment if:

(1) A bill of complaint required by § 13-407 of this subtitle is not filed in the time required by that section; or

(2) The applicant fails to pay to the State the purchase price for any vacant land and all outstanding expenses within the time specified by the Commissioner in the notice mailed to the applicant under § 13-409 of this subtitle.

§13–412.

(a) (1) If an objection by a person claiming ownership under § 13-401(2) of this subtitle is sustained under § 13-408(a)(2) of this subtitle, then, within 60 days after entry of the final judgment sustaining the objection, the objector may apply under the previously returned certificate of survey for a patent for any of the vacant land which is described in the certificate of survey and to which the objection was sustained.

(2) On filing an application in the proper form, the objector shall be substituted in the proceeding for the prior applicant, and further notice or proof is not required.

(b) (1) If an order of abandonment is entered under § 13-411 of this subtitle, then, within six months after entry of the order, any person may apply under the previously returned certificate of survey for a patent for any of the vacant land which is described in the certificate of survey.

(2) The Commissioner shall docket the applications for a patent under this subsection in the order received. In granting a request for the patent, any prior applicant for a warrant for the same land, other than the prior applicant whose proceeding was abandoned, shall be preferred in the order of original receipt of the applications for a warrant.

(3) If a request for a patent is granted under this subsection, the new applicant shall be substituted in the proceeding for the prior applicant, and further notice or proof is not required.

(c) An application for a patent under subsection (a) or (b) of this section shall be in writing and contain:

(1) The name and address of the applicant;

(2) The name and address of each person, other than the applicant, who would obtain a direct or indirect title interest in the land for which the patent is sought if the patent were issued to the applicant;

(3) A description of the land to which the application applies, referenced

to the description contained in the certificate of survey and accompanying plat;

(4) A description of any family, business, or financial relationship between the surveyor and all persons signing the application;

(5) The name to be given the land to be patented;

(6) A certification that the applicant has reimbursed the prior applicant for all reasonable expenses and surveyor's fees incurred by the prior applicant in the proceeding in connection with the land to which the application applies;

(7) Any other information the Commissioner requests under a rule or regulation adopted under § 13-203 of this title; and

(8) A request for the issuance of a patent for the land described in the application.

(d) The application shall be:

(1) Signed and verified by the applicant and each person required to be named under subsection (c)(2) of this section; and

(2) Accompanied by a deposit on the purchase price for the land and any outstanding expenses owed to the State by the prior applicant.

§13–413.

(a) Any expenses owed under this title constitute a debt to the State, owed by:

(1) The applicant for a warrant under Subtitle 3 of this title; or

(2) If a subsequent application for a patent is filed under § 13-412 of this subtitle, the new applicant.

(b) (1) If a proceeding terminates other than with the issuance of a patent, the Commissioner shall file for record a certified list of any unpaid expenses in the law or equity judgment records for:

(i) The county of this State in which is located the address of the applicant owing these expenses, as that address appears in his application; or

(ii) If that address is not within this State, the county of this State in which is located the largest portion of the land for which the application was made.

(2) When filed, the debt represented by the list has the force and effect of a judgment lien and may be enforced and renewed accordingly.

(c) If the Commissioner finds that an applicant for a land patent acted in bad faith and without substantial justification, the Commissioner may require the

applicant to pay the reasonable expenses of the objectors, including their attorneys' fees and expert witness fees, and the reasonable expenses of the Commissioner, including administrative, research, and hearing expenses.

§13–501.

(a) The Commissioner shall prepare a patent within 30 days after:

(1) The Commissioner or a circuit court, as the case may be, finds that a patent should issue;

(2) That finding has become final by:

(i) Failure to file an appeal before expiration of the period within which an appeal may be taken; or

(ii) The rendering on appeal of a final decision; and

(3) The purchase price for any vacant land and all outstanding expenses are paid.

(b) The patent shall contain:

(1) The name of the person to whom it is issued;

(2) The name given to the land;

(3) The name of the original applicant;

(4) The date of issuance of the warrant;

(5) The name of any person substituted as applicant and the date of the substitution;

(6) The date of filing the certificate or amended certificate of survey on which the patent is based;

(7) A description of the land, as contained in the certificate of survey; and

(8) The Commissioner's certificate that the patent is proper to be issued.

§13–502.

(a) After a patent is prepared by the Commissioner, if the Commissioner's certificate that the patent is proper to be issued is based on a final judgment for declaratory relief that was rendered in a proceeding referred to a circuit court under § 13-407 of this title or, except for an appeal that was taken under § 13-410(a)(1) of this title and in which the only contested issue was the purchase price established by the Commissioner in his final judgment, if the certificate is based on a final decision

of court that was rendered in an appeal taken under § 13-410 of this title:

(1) The Commissioner immediately shall send the patent to the Governor for his signature;

(2) The Governor promptly shall sign the patent and cause it to be sealed with the Great Seal of the State of Maryland; and

(3) The patent shall be recorded:

(i) In the patent records of the Commissioner; and

(ii) In the land records for each county in which is located any portion of the land for which the patent was issued.

(b) (1) After a patent is prepared by the Commissioner, if the Commissioner's certificate is based on a final judgment that was rendered by the Commissioner in a proceeding heard by him under § 13-406 of this title, from which final judgment no appeal was taken, or if the Commissioner's certificate is based on a final decision of court that was rendered in an appeal taken under § 13-410(a)(1) of this title and in which the only contested issue was the purchase price established by the Commissioner in his final judgment:

(i) The Commissioner immediately shall send the patent to the Board of Public Works for its review; and

(ii) Unless the Board of Public Works, within 45 days after its receipt of the patent, rejects for cause the Commissioner's certificate that the patent is proper to be issued, the patent shall be signed, sealed, and recorded as provided for in subsection (a) of this section.

(2) If the Board of Public Works rejects for cause the Commissioner's certificate within the period specified in paragraph (1) of this subsection, the patent may not be issued and the applicant is entitled to reimbursement from the State of all reasonable expenses and reasonable attorney's and surveyor's fees incurred by the applicant in the application proceedings. The Board shall provide for payment of the reimbursement from funds available to it and make the reimbursement as soon as is practicable.

(c) The issuance of a patent under this title is not subject to the provisions of Title 10 of the State Finance and Procurement Article governing the sale or disposition of State property.

§13–503.

(a) The issuance of a patent operates as a quitclaim of the interest of the State in the land.

(b) The interest of the State does not pass and is not affected until a patent is issued.

(c) A patent issued on a warrant to resurvey land previously patented does not affect or impair any mortgage, deed of trust, easement, right-of-way, or similar interest in the land.

§13–504.

(a) Subject to subsection (b) of this section, if, after the exhaustion of all available defenses and appeals, a court of competent jurisdiction determines that the patent is invalid as to any portion of the vacant land for which it was issued, the person to whom the patent was issued is entitled to reimbursement from the State of that portion of the entire purchase price paid that is equitably attributable to the vacant land held to have been invalidly patented, based on a pro rata apportionment of the entire purchase price or any other factor which the Board of Public Works determines to be relevant.

(b) Any person claiming a right to reimbursement under this section shall apply to the Board of Public Works for reimbursement within six months of the final court decision on which the claim is based. The application shall set forth in detail the basis of the claim. It shall be signed and verified by the person making the claim and contain a certification that a copy of the application was mailed to the Commissioner.

(c) If the Board of Public Works determines that the applicant is entitled to reimbursement under this section, it shall establish the amount of the reimbursement, provide for payment of the reimbursement from funds available to it, and make the reimbursement as soon as is practicable.

§14–101.

Any alien who is not an enemy, may own, sell, devise, dispose of, or otherwise deal with property in the same manner as if he had been a citizen of the State by birth.

§14–102.

(a) Any mortgagor, including a grantor under a deed of trust given as security for the payment of a debt or the performance of an obligation, any other person in possession of land, any life tenant, tenant for years, tenant at will, periodic tenant, tenant in common or joint tenant, who, without express or implied authorization, commits or permits waste is liable for the actual damages suffered by the property. An action may be maintained against the person even though he later may grant or assign his interest or estate in the land.

(b) If waste is committed after an injunction to stay waste, the court shall ascertain the damage done by the waste, by affidavit or other proof as the court determines necessary, and may fine the defendant to the extent of double the damage ascertained. If the final judgment is in favor of the injured party the court may

determine the amount to be paid to him and the remainder shall be applied as a fine. The court may imprison a person who does not comply with the order to pay and may issue execution in the name of the State for its collection.

§14–103.

(a) If a legal or equitable interest in land is sold under an execution sale, judicial sale, or foreclosure sale except a sale under Title 14, Chapter 200 of the Maryland Rules, and a deed is executed and delivered to the purchaser by the sheriff, trustee, agent, or other officer making the sale, the grantee in the deed, when recorded, is entitled to the same protection against the legal or equitable interests of persons not of record as is provided in this article for the benefit of grantees in deeds voluntarily executed, delivered, and recorded.

(b) If there is a decree for the sale of any reversion in lands to which rent is incident, the court may order any rent in arrears to be sold with the estate and the purchaser may recover the rent by distress, entry, or action, as if he was owner of the estate when the rent accrued.

(c) If a sale is made on credit, the court, on application of the mortgagee or creditor, may direct any bond taken in consequence of the sale to be assigned to the mortgagee or creditor and the assignee may sue on the bond in his own name.

(d) The court may decree a sale of an equitable title in any case where a decree for the sale of the legal title could be passed. The purchaser of the equitable title has the same remedy for obtaining the legal title as the person whose equitable interest he purchased would have had if no sale had been made.

(e) If property is sold pursuant to a judicial decree, all costs of the proceedings accruing up to and including the final ratification of the sale shall be paid prior to the final ratification of the first auditor's account after the sale. The costs shall include the fees for recording all papers which are proper to be recorded by law. After payment of the costs, the clerk of the court shall record all the proper required papers.

(f) (1) In Baltimore City, if a foreclosure sale under a mortgage or a deed of trust of an interest in land is ratified, the person making the sale shall cause to be recorded in the land records a copy of the final order of ratification within 90 days of the date of the final order of ratification if:

(i) The vendor and the purchaser are the same; and

(ii) A deed is not recorded.

(2) The copy of the final order of ratification shall include the name and address of the purchaser.

(3) This subsection does not apply to a foreclosure that is subject to a stay issued by a court in a bankruptcy proceeding.

§14–104.

(a) In this section, "first-time Maryland home buyer" means an individual who has never owned in the State residential real property that has been the individual's principal residence.

(b) Except as provided in subsection (c) of this section, in every written or oral agreement for the sale or other disposition of property, it is presumed in the absence of a contrary provision in the agreement or the law, that the parties to the agreement intended that the cost of any recordation tax or any State or local transfer tax shall be shared equally between the grantor and grantee. This section does not apply to mortgages or deeds of trust.

(c) (1) The entire amount of recordation tax and local transfer tax shall be paid by the seller of improved, residential real property that is sold to a first-time Maryland home buyer who will occupy the property as a principal residence, unless there is an express agreement between the parties to the agreement that the recordation tax and local transfer tax will not be paid entirely by the seller.

(2) The entire amount of State transfer tax shall be paid by the seller of improved, residential real property that is sold to a first-time Maryland home buyer who will occupy the property as a principal residence.

(3) This subsection does not apply to tax sales of property under Title 14, Subtitle 8 of the Tax - Property Article.

(4) If there are two or more grantees, this subsection does not apply unless each grantee is a first-time Maryland home buyer or a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12-108(i) of the Tax - Property Article for the property and the co-maker or guarantor will not occupy the residence as the co-maker's or guarantor's principal residence.

(5) Paragraphs (1) and (2) of this subsection apply only if each grantee or an agent of the grantee provides a statement that is signed under oath by the grantee or agent of the grantee stating that:

(i) 1. The grantee is a first-time Maryland home buyer as defined under subsection (a) of this section; and

2. The residence will be occupied by the grantee as the grantee's principal residence; or

(ii) 1. The grantee is a co-maker or guarantor of a purchase money mortgage or purchase money deed of trust as defined in § 12-108(i) of the Tax - Property Article for the property; and

2. The grantee will not occupy the residence as the co-maker's or guarantor's principal residence.

(6) A statement under paragraph (5) of this subsection by an agent of a grantee shall state that the statement:

(i) Is based on a diligent inquiry made by the agent with respect to the facts set forth in the statement; and

(ii) Is true to the best of the knowledge, information, and belief of the agent.

§14–104.1.

If a bank, mortgage banker, savings and loan association, or any other lender has an appraisal made on residential real property to establish a market value for lending purposes, the lender shall give a copy of any written appraisal to the borrower on his request if the borrower pays the cost of the appraisal. The appraisal may be submitted to another lender if the original lender has rejected the borrower's loan application.

§14–105.

In the absence of special agreement to the contrary, if a real estate broker employed to sell, buy, lease, or otherwise negotiate an estate, or a mortgage or loan secured by the property, procures in good faith a purchaser, vendor, lessor, lessee, mortgagor, mortgagee, borrower, or lender, as the case may be, and the person procured is accepted by the employer and enters into a valid, binding, and enforceable written contract, in terms acceptable to the employer, of a sale, purchase, lease, mortgage, loan, or other contract, as the case may be, and the contract is accepted by the employer and signed by him, the broker is deemed to have earned the customary or agreed commission. He has earned the commission regardless of whether or not the contract entered into is performed, unless the performance of the contract is prevented, hindered, or delayed by any act of the broker.

§14–106.

A tenant in common or a joint tenant who receives rent from a third party for the use and enjoyment of the property is accountable to any cotenant for that portion of the rent over and above his proportionate share.

§14–107.

(a) A circuit court may decree a partition of any property, either legal or equitable, on the bill or petition of any joint tenant, tenant in common, parcener, or concurrent owner, whether claiming by descent or purchase. If it appears that the property cannot be divided without loss or injury to the parties interested, the court may decree its sale and divide the money resulting from the sale among the parties according to their respective rights. The right to a partition or sale includes the right to a partition or sale of any separate lot or tract of property, and the bill or petition need not pray for a partition of all the lots or tracts.

(b) This section applies regardless of whether any party, plaintiff, or defendant is a minor, disabled, or a nonresident.

(c) A sale and deed made pursuant to an order of the court in the exercise of the power provided in this section is good and sufficient at law to transfer property of the person. A deed executed in exercise of the above power provided in this section shall be executed by the person the court appoints for the purpose.

(d) If any bill or petition is filed under the provisions of this section for the sale of property, any person holding a mortgage, other encumbrance on the property, or an undivided interest in the property may be made a party to the bill, and the property shall be sold free and clear of the mortgage or other encumbrance. However, the rights of a lienor shall be protected in the distribution of the proceeds of the sale.

§14–108.

(a) Any person in actual peaceable possession of property, or, if the property is vacant and unoccupied, in constructive and peaceable possession of it, either under color of title or claim of right by reason of his or his predecessor's adverse possession for the statutory period, when his title to the property is denied or disputed, or when any other person claims, of record or otherwise to own the property, or any part of it, or to hold any lien encumbrance on it, regardless of whether or not the hostile outstanding claim is being actively asserted, and if an action at law or proceeding in equity is not pending to enforce or test the validity of the title, lien, encumbrance, or other adverse claim, the person may maintain a suit in equity in the county where the property lies to quiet or remove any cloud from the title, or determine any adverse claim.

(b) The proceeding shall be deemed in rem or quasi in rem so long as the only relief sought is a decree that the plaintiff has absolute ownership and the right of disposition of the property, and an injunction against the assertion by the person named as the party defendant, of his claim by any action at law or otherwise. Any person who appears of record, or claims to have a hostile outstanding right, shall be made a defendant in the proceedings.

§14–108.1.

(a) This section does not apply to:

(1) A grantee action under § 14–109 of this subtitle;

(2) A landlord–tenant action that is within the exclusive original jurisdiction of the District Court;

(3) An action for nonpayment of ground rent under a ground lease on residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units; or

(4) An action for wrongful detainer under § 14–132 of this article.

(b) (1) A person who is not in possession of property and claims title and right to possession may bring an action for possession against the person in possession of the property.

(2) Encumbrance of property by a mortgage or deed of trust to secure a debt does not prevent an action under this section by the owner of the property.

(c) When personal jurisdiction is not obtained over the defendant, the plaintiff may obtain a default judgment under the Maryland Rules only on proof of title and right to possession. The judgment shall be in rem for possession of the property. Entry and enforcement of the judgment does not bar further pursuit, in the same or another action, of the plaintiff's claim for mesne profits and damages.

§14–109.

(a) The District Court has jurisdiction in any case in which it appears that the grantor has remained in possession of the property, in violation of a written agreement to deliver possession at a time stated in the agreement, after delivery of a deed for the property. If the grantor fails or refuses to surrender the premises in accordance with the agreement, the grantee may complain in writing to the District Court in the county where the premises are located. The court immediately shall issue a summons to the grantor commanding him to appear on the day named to show cause why possession of the premises in dispute should not be granted to the grantee. Notwithstanding any contrary provision of law or local law, if the court finds that the facts set forth in the complaint are true, it shall give judgment for immediate possession, and the court shall issue its warrant to the sheriff commanding him to deliver possession of the premises to the grantee.

(b) Any person who feels aggrieved by a judgment under the provisions of this section, may appeal on giving notice within ten days after the judgment is given. If the appellant is the grantor, the notice of appeal shall be accompanied by an affidavit, that an appeal is not taken for delay, and by a bond. The bond shall be conditioned that he will prosecute the appeal with effect, and will pay all costs in the case before the District Court and appellate court if judgment is in favor of the grantee, and all loss or damage which the grantee suffers by reason of the grantor's remaining in possession. The bond also shall provide that the grantor may retain possession of the premises until the determination of the appeal.

§14–110.

(a) If any person is entitled to an estate for life or years or to an estate tail, fee simple, conditional, base or qualified fee, or any other particular, limited, or conditional estate in property, and any other person is entitled to a vested or contingent remainder, executory devise, or any other vested or contingent interest in the same property, on application of any of the parties in interest and if all parties in being are parties to the proceeding, a court of equity may decree a sale, lease, or mortgage if it appears to be advantageous to the parties concerned. The court shall direct the investment of

the proceeds of the sale, mortgage, or limitations of the reversion and rent as the case may be, so these inure to the use of the same parties who would be entitled to it if the property is sold, leased, or mortgaged.

(b) If every person who would be entitled to the property if the contingency happened at the date of the decree is a party, the decree binds every person whether he is in being or not, who claims or may claim any interest in the property under any party to the decree, under any person from whom any party to the decree claims, or under the original deed or will by which the particular, limited, or conditional estate, with remainders or executory devises, is created. Any mortgage executed pursuant to the decree binds the property so mortgaged of every person, whether in being or not.

§14–111.

(a) Each individual licensed to practice land surveying or property line surveying under the Maryland Professional Land Surveyors Act shall use the type of stake, marker, monument, or other landmark designated by the State Board for Professional Land Surveyors.

(b) Any person who willfully obliterates, damages, or removes any stake, marker, monument, or other landmark set in the property of another person by any civil engineer, surveyor, or real estate appraiser or any of their assistants, except if the stake, marker, monument, or other landmark interferes with the proper use of the property, is guilty of a misdemeanor and on conviction shall be fined not more than $2,500.

(c) If there is a dispute over any boundary line or if the bounds mentioned in a document are lost, on petition of any party in interest, the circuit court of the county where the property lies may establish the boundary lines or the location of the missing bounds. The court may appoint engineers, surveyors, or other experts to assist the court in its determination, and the fees of the experts are costs in the proceeding.

§14–112.

(a) In this section, "trustee" includes any escrowee, agent, attorney, representative, or fiduciary.

(b) If any person holds or takes title to property in the capacity of trustee and the beneficiary is not designated in the instrument by which the trustee takes title or in another instrument signed by the grantor and previously recorded, then the trustee and his personal representative have the power to grant, encumber, or otherwise dispose of the property, except to the extent the power is limited by the term of the grant to the trustee or in another instrument signed by his grantor and previously recorded, unless an instrument signed by the trustee which designates the beneficiary is recorded prior to disposition by the trustee.

§14–113.

Any deed by a Maryland corporation containing a certification by the person executing the deed on behalf of the corporation to the effect that the grant is not part of a transaction in which there is a sale, lease, exchange, or other transfer of all or substantially all of the property and assets of the corporation, shall be considered valid and effective whether or not there has been compliance with the procedures of Title 3, Subtitle 1 of the Corporations and Associations Article despite the fact the grant is in fact part of such a transaction. Any deed by a Maryland corporation, executed and recorded before January 1, 1979 is not invalid solely because of noncompliance with those procedures unless proceedings to set the deed aside were commenced on or before July 1, 1979.

§14–114.

If a party evicted by a writ of possession reenters on the property without the consent of the purchaser, he is guilty of a misdemeanor. On conviction, he is subject to a fine not exceeding $100, or imprisonment not exceeding 60 days, or both.

§14–115.

Except to the extent that any of the British statutes in force in the State on July 4, 1776 which have been enacted by the General Assembly of Maryland are contained elsewhere in the Code, the following British statutes are no longer in force in the State:

9 Henry III, Ch. 7

9 Henry III, Ch. 8

9 Henry III, Ch. 18

20 Henry III, Ch. 1

20 Henry III, Ch. 2

20 Henry III, Ch. 9

51 Henry III, Stat. 4

52 Henry III, Ch. 4

52 Henry III, Ch. 15

52 Henry III, Ch. 23

3 Edward I, Ch. 16

3 Edward I, Ch. 17

3 Edward I, Ch. 49

4 Edward I, Stat. 3, Ch. 6

6 Edward I, Ch. 5

6 Edward I, Ch. 7

13 Edward I, Stat. 1, Ch. 2

13 Edward I, Stat. 1, Ch. 3

13 Edward I, Stat. 1, Ch. 4

13 Edward I, Stat. 1, Ch. 7

13 Edward I, Stat. 1, Ch. 14

13 Edward I, Stat. 1, Ch. 15

13 Edward I, Stat. 1, Ch. 22

13 Edward I, Stat. 1, Ch. 24

13 Edward I, Stat. 1, Ch. 31

13 Edward I, Stat. 1, Ch. 37

33 Edward I, Stat. 6

17 Edward II, Stat. 1, Ch. 9

17 Edward II, Stat. 1, Ch. 10

25 Edward III, Stat. 5, Ch. 17

9 Richard II, Ch. 3

11 Henry VI, Ch. 5

1 Richard III, Ch. 1

3 Henry VII, Ch. 4

11 Henry VII, Ch. 20

19 Henry VII, Ch. 9

7 Henry VIII, Ch. 4

21 Henry VIII, Ch. 4

21 Henry VIII, Ch. 5

21 Henry VIII, Ch. 19

23 Henry VIII, Ch. 14

27 Henry VIII, Ch. 10

31 Henry VIII, Ch. 1

32 Henry VIII, Ch. 9

32 Henry VIII, Ch. 28

32 Henry VIII, Ch. 32

32 Henry VIII, Ch. 33

32 Henry VIII, Ch. 34

32 Henry VIII, Ch. 37

1 & 2 Phillip and Mary, Ch. 12

13 Elizabeth, Ch. 5

27 Elizabeth, Ch. 4

43 Elizabeth, Ch. 8

21 James I, Ch. 15

21 James I, Ch. 16

12 Charles II, Ch. 24

17 Charles II, Ch. 7

19 Charles II, Ch. 6

29 Charles II, Ch. 3

30 Charles II, Ch. 7

2 William and Mary, Ch. 5

3 & 4 William and Mary, Ch. 14

4 & 5 William and Mary, Ch. 16

4 & 5 William and Mary, Ch. 20

4 & 5 William and Mary, Ch. 24

8 & 9 William III, Ch. 31

10 and 11 William III, Ch. 16

4 Anne, Ch. 16, Secs. 9, 10 and 27

6 Anne, Ch. 18

7 Anne, Ch. 19

8 Anne, Ch. 14

4 George II, Ch. 10

4 George II, Ch. 28

5 George II, Ch. 7

6 George II, Ch. 14

7 George II, Ch. 20

11 George II, Ch. 19

25 George II, Ch. 6

29 George II, Ch. 31

11 George III, Ch. 20

§14–115.1.

With regard to any property owned or acquired by any means by the Mayor and City Council of Baltimore that is subject to a ground rent, any bill, notice, or other document for legal or other action shall be sent to the Director, Baltimore City Department of Finance.

§14–116.

(a) (1) In this section the following words have the meanings indicated.

(2) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(3) (i) "Ground lease holder" means the holder of the reversionary interest under a ground lease.

(ii) "Ground lease holder" includes an agent of the ground lease holder.

(4) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(5) "Leasehold interest" means the tenancy in real property created under a ground lease.

(6) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(b) (1) This section applies to residential property that was or is used, intended to be used, or authorized to be used for four or fewer dwelling units.

(2) This section does not apply to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(c) Within 30 days of any change of address of a leasehold tenant, the leasehold tenant shall notify the ground lease holder of the change, including the new address and the date of the change.

(d) Within 30 days of any transfer of improvements located on property subject to a ground rent, the leasehold tenant shall notify the ground lease holder of the transfer. The notification shall include the name and address of the transferee, and date of transfer.

(e) A leasehold tenant shall send notice under this section to the last known address of the ground lease holder.

§14–116.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(3) (i) "Ground lease holder" means the holder of the reversionary interest under a ground lease.

(ii) "Ground lease holder" includes an agent of the ground lease holder.

(4) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(5) "Leasehold interest" means the tenancy in real property created under a ground lease.

(6) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(b) (1) This section applies to residential property that was or is used, intended to be used, or authorized to be used for four or fewer dwelling units.

(2) This section does not apply to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(c) A ground lease holder may not collect a yearly or half–yearly installment payment of a ground rent due under the ground lease unless:

(1) The ground lease is registered with the State Department of Assessments and Taxation under Title 8, Subtitle 7 of this article; and

(2) At least 60 days before the payment is due, the ground lease holder mails a bill to the last known address of the leasehold tenant and to the address of the property subject to the ground lease.

(d) The bill shall include a notice in boldface type, at least as large as 14 point, in substantially the following form:

"NOTICE REQUIRED BY MARYLAND LAW

REGARDING YOUR GROUND RENT

This property (address) is subject to a ground lease. The annual payment on the ground

lease ("ground rent") is $(dollar amount), payable in yearly or half–yearly installments on (date or dates).

The next ground rent payment is due (day, month, year) in the amount of $(dollar amount).

The payment of the ground rent should be sent to:
(name of ground lease holder)
(address)
(phone number)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

The ground lease holder is required to register the ground lease with the State Department of Assessments and Taxation and is prohibited from collecting ground rent payments unless the ground lease is registered. If the ground lease is registered, as the owner of this property, you are obligated to pay the ground rent to the ground lease holder. To determine whether the ground lease is registered, you may check the Web site of the State Department of Assessments and Taxation. It is also your responsibility to notify the ground lease holder if you change your address or transfer ownership of the property.

If you fail to pay the ground rent on time, you are still responsible for paying the ground rent. In addition, the ground lease holder may take action to collect the past due ground rent which may result ultimately in your loss of the property. Please note that under Maryland law, a ground lease holder may demand not more than 3 years of past due ground rent. If you fail to pay the ground rent on time, you should contact a lawyer for advice.

As the owner of this property, you are entitled to redeem, or purchase, the ground lease from the ground lease holder and obtain absolute ownership of the property. The redemption amount is fixed by law but may also be negotiated with the ground lease holder for a different amount. For information on redeeming the ground lease, contact the ground lease holder. If the identity of the ground lease holder is unknown, the State Department of Assessments and Taxation provides a process to redeem the ground lease that may result in your obtaining absolute ownership of the property. If you would like to obtain absolute ownership of this property, you should contact a lawyer for advice.".

§14–116.2.

(a) (1) In this section the following words have the meanings indicated.

(2) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(3) (i) "Ground lease holder" means the holder of the reversionary

interest under a ground lease.

(ii) "Ground lease holder" includes an agent of the ground lease holder.

(4) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(5) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(6) "Redeemable ground rent" means a ground rent that may be redeemed in accordance with § 8–110 of this article.

(b) (1) This section applies to residential property that is or was used, intended to be used, or authorized to be used for four or fewer dwelling units.

(2) This section does not apply to property:

(i) Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

(ii) Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

(iii) Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(c) Within 30 days after any transfer of a ground lease, the transferee shall notify the leasehold tenant of the transfer.

(d) (1) The notification shall include the name and address of the new ground lease holder and the date of the transfer.

(2) If the property is subject to a redeemable ground rent, the notification shall also include the following notice:

"As the owner of the property subject to this ground lease, you are entitled to redeem, or purchase, the ground lease from the ground lease holder and obtain absolute ownership of the property. The redemption amount is fixed by law but may also be negotiated with the ground lease holder for a different amount. For information on redeeming the ground lease, contact the ground lease holder."

(e) A ground lease holder shall send notice under this section to the last known address of the leasehold tenant.

§14–117.

(a) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Ground lease" means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.

(iii) 1. "Ground lease holder" means the holder of the reversionary interest under a ground lease.

2. "Ground lease holder" includes an agent of the ground lease holder.

(iv) "Ground rent" means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

(v) "Leasehold interest" means the tenancy in real property created under a ground lease.

(vi) "Leasehold tenant" means the holder of the leasehold interest under a ground lease.

(2) (i) This subsection applies to residential property that was or is used, intended to be used, or authorized to be used for four or fewer dwelling units.

(ii) This subsection does not apply to property:

1. Leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential;

2. Improved or to be improved by any apartment, condominium, cooperative, or other building for multifamily use of greater than four dwelling units; or

3. Leased for dwellings or mobile homes that are erected or placed in a mobile home development or mobile home park.

(3) A contract for the sale of real property subject to a ground rent shall contain the following notice in boldface type, at least as large as 14 point, in substantially the following form:

"NOTICE REQUIRED BY MARYLAND LAW

REGARDING YOUR GROUND RENT

This property (address) is subject to a ground lease. The annual payment on

the ground lease ("ground rent") is $(dollar amount), payable in yearly or half–yearly installments on (date or dates).

The next ground rent payment is due (day, month, year) in the amount of $(dollar amount).

The payment of the ground rent should be sent to:
(name of ground lease holder)
(address)
(phone number)

NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER MARYLAND LAW:

As the owner of this property, you are obligated to pay the ground rent to the ground lease holder. It is also your responsibility to notify the ground lease holder if you change your address or transfer ownership of the property.

If you fail to pay the ground rent on time, you are still responsible for paying the ground rent. In addition, the ground lease holder may take action to collect the past due ground rent which may result ultimately in your loss of the property. Please note that under Maryland law, a ground lease holder may demand not more than 3 years of past due ground rent. If you fail to pay the ground rent on time, you should contact a lawyer for advice.

As the owner of this property, you are entitled to redeem, or purchase, the ground lease from the ground lease holder and obtain absolute ownership of the property. The redemption amount is fixed by law but may also be negotiated with the ground lease holder for a different amount. For information on redeeming the ground lease, contact the ground lease holder. If the identity of the ground lease holder is unknown, the State Department of Assessments and Taxation provides a process to redeem the ground lease that may result in your obtaining absolute ownership of the property. If you would like to obtain absolute ownership of this property, you should contact a lawyer for advice.".

(b) (1) In this subsection, "water and sewer authority" includes a person to which the duties and responsibilities of the Washington Suburban Sanitary Commission have been delegated by a written agreement or in accordance with a local ordinance.

(2) A contract for the initial sale of improved, residential real property to a member of the public who intends to occupy or rent the property for residential purposes shall disclose the estimated cost, as established by the appropriate water and sewer authority, of any deferred water and sewer charges for which the purchaser may become liable.

(3) (i) In Prince George's County, a contract for the initial sale of residential real property for which there are deferred private water and sewer

assessments recorded by a covenant or declaration deferring costs for water and sewer improvements for which the purchaser may be liable shall contain a disclosure that includes:

1. The existence of the deferred private water and sewer assessments;

2. The amount of the annual assessment;

3. The approximate number of payments remaining on the assessment;

4. The amount remaining on the assessment, including interest;

5. The name and address of the person or entity most recently responsible for collection of the assessment;

6. The interest rate on the assessment;

7. The estimated payoff amount of the assessment; and

8. A statement that payoff of the assessment is allowed without prepayment penalty.

(ii) A person or entity establishing water and sewer costs for the initial sale of residential real property may not amortize costs that are passed on to a purchaser by imposing a deferred water and sewer charge for a period longer than 20 years after the date of the initial sale.

(4) If the appropriate water and sewer authority has not established a schedule of charges for the water and sewer project that benefits the property or if a local jurisdiction has adopted a plan to benefit the property in the future, the contract of sale shall disclose that fact.

(c) (1) Violation of subsection (b)(2) or (4) of this section entitles the initial purchaser to recover from the seller:

(i) Two times the amount of deferred charges the purchaser would be obligated to pay during the 5 years of payments following the sale;

(ii) No amount greater than actually paid thereafter; and

(iii) Any deposit moneys actually paid by the purchaser that were lost as a result of a violation of subsection (b)(2) or (4) of this section.

(2) Violation of subsection (b)(3) of this section entitles the purchaser to:

(i) Recover from the seller the total amount of deferred charges the

purchaser will be obligated to pay following the sale;

(ii) Recover from the seller any money actually paid by the purchaser on the deferred charge that was lost as a result of a violation of subsection (b)(3) of this section; or

(iii) If the violation is discovered before settlement, rescind the real estate contract without penalty.

(d) (1) A contract for use in the sale of residential property used as a dwelling place for one or two single–family units shall contain, in the manner provided under paragraph (2) of this subsection, the following statement:

"Section 14–104 of the Real Property Article of the Annotated Code of Maryland provides that, unless otherwise negotiated in the contract or provided by State or local law, the cost of any recordation tax or any State or local transfer tax shall be shared equally between the buyer and seller."

(2) The statement required under paragraph (1) of this subsection shall be printed in conspicuous type or handwritten in the contract or an addendum to the contract.

(e) A contract or an addendum to the contract for the sale of real property shall contain in conspicuous type the following statement:

"Notice to buyer concerning the Chesapeake and Atlantic Coastal Bays Critical Area

Buyer is advised that all or a portion of the property may be located in the "critical area" of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "critical area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of State or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The "critical area" also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries to the head of tide. For information as to whether the property is located within the critical area, buyer may contact the local department of planning and zoning, which maintains maps showing the extent of the critical area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington counties do not include land located in the critical area.".

(f) A contract of sale shall also comply with the following provisions, if applicable:

(1) Section 17–405 of the Business Occupations and Professions Article (notice of purchaser's protection by the Real Estate Guaranty Fund in an amount not to exceed $25,000);

(2) Section 17–504 of the Business Occupations and Professions Article (notice by real estate broker pertaining to deposit in noninterest bearing account);

(3) Section 17–523 of the Business Occupations and Professions Article (notice by real estate broker about recordation and transfer taxes);

(4) Section 17–524 of the Business Occupations and Professions Article (notice of purchaser's right to select title company, settlement company, escrow company, mortgage lender, or financial institution);

(5) Section 8A–605 of this article (notice of park rules to be given to buyer pertaining to sales of mobile homes);

(6) Section 10–103 of this article (notices and disclosures pertaining to land installment contracts);

(7) Sections 10–301 and 10–306 of this article (requirements and disclosures pertaining to deposits on new homes);

(8) Sections 10–505 and 10–506 of this article (requirements and disclosures pertaining to contracts between custom home builders and buyers);

(9) Sections 10–602, 10–603, 10–604(b), and 10–605 of this article (notices, disclosures, and requirements pertaining to new home warranties);

(10) Section 10–701 of this article (notice pertaining to sale of real property in Prince George's County creating subdivision);

(11) Section 10–702 of this article (disclosure or disclaimer statements pertaining to single–family residential real property);

(12) Section 10–703 of this article (notice pertaining to land use in county land–use plans in Anne Arundel County);

(13) Section 11–126 of this article (notice pertaining to initial sale of condominium unit);

(14) Section 11–135 of this article (notice pertaining to resale of condominium unit);

(15) Sections 11A–112, 11A–115, and 11A–118 of this article (statements and requirements pertaining to time–shares);

(16) Section 11B–105 of this article (notice pertaining to initial sale of lot in development containing more than 12 lots);

(17) Section 11B–106 of this article (notice pertaining to resale of any lot or initial sale of lot in development containing 12 or fewer lots);

(18) Section 11B–107 of this article (notice pertaining to initial sale of lot not intended to be occupied or rented for residential purposes);

(19) Section 5–6B–02 of the Corporations and Associations Article (notice pertaining to initial sale of cooperative interests);

(20) Section 13–308 of the Tax – Property Article (notice of liability for agricultural land transfer tax);

(21) Section 13–504 of the Tax – Property Article (notice of liability for agricultural land transfer tax in Washington County); and

(22) Section 6–824 of the Environment Article (disclosure pertaining to obligations to perform risk reduction).

(g) Unless otherwise specifically provided, a contract of sale is not rendered invalid by the omission of any statement referred to in this section.

(h) (1) This subsection applies to Prince George's County.

(2) A contract for the sale of real property on which a development impact fee has been imposed shall contain a notice to the purchaser stating:

(i) That a development impact fee has been imposed on the property;

(ii) The total amount of the impact fee that has been imposed on the property; and

(iii) The amount of the impact fee, if any, that is unpaid on the date of the contract for the sale of the property.

(3) Violation of paragraph (2) of this subsection entitles the initial purchaser to recover from the seller:

(i) Two times the amount of development impact fees the purchaser would be obligated to pay following the sale;

(ii) No amount greater than actually paid thereafter; and

(iii) Any deposit moneys actually paid by the purchaser that were lost as a result of violation of paragraph (2) of this subsection.

(i) (1) This subsection applies to St. Mary's and Charles counties.

(2) A contract for the sale of agriculturally assessed real property shall include the following information:

"Notice: under § 9–241 of the Environment Article of the Annotated Code of Maryland, the Department of the Environment is required to maintain permanent

records regarding every permit issued for the utilization of sewage sludge, including the application of sewage sludge on farm land. A prospective buyer has the right to ascertain all such information regarding the property being sold under this transaction."

(3) Omission of the notice required under paragraph (2) of this subsection may not be a basis for invalidation of the contract for sale.

(j) (1) This subsection applies to Baltimore City and all other counties except Montgomery County.

(2) A contract for the initial sale of a new home, as defined in the Maryland Home Builder Registration Act, shall include the following:

(i) The builder registration number of the seller of the new home;

(ii) A provision stating that the new home shall be constructed in accordance with all applicable building codes in effect at the time of the construction of the new home;

(iii) A provision referencing all performance standards or guidelines:

1. That the seller shall comply with in the construction of the new home; and

2. That shall prevail in the performance of the contract and any arbitration or adjudication of a claim arising from the contract; and

(iv) A provision detailing the purchaser's right to receive a consumer information pamphlet as provided under the Home Builder Registration Act.

(3) The performance standards or guidelines described in paragraph (2) of this subsection shall be:

(i) The performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or

2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable;

(ii) Any performance standards or guidelines adopted by the home builder and incorporated into the contract that are equal to or more stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or

2. Under the federal National Manufactured Housing

Construction and Safety Standards Act, to the extent applicable; or

(iii) Any performance standards or guidelines adopted at the time of the contract by a county or municipal corporation that are equal to or more stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or

2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable.

(4) The information required by paragraph (2) of this subsection shall be printed in conspicuous type.

(j–1) (1) A contract for the initial sale of a new home, as defined in the Maryland Home Builder Registration Act, shall be contingent on the purchaser obtaining a written commitment for a loan secured by the property, unless the contract contains a provision expressly stating that it is not contingent.

(2) If the contract is contingent on the purchaser obtaining a written commitment for a loan secured by the property, the contract shall state the maximum loan interest rate the purchaser is obligated to accept.

(k) (1) This subsection does not apply in Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington counties.

(2) A contract for the sale of residential real property shall contain the following statement:

"Buyer is advised that the property may be located near a military installation that conducts flight operations, munitions testing, or military operations that may result in high noise levels."

(3) All local laws requiring a statement or notice substantially similar to the statement required under paragraph (2) of this subsection prevail over the requirements of this subsection.

(l) (1) This subsection applies to Anne Arundel County.

(2) Subject to paragraph (3) of this subsection, if Anne Arundel County or the State has initiated enforcement action for a violation of a local law described in § 5–106(aa)(1) of the Courts and Judicial Proceedings Article, a contract for sale of the real property where the violation occurred shall disclose:

(i) The nature of the violation;

(ii) The status of any ongoing proceedings to enforce the violation; and

(iii) Any actions the buyer of the real property may be required to take with respect to the property in order to cure the violation.

(3) If a violation of a local law described in § 5–106(aa)(1) of the Courts and Judicial Proceedings Article is cured and a buyer of the real property where the violation occurred would not have any obligation to cure the violation, paragraph (2) of this subsection does not apply.

§14–117.1.

(a) This section applies only to existing single–family residential real property in Prince George's County.

(b) A person or entity that imposes a deferred water and sewer charge shall include with each bill a statement that includes:

(1) The amount of the annual assessment;

(2) The approximate number of payments remaining on the assessment;

(3) The amount remaining on the assessment, including interest;

(4) The name and address of the person or entity most recently responsible for collection of the assessment;

(5) The method used to compute the deferred water and sewer charge on the property;

(6) The interest rate on the assessment;

(7) The estimated payoff amount of the assessment; and

(8) A statement that payoff of the assessment is allowed without prepayment penalty.

(c) The balance owed on a deferred water and sewer assessment may be redeemed at the present value of the assessment.

§14–118.

(a) (1) In this section, "governing body" means a person who has the authority to enforce:

(i) The provisions of a declaration, as defined under § 11-103 of the Maryland Condominium Act;

(ii) Articles of incorporation of a council of unit owners, of a cooperative housing corporation as defined under the Maryland Cooperative Housing Corporation Act, or of a homeowners association, as defined under the Maryland

Homeowners Association Act; or

(iii) The provisions of bylaws, rules, and regulations of a condominium, as defined under the Maryland Condominium Act, of a cooperative housing corporation as defined under the Maryland Cooperative Housing Corporation Act, or of a homeowners association, as defined under the Maryland Homeowners Association Act.

(2) Governing body includes:

(i) A homeowners association, as defined under the Maryland Homeowners Association Act;

(ii) A council of unit owners of a condominium, as described in the Maryland Condominium Act; or

(iii) A cooperative housing corporation.

(b) A person sustaining an injury as a result of the tortious act of an officer or director of a governing body while the officer or director is acting within the scope of the officer's or director's duties may recover only in an action brought against the governing body for the damages described under § 5-422(b) of the Courts and Judicial Proceedings Article.

(c) In a proceeding against a governing body, a director or officer of a governing body shall have the immunity from liability described under § 5-422(c) of the Courts and Judicial Proceedings Article.

§14–119.

(a) In this section:

(1) "Cemetery" means the land or structures in Carroll County identified by the Carroll County Genealogical Society that are used for the interment of human remains; and

(2) "Cemetery" includes a grave, burial ground, monument, or gravestone.

(b) This section does not apply to a permanent cemetery that is owned by:

(1) A cemetery company regulated under Title 5 of the Business Regulation Article;

(2) A nonprofit organization; or

(3) A governmental unit within the State.

(c) A person who owns land in Carroll County on which all or a part of a cemetery is located shall:

(1) Record the location of the cemetery without using a survey in the Office of the Clerk of the Circuit Court for Carroll County; and

(2) Give written notice of the location of the cemetery without using a survey to any prospective buyer of the land.

(d) A person who removes any human remains, monument, or gravestone from a cemetery located on land in Carroll County shall:

(1) Comply with § 10-402 or § 10-404 of the Criminal Law Article;

(2) Place the human remains, monument, or gravestone in a permanent cemetery in Carroll County; and

(3) Record the new location of the human remains, monument, or gravestone in the Office of the Clerk of the Circuit Court for Carroll County.

(e) The Clerk of the Circuit Court for Carroll County shall index and file documents received under this section in the land records under the grantor index.

§14–120.

(a) (1) In this section the following words have the meanings indicated.

(2) "Commercial property" does not include residential rental property.

(3) "Community association" means:

(i) A nonprofit association, corporation, or other organization that is:

1. Comprised of residents of a community within which a nuisance is located;

2. Operated exclusively for the promotion of social welfare and general neighborhood improvement and enhancement; and

3. Exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; or

(ii) A nonprofit association, corporation, or other organization that is:

1. Comprised of residents of a contiguous community that is defined by specific geographic boundaries, within which a nuisance is located; and

2. Operated for the promotion of the welfare, improvement and enhancement of that community.

(4) "Controlled dangerous substance" means a substance listed in Schedule I or Schedule II under § 5–402 or § 5–403 of the Criminal Law Article.

(5) "Nuisance" means a property that is used:

(i) 1. By persons who assemble for the specific purpose of illegally administering a controlled dangerous substance;

2. For the illegal manufacture, or distribution of:

A. A controlled dangerous substance; or

B. Controlled paraphernalia, as defined in § 5–101 of the Criminal Law Article; or

3. For the illegal storage or concealment of a controlled dangerous substance in sufficient quantity to reasonably indicate under all the circumstances an intent to manufacture, distribute, or dispense:

A. A controlled dangerous substance; or

B. Controlled paraphernalia, as defined in § 5–101 of the Criminal Law Article; or

(ii) For prostitution.

(6) (i) "Operator" means a person that exercises control over property.

(ii) "Operator" includes a property manager or any other person that is authorized to evict a tenant.

(7) "Owner" includes an owner–occupant.

(8) "Owner–occupant" includes an owner of commercial property that conducts business in any part of the property.

(9) "Property" includes a mobile home.

(10) "Prostitution" has the meaning stated in § 11–301 of the Criminal Law Article.

(11) (i) "Tenant" means the lessee or a person occupying property, whether or not a party to a lease.

(ii) "Tenant" includes a lessee or a person occupying a mobile home, whether or not a party to a lease.

(iii) "Tenant" does not include:

1. The owner of the property; or

2. A mobile home owner who leases or rents a site for residential use and resides in a mobile home park.

(b) An action under § 4–401 of the Courts Article to abate a nuisance may be brought by:

(1) The State's Attorney of the county in which the nuisance is located;

(2) The county attorney or solicitor of the county in which the nuisance is located;

(3) A community association within whose boundaries the nuisance is located; or

(4) A municipal corporation within whose boundaries the nuisance is located.

(c) An action under § 4–401 of the Courts Article to abate a nuisance may be brought against:

(1) A tenant of the property where the nuisance is located;

(2) An owner of the property where the nuisance is located; or

(3) An operator of the property where the nuisance is located.

(d) (1) (i) Except as provided in subparagraph (ii) of this paragraph, an action may not be brought under this section concerning a commercial property until 30 days after the tenant, if any, and owner of record receive notice from a person entitled to bring an action under this section that a nuisance exists.

(ii) In Baltimore City, an action may not be brought under this section concerning a commercial property until 15 days after the tenant, if any, and owner of record receive notice from a person entitled to bring an action under this section that a nuisance exists.

(2) The notice shall specify:

(i) The date and time of day the nuisance was first discovered; and

(ii) The location on the property where the nuisance is allegedly occurring.

(3) The notice shall be:

(i) Hand delivered to the tenant, if any, and the owner of record; or

(ii) Sent by certified mail to the tenant, if any, and the owner of record.

(e) (1) In addition to any service of process required by the Maryland Rules, the plaintiff shall cause to be posted in a conspicuous place on the property no later than 48 hours before the hearing the notice required under paragraph (2) of this subsection.

(2) The notice shall indicate:

(i) The nature of the proceedings;

(ii) The time and place of the hearing; and

(iii) The name and telephone number of the person to contact for additional information.

(f) A plaintiff is entitled to relief under this section whether or not an adequate remedy exists at law.

(g) (1) If, after a hearing, the court determines that a nuisance exists, the court may order any appropriate injunctive or other equitable relief.

(2) Notwithstanding any other provision of law, and in addition to or as a component of any remedy ordered under paragraph (1) of this subsection, the court may order:

(i) A tenant who knew or should have known of the existence of the nuisance to vacate the property within 72 hours; or

(ii) An owner or operator of the property to submit for court approval a plan of correction to ensure, to the extent reasonably possible, that the property will not again be used for a nuisance if:

1. The owner or operator is a party to the action; and

2. The owner or operator knew or should have known of the existence of the nuisance.

(h) (1) (i) If a tenant fails to comply with an order under subsection (g) of this section and the owner or operator, and tenant, are parties to the action, the court, after a hearing, may order restitution of the possession of the property to the owner or operator.

(ii) If the court orders restitution of the possession of the property under subparagraph (i) of this paragraph, the court shall immediately issue its warrant to the sheriff or constable commanding execution of the warrant within 5 days after issuance of the warrant.

(2) (i) This paragraph does not apply to an action brought under this section alleging the use of a property for prostitution.

(ii) If an owner, including an owner–occupant, fails to comply with an order under subsection (g) of this section, after a hearing the court may, in addition to issuing a contempt order or an order for any other relief, order that:

1. The property be sold, at the owner's expense, in accordance with the Maryland Rules governing judicial sales; or

2. The property be demolished if the property is unfit for habitation and the estimated cost of rehabilitation significantly exceeds the estimated market value of the property after rehabilitation.

(3) (i) This paragraph applies only to an action brought under this section alleging the use of a property for prostitution.

(ii) If an owner, including an owner–occupant, fails to comply with an order under subsection (g) of this section, after a hearing, the court may issue a contempt order.

(4) If an owner–occupant fails to comply with an order under subsection (g) of this section regarding a nuisance in the owner–occupied unit of the property, after a hearing the court may, in addition to issuing a contempt order or an order for any other relief, order that:

(i) The owner–occupied unit be vacated within 72 hours; and

(ii) The owner–occupied unit remain unoccupied for a period not to exceed 1 year or until the property is sold in an arm's length transaction.

(i) Except as provided in subsection (g)(2) of this section, the court may order appropriate relief under subsection (g) of this section without proof that a defendant knew of the existence of the nuisance.

(j) In any action brought under this section:

(1) Evidence of the general reputation of the property is admissible to corroborate testimony based on personal knowledge or observation, or evidence seized during the execution of a search and seizure warrant, but shall not, in and of itself, be sufficient to establish the existence of a nuisance under this section; and

(2) Evidence that the nuisance had been discontinued at the time of the filing of the complaint or at the time of the hearing does not bar the imposition of appropriate relief by the court under subsection (g) of this section.

(k) (1) This subsection does not apply to an action against an owner, other than an owner–occupant, brought under this section alleging the use of a property for

prostitution.

(2) The court may award court costs and reasonable attorney's fees to a community association that is the prevailing plaintiff in an action brought under this section.

(l) An action under this section shall be heard within 14 days after service of process on the parties.

(m) This section does not abrogate any equitable or legal right or remedy under existing law to abate a nuisance.

(n) (1) An appeal from a judgment or order under this section shall be filed within 10 days after the date of the order or judgment.

(2) If either party files a request for oral argument, the court shall hear the oral argument within 7 days after the request is filed.

(3) (i) If the appellant files a request for oral argument, the request shall be filed at the time of the filing of the appeal.

(ii) If the appellee files a request for oral argument, the request shall be filed within 2 days of receiving notice of the appeal.

(o) Provisions of this article or public local laws applicable to actions between a landlord and tenant are not applicable to actions brought against a landlord or a tenant under this section.

(p) All proceedings under this section are equitable in nature.

(q) (1) Except as provided in paragraph (2) of this subsection, when necessary to accomplish the purposes of this section, a law enforcement officer, an attorney in a municipal or county attorney's office, or an attorney in an office of the State's Attorney may disclose the contents of an executed search warrant and papers filed in connection with the search warrant to:

(i) An officer or director of the community association in which the nuisance is located, or the attorney representing the community association;

(ii) An owner, tenant, or operator of the searched property or an agent of the owner, tenant, or operator of the searched property; or

(iii) An attorney in a municipal or county attorney's office.

(2) An affidavit may not be disclosed under this subsection while under seal in accordance with § 1–203 of the Criminal Procedure Article.

§14–121.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Burial site" means any natural or prepared physical location, whether originally located below, on, or above the surface of the earth into which human remains or associated funerary objects are deposited as a part of a death rite or ceremony of any culture, religion, or group.

(ii) "Burial site" includes the human remains and associated funerary objects that result from a shipwreck or accident and are intentionally left to remain at the site.

(3) "Cultural affiliation" means a relationship of shared group identity that can be reasonably traced historically between a present–day group, tribe, band, or clan and an identifiable earlier group.

(4) "Person in interest" means a person who:

(i) Is related by blood or marriage to the person interred in a burial site;

(ii) Is a domestic partner, as defined in § 1–101 of the Health – General Article, of a person interred in a burial site;

(iii) Has a cultural affiliation with the person interred in a burial site; or

(iv) Has an interest in a burial site that the Office of the State's Attorney for the county where the burial site is located recognizes is in the public interest after consultation with a local burial sites advisory board or, if such a board does not exist, the Maryland Historical Trust.

(b) Any person in interest may request the owner of a burial site or of the land encompassing a burial site that has been documented or recognized as a burial site by the public or any person in interest to grant reasonable access to the burial site for the purpose of restoring, maintaining, or viewing the burial site.

(c) (1) A person requesting access to a burial site under subsection (b) or (d) of this section may execute an agreement with the owner of the burial site or of the land encompassing the burial site using a form similar to the form below:

"Permission to Enter

I hereby grant the person named below permission to enter my property, subject to the terms of the agreement, on the following dates:

Signed.....

(Landowner)

Agreement

In return for the privilege of entering on the private property for the purpose of restoring, maintaining, or viewing the burial site or transporting human remains to the burial site, I agree to adhere to every law, observe every safety precaution and practice, take every precaution against fire, and assume all responsibility and liability for my person and my property, while on the landowner's property.

Signed"

(2) The owner of the burial site or of the land encompassing the burial site may grant access to the burial site in accordance with the terms of the agreement signed under paragraph (1) of this subsection.

(d) In addition to the provisions of subsection (b) of this section, if burials are still taking place at a burial site, any person who is related by blood or marriage, heir, appointed representative, or any other person in interest may request the owner of the land encompassing the burial site to grant reasonable access to the burial site for the purpose of transporting human remains to the burial site to inter the remains of a person for whose burial the site is dedicated, if access has not been provided in a covenant or deed of record describing the metes and bounds of the burial site.

(e) Except for willful or malicious acts or omissions, the owner of a burial site or of the land encompassing a burial site who allows persons to enter or go on the land for the purposes provided in subsections (b) and (d) of this section is not liable for damages in a civil action to a person who enters on the land for injury to person or property.

(f) (1) An owner of a burial site, a person who is related by blood or marriage to the person interred in a burial site, heir, appointed representative, or any other person in interest, or any other person may report the location of a burial site to the supervisor of assessments for a county, together with supporting documentation concerning the location and nature of the burial site.

(2) The supervisor of assessments for a county may note the presence of a burial site on a parcel on the county tax maps maintained under § 2–213 of the Tax – Property Article.

(g) Nothing in this section may be construed to interfere with the normal operation and maintenance of a public or private cemetery being operated in accordance with State law.

§14–122.

(a) In this section, "burial site" means any natural or prepared physical location, whether originally below, on, or above the surface of the earth into which human remains are deposited as a part of a death rite or ceremony of any culture, religion, or group.

(b) Any county or municipal corporation that has within its jurisdiction a burial site in need of repair or maintenance may, upon the request of the owner or with permission of the owner of the burial site in need of repair or maintenance, maintain and preserve the burial site for the owner.

(c) In order to maintain and preserve a burial site or to repair or restore fences, tombs, monuments, or other structures located in a burial site, a county or municipal corporation may:

(1) Appropriate money and solicit donations from individuals or public or private corporations;

(2) Provide incentives for charitable organizations or community groups to donate their services; and

(3) Develop a community service program through which individuals required to perform community service hours under a sentence of a court or students may satisfy community service requirements or volunteer their services.

§14–123.

(a) (1) In this section the following words have the meanings indicated.

(2) "Community association" means:

(i) A nonprofit association, corporation, or other organization that is:

1. Composed of residents of a community within which a nuisance is located;

2. Operated exclusively for the promotion of social welfare and general neighborhood improvement and enhancement; and

3. Exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; or

(ii) A nonprofit association, corporation, or other organization that is:

1. Composed of residents of a contiguous community that is defined by specific geographic boundaries, within which a nuisance is located;

2. Operated for the promotion of the welfare, improvement, and enhancement of that community; and

3. In good standing with the State Department of Assessments and Taxation.

(3) "Local code violation" means a violation under the following provisions of the Baltimore City Code as amended from time to time or under any applicable code relating to the following provisions incorporated by Baltimore City by reference:

(i) Nuisance control, waste control, and noise regulation titles of the Health Code of Baltimore City;

(ii) The public nuisance and neighborhood nuisance provisions under City Code Article 19, Police Ordinances;

(iii) City Code Article 23, Sanitation;

(iv) The Building, Fire, and Related Codes of Baltimore City; or

(v) The Zoning Code of Baltimore City.

(4) "Nuisance" means, within the boundaries of the community represented by the community association, an act or condition knowingly created, performed, or maintained on private property that constitutes a local code violation and that:

(i) Significantly affects other residents of the neighborhood; and

(ii) 1. Is injurious to public health, safety, or welfare of neighboring residents; or

2. Obstructs the reasonable use of other property in the neighborhood.

(b) This section only applies to a nuisance located within the boundaries of Baltimore City.

(c) (1) A community association may seek injunctive and other equitable relief in the circuit court for abatement of a nuisance upon showing:

(i) The notice requirements of this subsection have been satisfied; and

(ii) The nuisance has not been abated.

(2) (i) 1. An action may not be brought under this section until 60 days after the community association sends notice of the violation and of the community association's intent to bring an action under this section by certified mail, return receipt requested, to the appropriate code enforcement agency.

2. If the appropriate code enforcement agency is the Baltimore City Department of Housing and Community Development, an action under this section may not be brought if the Department provides a written response to the community

association within 60 days of receiving the notice that the property is part of an active code enforcement plan.

(ii) An action under this section may not be brought if the appropriate code enforcement agency has filed an action for equitable relief from the nuisance.

(3) (i) An action may not be brought under this section until 60 days after the community association sends notice to the tenant, if any, and the owner of record that a nuisance exists and that legal action may be taken if the nuisance is not abated.

(ii) The notice shall specify:

1. The nature of the alleged nuisance;

2. The date and time of day the nuisance was first discovered;

3. The location on the property where the nuisance is allegedly occurring; and

4. The relief sought in the action.

(iii) 1. The notice shall be provided to the tenant, if any, and the owner of record in the same manner as service of process in a civil in personam action under the Maryland Rules.

2. Adequate and sufficient notice may be given to the tenant, if any, and the owner of record by sending a copy of the notice by regular mail and posting a copy of the notice on the property where the nuisance is allegedly occurring, if notice sent by certified mail is:

A. Returned unclaimed or refused;

B. Designated by the post office to be undeliverable for any other reason; or

C. Signed for by a person other than the addressee.

(iv) In filing a suit under this section, an officer of the community association shall certify to the court:

1. What steps the community association has taken to satisfy the notice requirements under this subsection; and

2. That each condition precedent to the filing of an action under this section has been met.

(4) (i) An action may not be brought against an owner of residential rental property unless, prior to the giving of notice under subsection (c)(3)(i) of this

section, a notice of violation relating to the nuisance has first been issued by an appropriate code enforcement agency.

(ii) In the case of a nuisance based on a housing or building code violation, other than a recurrent sanitation violation, relief may not be granted under this section unless a violation notice relating to the nuisance has been issued by the Department of Housing and Community Development and remains outstanding after a period of 75 days.

(5) (i) If a violation notice is an essential element of the action, a copy of the notice signed by an official of the appropriate code enforcement agency shall be prima facie evidence of the facts contained in the notice.

(ii) A notice of abatement issued by the appropriate code enforcement agency in regard to the violation notice shall be prima facie evidence that the plaintiff is not entitled to the relief requested.

(6) A proceeding under this section shall:

(i) Take precedence on the docket;

(ii) Be heard at the earliest practicable date; and

(iii) Be expedited in every way.

(d) A political subdivision of the State or any agency of a political subdivision may not be subject to any action brought under this section or an action resulting from an action brought under this section against a private property owner.

(e) (1) Subject to paragraph (2) of this subsection, this section may not be construed as to abrogate any equitable or legal right or remedy otherwise available under the law to abate a nuisance.

(2) This section may not be construed as to grant standing for an action:

(i) Challenging any zoning application or approval;

(ii) In which the alleged nuisance consists of:

1. A condition relating to lead paint; or

2. An interior physical defect of a property;

(iii) Involving any violation of alcoholic beverages laws under Article 2B of the Code; or

(iv) Involving any matter in which a certificate, license, permit, or registration is required or allowed under the Environment Article.

§14–124.

(a) (1) In this section the following words have the meanings indicated.

(2) "Community association" means a Maryland nonprofit association, corporation, or other organization that is located exclusively in an area of the county that is outside of a municipal corporation and:

(i) Is comprised of at least 25% of adult residents of a local community consisting of 40 or more individual, contiguous households as defined by specific geographic boundaries in the bylaws or charter of the association;

(ii) Requires, as a condition of membership, the voluntary payment of monetary dues at least annually;

(iii) Is operated primarily for the promotion of social welfare and general neighborhood improvement and enhancement;

(iv) Has been in existence for at least 2 years when it files suit under this section;

(v) Is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; and

(vi) In the case of a Maryland corporation, is in good standing.

(3) "Local code violation" means a violation under the following provisions of the Prince George's County Code as amended from time to time or under any applicable code relating to the following provisions incorporated into the Prince George's County Code by reference:

(i) Animal control regulations (§ 3-131 et seq.) and other rules, regulations, and standards (§ 3-175 et seq.) under Subtitle 3;

(ii) Building Code under Subtitle 4, Division 1;

(iii) Fire Prevention Code under Subtitle 11, Division 4;

(iv) Pest control provisions under Subtitle 12, Division 5;

(v) Housing Code, property standards and maintenance, and antilitter and weed ordinance, under Subtitle 13, Divisions 1, 7, and 9, respectively;

(vi) Sewage disposal nuisances under Subtitle 22, Division 3, Subdivision 3; and

(vii) Abandoned vehicles under Subtitle 26, Division 14.

(4) "Nuisance" means, within the boundaries of the community

represented by the community association, an act or condition knowingly created, performed, or maintained on private property that constitutes a local code violation and that:

(i) Significantly affects other residents of the neighborhood;

(ii) Negatively impacts the value of neighboring property; and

(iii) 1. Is injurious to public health, safety, or welfare of neighboring residents; or

2. Obstructs the reasonable use of other property in the neighborhood.

(b) This section only applies to a nuisance located within the boundaries of Prince George's County.

(c) (1) A community association may seek injunctive and other equitable relief in the circuit court for abatement of a nuisance upon showing:

(i) The notice requirements under paragraphs (2) and (3) of this subsection have been satisfied; and

(ii) The nuisance has not been abated.

(2) (i) An action may not be brought under this section based on a nuisance until 60 days after the community association gives notice of the violation and of the community association's intent to bring an action under this section by certified mail, return receipt requested, to the applicable local enforcement agency.

(ii) An action under this section may not be brought if the applicable code enforcement agency has filed an action for equitable relief from the nuisance.

(3) (i) An action may not be brought under this section until 60 days after the tenant, if any, and owner of record receive notice from the community association that a nuisance exists and that legal action may be taken if the nuisance is not abated.

(ii) The notice shall specify:

1. The nature of the alleged nuisance;

2. The date and time of day the nuisance was first discovered;

3. The location on the property where the nuisance is allegedly occurring; and

4. The relief sought.

(iii) The notice shall be provided to the tenant, if any, and the owner of record in the same manner as service of process in a civil in personam action under the Maryland Rules.

(iv) In filing a suit under this section, an officer of the community association shall certify to the court:

1. What steps the community association has taken to satisfy the notice requirements under this subsection; and

2. That each condition precedent to the filing of an action under this section has been met.

(4) A proceeding under this section shall:

(i) Take precedence on the docket;

(ii) Be heard at the earliest practicable date; and

(iii) Be expedited in every way.

(d) A political subdivision of the State or any agency of a political subdivision may not be subject to any action brought under this section or an action resulting from an action brought under this section against a private property owner.

(e) (1) Subject to paragraph (2) of this subsection, this section may not be construed to abrogate any equitable or legal right or remedy otherwise available under the law to abate a nuisance.

(2) This section may not be construed as granting standing for an action:

(i) Challenging any zoning application or approval;

(ii) In which the alleged nuisance consists of:

1. A condition relating to lead paint; or

2. An interior physical defect of a property;

(iii) Involving any violation of alcoholic beverages laws under Article 2B of the Code; or

(iv) Involving any matter in which a certificate, license, permit, or registration is required or allowed under the Environment Article.

§14–125.

(a) (1) In this section the following words have the meanings indicated.

(2) "Community association" means a Maryland nonprofit corporation that:

(i) Is comprised of at least 20% of the total number of households as members, with a minimum membership of 25 households, of a local community that consists of 40 or more individual households as defined by specific geographic boundaries in the bylaws or charter of the community association;

(ii) Requires, as a condition of membership, the payment of monetary dues at least annually;

(iii) Is operated primarily for the promotion of social welfare and general neighborhood improvement and enhancement;

(iv) Has been in existence for at least 1 year when it files suit under this section;

(v) 1. Is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; or

2. Has been included for a period of at least 1 year prior to bringing an action under this section in the "Directory of Organizations in Baltimore County" that is published by the Baltimore County Public Library; and

(vi) Is in good standing.

(3) "Local code violation" means a violation under Title 22. "Nuisances" of the Baltimore County Code 1988.

(4) "Nuisance" means, within the boundaries of the community represented by the community association, an act or condition created, performed, or maintained on private property that constitutes a local code violation and that:

(i) Negatively impacts the well-being of other residents of the neighborhood; and

(ii) 1. Is injurious to public health, safety, or welfare of neighboring residents; or

2. Obstructs the reasonable use of other property in the neighborhood.

(b) This section only applies to a nuisance located within the boundaries of Baltimore County.

(c) (1) A community association may seek injunctive and other equitable relief in the Circuit Court for Baltimore County for abatement of a nuisance upon showing that:

(i) The notice requirements under paragraphs (2) and (3) of this subsection have been satisfied; and

(ii) The nuisance has not been abated.

(2) (i) An action may not be brought under this section based on a nuisance until 60 days after the community association gives notice of the violation and of the community association's intent to bring an action under this section by certified mail, return receipt requested, to the County Code enforcement agency.

(ii) An action under this section may not be brought if the County Code enforcement agency has filed an action for equitable relief from the nuisance.

(3) (i) An action may not be brought under this section until 60 days after the tenant, if any, and owner of record receive notice by certified mail, return receipt requested, from the community association that a nuisance exists and that legal action may be taken if the nuisance is not abated.

(ii) The notice shall specify:

1. The nature of the alleged nuisance;

2. The date and time of day the nuisance was first documented;

3. The location on the property where the nuisance is allegedly occurring; and

4. The relief sought.

(iii) In filing a suit under this section, an officer of the community association shall certify to the court:

1. What steps the community association has taken to satisfy the notice requirements under this subsection; and

2. That each condition precedent to the filing of an action under this section has been met.

(4) The court shall determine in what amount and under what conditions, if any, a bond shall be filed by a community association in an action for relief under this section.

(d) A political subdivision of the State or any agency of a political subdivision is not subject to any action brought under this section or an action resulting from an action brought under this section against a private property owner.

(e) (1) Subject to paragraph (2) of this subsection, this section may not be

construed to abrogate any equitable or legal right or remedy otherwise available under the law to abate a nuisance.

(2) This section may not be construed as granting standing for an action:

(i) Challenging any zoning, development, special exception, or variance application or approval;

(ii) In which the alleged nuisance consists of:

1. A condition relating to lead paint;

2. An interior physical defect of a property, except in situations that present a threat to neighboring properties; or

3. A vacant dwelling that is maintained in a boarded condition, free from trash and debris, and secure against trespassers and weather entry;

(iii) Involving any violation of alcoholic beverages laws under Article 2B of the Code; or

(iv) Involving any matter in which a certificate, license, permit, or registration is required or allowed under the Environment Article.

§14–125.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Community association" means a Maryland nonprofit association, corporation, or other organization that:

(i) Is comprised of at least 20% of the total number of households as members of a local community that consists of 40 or more individual households as defined by specific geographic boundaries in the bylaws or charter of the community association;

(ii) Requires, as a condition of membership, the payment of monetary dues at least annually;

(iii) Is operated primarily for the promotion of social welfare and general neighborhood improvement and enhancement;

(iv) Has been in existence for at least 1 year when it files suit under this section;

(v) Is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code; and

(vi) Is in good standing.

(3) "Local code violation" means a violation under the following provisions of the Anne Arundel County Code or under any applicable code relating to the following provisions incorporated in the Anne Arundel County Code by reference:

(i) Article 11 – Crimes and Punishments;

(ii) Article 12 – Animal Control;

(iii) Article 14 – Environmental Health;

(iv) Article 16 – Licenses and Permits; and

(v) Article 22 – Housing Maintenance and Occupancy Code.

(4) "Nuisance" means:

(i) An act or condition knowingly created, performed, or maintained on private property that constitutes a local code violation and that:

1. Significantly affects other residents of the neighborhood;

2. Diminishes the value of neighboring property; and

3. A. Is injurious to public health, safety, or welfare of neighboring residents; or

B. Obstructs the reasonable use of other property in the neighborhood;

(ii) A property where the tenant, owner, or other occupant has been convicted of violations of § 10–201 or § 10–202 of the Criminal Law Article for conduct occurring on, in, or in relation to the property; or

(iii) A property to which police or other law enforcement agencies have responded to complaints or calls for service 10 or more times within any 30 day period.

(b) This section only applies to a nuisance located within the boundaries of Anne Arundel County.

(c) An action to abate a nuisance may be brought under this section and § 4–401 of the Courts Article by:

(1) The State's Attorney for Anne Arundel County;

(2) The County Attorney for Anne Arundel County;

(3) A community association within whose boundaries the nuisance is located; or

(4) The City Attorney for the City of Annapolis.

(d) (1) A person specified in subsection (c) of this section may seek injunctive and other equitable relief in the District Court for abatement of a nuisance upon showing:

(i) The notice requirements under paragraphs (2) and (3) of this subsection have been satisfied; and

(ii) The nuisance has not been abated.

(2) (i) An action may not be brought under this section based on a nuisance until 60 days after the plaintiff gives notice of the violation and of the plaintiff's intent to bring an action under this section by certified mail, return receipt requested, to the applicable local enforcement agency.

(ii) An action may not be brought under this section if the applicable code enforcement agency has filed an action for equitable relief from the nuisance.

(3) (i) An action may not be brought under this section until 60 days after the tenant, if any, and owner of record receive notice from the plaintiff that a nuisance exists and that legal action may be taken if the nuisance is not abated.

(ii) The notice shall specify:

1. The nature of the alleged nuisance;

2. The date and time of day the nuisance was first discovered;

3. The location on the property where the nuisance is allegedly occurring; and

4. The relief sought.

(iii) The notice shall be provided to the tenant, if any, and the owner of record in the same manner as service of process in a civil in personam action under the Maryland Rules.

(iv) 1. In addition to any service of process required by the Maryland Rules, the plaintiff shall cause to be posted in a conspicuous place on the property no later than 48 hours before the hearing the notice required under sub–subparagraph 2 of this subparagraph.

2. The notice shall indicate:

A. The nature of the proceedings;

B. The time and place of the hearing; and

C. The name and telephone number of the person to contact for additional information.

(4) In filing a suit under this section, the plaintiff shall certify to the court:

(i) What steps the plaintiff has taken to satisfy the notice requirements under this subsection; and

(ii) That each condition precedent to the filing of an action under this section has been met.

(e) A political subdivision of the State or any agency of a political subdivision may not be subject to any action brought under this section or an action resulting from an action brought under this section against a private property owner.

(f) (1) Notwithstanding any other provision of law, and in addition to or as a component of any remedy ordered under subsection (d) of this section, the court, after a hearing, may order a tenant who knew or should have known of the existence of the nuisance to vacate the property within 72 hours.

(2) The court, after a hearing, may grant a judgment of restitution or the possession of rental property to the owner if:

(i) The owner and tenant are parties to the action; and

(ii) A tenant has failed to obey an order under subsection (d) of this section or paragraph (1) of this subsection.

(3) If the court orders restitution of the possession of the property under paragraph (2) of this subsection, the court shall immediately issue its warrant to the sheriff or constable commanding execution of the warrant within 5 days after issuance of the warrant.

(4) In addition to or as a part of any injunction, restraining order, or other relief ordered, the court may order the owner of the property to submit for court approval a plan of correction to ensure, to the extent reasonably possible, that the property will not again be used for a nuisance if:

(i) The owner is a party to the action; and

(ii) The owner knew or should have known of the existence of the nuisance.

(5) If an owner fails to comply with an order to abate a nuisance, after a hearing the court may, in addition to any other relief granted, order that the property be demolished if the property is unfit for habitation and the estimated cost of rehabilitation significantly exceeds the estimated market value of the property after rehabilitation.

(g) (1) Subject to paragraph (2) of this subsection, this section may not be construed to abrogate any equitable or legal right or remedy otherwise available under the law to abate a nuisance.

(2) This section may not be construed as granting standing for an action:

(i) Challenging any zoning application or approval;

(ii) In which the alleged nuisance consists of:

1. A condition relating to lead paint; or

2. An interior physical defect of a property;

(iii) Involving any violation of alcoholic beverages laws under Article 2B of the Code; or

(iv) Involving any matter in which a certificate, license, permit, or registration is required or allowed under the Environment Article.

(h) Provisions of this article or public local laws applicable to actions between a landlord and a tenant are not applicable to actions brought against a landlord or a tenant under this section.

§14–125.2.

(a) (1) In this section the following words have the meanings indicated.

(2) "Local code violation" means a violation under the following provisions of the Harford County Code as amended from time to time or under any applicable code relating to the following provisions incorporated in the Harford County Code by reference, or comparable provisions within the codes of the incorporated municipalities of Aberdeen, Havre de Grace, and Bel Air:

(i) Chapter 64 – Animals;

(ii) Chapter 82 – Building Construction;

(iii) Chapter 84 – Buildings, General;

(iv) Chapter 109 – Environmental Control;

(v) Chapter 157 – Licenses and Permits;

(vi) Chapter 162 – Livability Code;

(vii) Chapter 173 – Mobile Homes and Trailers; and

(viii) Chapter 179 – Nuisances and Public Health.

(3) "Nuisance" means:

(i) An act or condition created, performed, or maintained on private property that constitutes a local code violation and that:

1. Negatively impacts the well–being of other residents; and

2. A. Is injurious to public health, safety, or welfare; or

B. Obstructs the reasonable use of property;

(ii) A property where the tenant, owner, or other occupant has been convicted of violations of § 10–201 or § 10–202 of the Criminal Law Article for conduct occurring on, in, or in relation to the property;

(iii) A property to which police or other law enforcement agencies have responded to complaints or calls for service 4 or more times within any 30–day period and that:

1. Negatively impacts the well–being of other residents; and

2. A. Is injurious to public health, safety, or welfare; or

B. Obstructs the reasonable use of property;

(iv) A property where the tenant, owner, or other occupant has been convicted of violations of any criminal law occurring on, in, or in relation to the property and is related to the activities of a criminal gang as defined in § 9–801 of the Criminal Law Article; or

(v) A building, structure, dwelling, dwelling unit, or accessory structure that:

1. Contains defects due to inadequate maintenance, obsolescence, or abandonment that increase the hazard of fire, accident, or other calamity; or

2. Is unsafe, unsanitary, dangerous, or detrimental to the health, safety, or general welfare of the community due to lack of maintenance, inadequate ventilation, light, sanitary facilities, or other conditions.

(b) This section only applies to a nuisance located within the boundaries of Harford County.

(c) An action to abate a nuisance may be brought under this section and § 4–401 of the Courts Article by the State's Attorney for Harford County.

(d) (1) The State's Attorney may seek injunctive and other equitable relief in the District Court for abatement of a nuisance upon showing:

(i) The notice requirements under paragraphs (2) and (3) of this subsection have been satisfied; and

(ii) The nuisance has not been abated.

(2) (i) An action may not be brought under this section based on a nuisance until 60 days after the State's Attorney gives notice of the violation and of the State's Attorney's intent to bring an action under this section by certified mail, return receipt requested, to the applicable local enforcement agency.

(ii) An action may not be brought under this section if the applicable code enforcement agency has filed an action for equitable relief from the nuisance.

(3) (i) An action may not be brought under this section until 60 days after the tenant, if any, and owner of record receive notice from the State's Attorney that a nuisance exists and that legal action may be taken if the nuisance is not abated.

(ii) The notice shall specify:

1. The nature of the alleged nuisance;

2. The date and time of day the nuisance was first discovered;

3. The location on the property where the nuisance is allegedly occurring; and

4. The relief sought.

(iii) The notice shall indicate:

1. The nature of the proceedings;

2. The time and place of the hearing; and

3. The name and telephone number of the person to contact for additional information.

(4) In filing a suit under this section, the State's Attorney shall certify to the court:

(i) What steps the State's Attorney has taken to satisfy the notice requirements under this subsection; and

(ii) That each condition precedent to the filing of an action under this section has been met.

(e) A political subdivision of the State or any agency of a political subdivision may not be subject to any action brought under this section or an action resulting from an action brought under this section against a private property owner.

(f) (1) Notwithstanding any other provision of law, and in addition to or as a component of any remedy ordered under subsection (d) of this section, the court, after a hearing, may order a tenant who knew or should have known of the existence of the nuisance to vacate the property within 72 hours.

(2) The court, after a hearing, may grant a judgment of restitution or the possession of rental property to the owner if:

(i) The owner and tenant are parties to the action; and

(ii) A tenant has failed to obey an order under subsection (d) of this section or paragraph (1) of this subsection.

(3) If the court orders restitution or the possession of the property under paragraph (2) of this subsection, the court shall immediately issue its warrant to the sheriff or constable commanding execution of the warrant within 5 days after issuance of the warrant.

(4) In addition to or as a part of any injunction, restraining order, or other relief ordered, the court may order the owner of the property to submit for court approval a plan of correction to ensure, to the extent reasonably possible, that the property will not again be used for a nuisance if:

(i) The owner is a party to the action; and

(ii) The owner knew or should have known of the existence of the nuisance.

(5) If an owner fails to comply with an order to abate a nuisance, after a hearing, the court may, in addition to any other relief granted, order that the property be demolished if the property is unfit for habitation and the estimated cost of rehabilitation significantly exceeds the estimated market value of the property after rehabilitation.

(g) This section may not be construed to abrogate any equitable or legal right or remedy otherwise available under the law to abate a nuisance.

(h) Provisions of this article or public local laws applicable to actions between a landlord and a tenant are not applicable to actions brought against a landlord or a tenant under this section.

§14–126.

(a) In addition to any other foreclosure requirements under the law, after the commencement of an action to foreclose a lien on real property and before making a sale of the property subject to the lien, the person authorized to make the sale shall notify the county or municipal corporation where the property subject to the lien is located, not less than 15 days prior to sale, of:

(1) The name, address, and telephone number of the person authorized to make the sale; and

(2) The time, place, and terms of sale.

(b) A county or municipal corporation that receives the notice described under subsection (a) of this section shall notify the person authorized to make the sale of any outstanding liens, charges, taxes, or assessments that the county or municipal corporation has against the property not more than 10 days after receiving the notice of sale.

§14–126.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Department" means the Department of Labor, Licensing, and Regulation.

(3) "Foreclosed Property Registry" means the Foreclosed Property Registry established by the Department under subsection (b) of this section.

(4) "Foreclosure purchaser" means the person identified as the purchaser on the report of sale required by Maryland Rule 14–305 for a foreclosure sale of residential property.

(5) "Fund" means the Foreclosed Property Registry Fund established by the Department under subsection (i) of this section.

(6) "Local jurisdiction" means:

(i) A county; or

(ii) A municipal corporation.

(7) "Residential property" means real property improved by four or fewer dwelling units that are designed principally and are intended for human habitation.

(b) The Department shall establish and maintain an Internet–based Foreclosed Property Registry for information relating to foreclosure sales of residential property.

(c) At the time of a foreclosure sale of residential property, the person responsible for conducting the foreclosure shall obtain from the foreclosure purchaser a written acknowledgment of the requirements of this section.

(d) (1) Within 30 days after a foreclosure sale of residential property, a foreclosure purchaser shall submit an initial registration to the Foreclosed Property Registry.

(2) The initial registration shall:

(i) Be in the form the Department requires; and

(ii) Contain the following information:

1. The name, telephone number, and address of the foreclosure purchaser;

2. The street address of the property that is the subject of the foreclosure sale;

3. The date of the foreclosure sale;

4. Whether the property is a single–family or multifamily property;

5. The name and address of the person, including a substitute purchaser, who is authorized to accept legal service for the foreclosure purchaser;

6. To the best of the foreclosure purchaser's knowledge at the time of registration:

A. Whether the residential property is vacant; and

B. The name, telephone number, and street address of the person who is responsible for the maintenance of the property; and

7. Whether the foreclosure purchaser has possession of the property.

(3) Within 30 days after a deed transferring title to the residential property has been recorded, the foreclosure purchaser shall submit a final registration to the Foreclosed Property Registry.

(4) The final registration shall:

(i) Be in the form the Department requires; and

(ii) Contain the following information as of the date of final registration:

1. The name, telephone number, and address of the owner on the deed;

2. The date of the ratification of the sale; and

3. The date the deed was recorded.

(e) (1) The filing fees for registering a residential property are:

(i) $50 for an initial registration filed within the time period required under subsection (d)(1) of this section; and

(ii) $100 for an initial registration filed after the time period required under subsection (d)(1) of this section.

(2) There is no fee for a final registration.

(3) A filing fee paid under paragraph (1) of this subsection is nonrefundable.

(4) A local jurisdiction may enact a local law that imposes a civil penalty for failure to register under this section in an amount not exceeding $1,000.

(f) (1) Subject to paragraph (2) of this subsection, a local jurisdiction that, in accordance with any applicable building code or local ordinance, abates a nuisance on a residential property registered under this section or takes action to maintain a residential property registered under this section may collect the cost associated with the abatement or other action as a charge included on the residential property's property tax bill.

(2) (i) The cost associated with an abatement or other action taken under paragraph (1) of this subsection may not be included as a charge on the residential property's property tax bill unless the local jurisdiction provides advance written notice in accordance with subparagraph (ii) of this paragraph to:

1. The person identified in the registry who is authorized to accept legal service for the foreclosure purchaser; and

2. The person identified in the registry who is responsible for the maintenance of the property.

(ii) The notice described in subparagraph (i) of this paragraph shall:

1. Describe the intended abatement or other action the local jurisdiction intends to take; and

2. Be provided:

A. In accordance with the notice provisions of the applicable building code or local ordinance; or

B. If the applicable building code or local ordinance does not provide for notice, at least 30 days before the local jurisdiction abates the nuisance or takes action to maintain the property.

(g) (1) The Foreclosed Property Registry:

(i) Is not a public record as defined by § 4–101 of the General Provisions Article; and

(ii) Is not subject to Title 4 of the General Provisions Article.

(2) The Department may authorize access to the Foreclosed Property Registry only to local jurisdictions, their agencies, and representatives and State agencies.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, the Department or a local jurisdiction may provide information for a specific property in the Foreclosed Property Registry to:

(i) A person who owns property on the same block; or

(ii) A homeowners association or condominium in which the property is located.

(h) Revenue collected from the filing fees required under subsection (e)(1) of this section shall be distributed to the Fund.

(i) (1) There is a Foreclosed Property Registry Fund in the Department.

(2) The purpose of the Fund is to support the development, administration, and maintenance of the Foreclosed Property Registry established under this section.

(3) The Department shall administer the Fund.

(4) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(5) The Fund consists of:

(i) Revenue distributed to the Fund under subsection (h) of this section;

(ii) Investment earnings of the Fund;

(iii) Money appropriated in the State budget to the Fund; and

(iv) Any other money from any other source accepted for the benefit of the Fund.

(6) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings of the Fund shall be paid into the Fund.

(j) (1) Except as provided in paragraph (2) of this subsection, only the State may enact a law requiring a notice to be filed with a unit of government to register residential properties that are subject to foreclosure.

(2) This subsection does not restrict or otherwise affect the ability of a unit of government to require a registration or notice to be filed for a purpose other than one relating to foreclosure, even if a property to be identified in the registration or notice is subject to foreclosure.

§14–127.

(a) (1) In this section the following words have the meanings indicated.

(2) "Consideration" includes:

(i) A fee;

(ii) Compensation;

(iii) A gift, except promotional or advertising materials for general distribution;

(iv) A thing of value;

(v) A rebate;

(vi) A loan; or

(vii) An advancement of a commission or deposit money.

(3) "License" has the meaning stated in § 10–101 of the Insurance Article.

(4) "Residential real estate transaction" means a transaction involving a federally related mortgage loan as defined in 12 U.S.C. § 2602 and 24 C.F.R. 3500.2.

(5) "Title insurance producer" has the meaning stated in § 10–101 of the Insurance Article.

(b) This section does not prohibit:

(1) The payment of a commission to a title insurance producer who has a license; or

(2) The referral of a real estate settlement business or a professional fee arrangement between attorneys, if the referral or professional fee arrangement does not violate § 17–605 of the Business Occupations and Professions Article.

(c) (1) A person who has a connection with the settlement of real estate transactions involving land in the State may not pay to or receive from another any consideration to solicit, obtain, retain, or arrange real estate settlement business.

(2) A person may not be considered to be in violation of paragraph (1) of this subsection solely because that person is a participant in an affiliated business arrangement, as defined in 12 U.S.C. § 2602, and receives consideration as a result of that participation as long as that person complies with 12 U.S.C. § 2607(c)(4), 24 C.F.R. 3500.15, and Appendix D to 24 C.F.R. Part 3500.

(d) A person who offers settlement services in connection with residential real estate transactions involving land in the State shall comply with 12 U.S.C. § 2607(c)(4), 24 C.F.R. 3500.15, and Appendix D to 24 C.F.R. Part 3500, as applicable, regarding disclosures of affiliated business arrangements, as defined in 12 U.S.C. § 2602.

(e) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 6 months or a fine not exceeding $1,000 or both.

(f) Each violation of this section is a separate violation.

§14–128.

(a) The provisions of this section shall apply to any residential property, including property that is subject to the provisions of:

(1) Title 8, Title 8A, Title 11, Title 11A, or Title 11B of this article; or

(2) Title 5, Subtitle 6B of the Corporations and Associations Article.

(b) Regardless of the terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the display of flags or decorations by a homeowner or tenant on residential property, a homeowner or tenant may not be prohibited from displaying on the premises of the property in which the homeowner or tenant is entitled to reside one portable, removable flag of the United States in a respectful manner, consistent with 4 U.S.C. §§ 4 through 10, as amended, and subject to reasonable rules and regulations adopted pursuant to subsection (d) of this section.

(c) The terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the display of flags or decorations by a homeowner or tenant on residential property may not prohibit or unduly restrict the right of a homeowner or tenant to display on the premises of the property in which the homeowner or tenant is entitled to reside one portable, removable flag of the United States in a respectful manner, consistent with 4 U.S.C. §§ 4 through 10, as amended, and subject to reasonable rules and regulations adopted under subsection (d) of this section.

(d) (1) Subject to paragraph (2) of this subsection, the board of directors of a condominium, homeowners association, or housing cooperative, or a landlord may adopt reasonable rules and regulations regarding the placement and manner of display of the flag of the United States and a flagpole used to display the flag of the United States on the premises of the property in which the homeowner or tenant is entitled to reside.

(2) Before adopting any rules or regulations under paragraph (1) of this subsection, the board of directors of the condominium, homeowners association, or housing cooperative, or the landlord shall:

(i) Hold an open meeting on the proposed rules and regulations for the purpose of providing affected homeowners and tenants an opportunity to be heard; and

(ii) Provide advance notice of the time and place of the open meeting by publishing the notice in a community newsletter, on a community bulletin board, by means provided in the documents governing the condominium, homeowners association, or housing cooperative, or in the lease, or by other means reasonably calculated to inform the affected homeowners and tenants.

§14–129.

(a) This section does not apply to a:

(1) Home equity line of credit;

(2) Loan secured by an indemnity deed of trust; or

(3) Commercial loan.

(b) Before the settlement of a loan secured by a mortgage or deed of trust on residential real property improved by four or fewer single–family units that is subject to a redeemable ground rent, the settlement agent shall notify the borrower that:

(1) The borrower has the right to redeem the ground rent under § 8–110 of this article;

(2) The redemption amount is fixed by law but may also be negotiated with the ground lease holder for a different amount;

(3) It may be possible to include the amount of the redemption in this loan;

(4) For information on redeeming the ground rent, the borrower should contact the ground lease holder; and

(5) For information on including the amount of the redemption in this loan, the borrower should contact the lender or credit grantor making this loan.

§14–130.

(a) (1) In this section the following words have the meanings indicated.

(2) (i) "Single–family property" includes:

1. A single–family detached home;

2. A townhouse; and

3. A property that is subject to:

A. Title 11 of this article;

B. Title 11B of this article; or

C. Title 5, Subtitle 6B of the Corporations and Associations Article.

(ii) "Single–family property" does not include property that contains more than four dwelling units.

(3) "Townhouse" means a single–family dwelling unit that is constructed in a horizontal series of attached units with property lines separating the units.

(b) This section does not apply to a restriction concerning the installation or use of clotheslines on historic property that is listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

(c) A contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the installation or use of clotheslines on single–family property may not prohibit a homeowner or tenant from installing or using clotheslines on single–family property.

(d) Notwithstanding any other provision of law or the terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the installation or use of clotheslines on single–family property, a homeowner or tenant may not be prohibited from installing or using clotheslines on single–family property.

(e) This section does not prohibit reasonable restrictions on:

(1) The dimensions, placement, or appearance of clotheslines for the purpose of protecting aesthetic values; or

(2) The placement of clotheslines for the purpose of protecting persons or property in the event of fire or other emergencies.

(f) Before adopting any restriction concerning the installation or use of clotheslines on single–family property, a landlord or the governing body of a condominium, homeowners association, or housing cooperative shall:

(1) Hold an open meeting on the proposed restriction for the purpose of providing affected homeowners and tenants an opportunity to be heard; and

(2) Provide advance notice of the time and place of the open meeting by publishing the notice:

(i) In a community newsletter;

(ii) On a community bulletin board;

(iii) By means provided in the lease or governing documents of the condominium, homeowners association, or housing cooperative; or

(iv) By other means reasonably calculated to inform the affected homeowners and tenants.

§14–131.

(a) (1) In this section the following terms have the meanings indicated.

(2) "Community association" means:

(i) A condominium council of unit owners organized under Title 11, Subtitle 1 of this article;

(ii) A homeowners association organized under Title 11B of this article; or

(iii) A cooperative housing corporation organized under Title 5, Subtitle 6B of the Corporations and Associations Article.

(3) "Community association management" means to manage the common property and services of a community association with the authority of the community association in its business, legal, financial, or other transactions with association members and nonmembers for a fee, commission, or other valuable consideration, including:

(i) Collecting monthly assessments;

(ii) Preparing budgets, financial statements, or other financial reports;

(iii) Negotiating contracts or otherwise coordinating or arranging for services or the purchase of property or goods for or on behalf of a community association;

(iv) Executing the resolutions and decisions of a community association and assisting the governing body of a community association and association members in complying with laws, contracts, covenants, rules, and bylaws;

(v) Managing the operation and maintenance of community–owned properties, including community centers, pools, golf courses, and parking areas; and

(vi) Arranging, conducting, or coordinating meetings of a community association or the governing body of an association.

(4) "Office" means the Prince George's County Office of Community Relations.

(5) "Registry" means the Community Association Managers Registry.

(b) This section applies only in Prince George's County.

(c) On or after January 1, 2011, the Office shall establish a Registry.

(d) Any entity, including a sole proprietorship, that provides community association management services for community associations located in the county shall register with the Registry and renew its registration by January 31 of each year.

(e) (1) The Office shall:

(i) Provide the registration form; and

(ii) Collect a fee from each entity that registers under this section.

(2) The annual fee charged shall be set at $100.

(f) The registration form shall include:

(1) The name, address, and telephone number of the entity providing community association management services;

(2) The names, titles, and business telephone numbers of the principal officers of the entity;

(3) The designated contact person of the entity, including name, address, title, telephone number, and electronic mail address;

(4) The length of time the entity has been in existence and the length of time the entity has provided community association management services; and

(5) A listing of all community associations in the county as of December 31 of the previous year for which the entity provided community association management services.

(g) The Office may make any information received under this section available to the public, subject to the provisions of the Maryland Public Information Act.

(h) A person who commits a willful violation of this section or who causes a person to commit a willful violation of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $1,000.

§14–132.

(a) In this section, "wrongful detainer" means to hold possession of real property without the right of possession.

(b) This section does not apply if:

(1) The person in actual possession of the property has been granted possession under a court order;

(2) A remedy is available under Title 8 of this article; or

(3) Any other exclusive means to recover possession is provided by statute or rule.

(c) A person may not hold possession of property unless the person is entitled to possession of the property under the law.

(d) (1) If a person violates subsection (c) of this section, a person claiming possession may make complaint in writing to the District Court of the county in which the property is located.

(2) On receipt of a complaint under paragraph (1) of this subsection, the court shall summons immediately the person in possession to appear before the court on the day specified in the summons to show cause, if any, why restitution of the possession of the property to the person filing the complaint should not be made.

(3) If, for any reason, the person in actual possession cannot be found, the person authorized to serve process by the Maryland Rules shall affix an attested copy of the summons conspicuously on the property.

(4) If notice of the summons is sent to the person in possession by first–class mail, the affixing of the summons in accordance with paragraph (3) of this subsection shall constitute sufficient service to support restitution of possession.

(e) A counterclaim or cross–claim may not be filed in an action brought under this section.

(f) (1) If the court determines that the complainant is legally entitled to possession, the court shall:

(i) Give judgment for restitution of the possession of the property to the complainant; and

(ii) Issue its warrant to the sheriff or constable commanding the sheriff or constable to deliver possession to the complainant.

(2) The court may also give judgment in favor of the complainant for damages due to the wrongful detainer and for court costs and attorney fees if:

(i) The complainant claimed damages in the complaint; and

(ii) The court finds that:

1. The person in actual possession was personally served with the summons; or

2. There was service of process or submission to the jurisdiction of the court as would support a judgment in contract or tort.

(3) A person in actual possession who is not personally served with a summons is not subject to the personal jurisdiction of the District Court if the person appears in response to the summons and prior to the time that evidence is taken by the court and asserts that the appearance is only for the purpose of defending an in rem action.

(g) (1) Not later than 10 days from the entry of the judgment of the District Court, either party may appeal to the circuit court for the county in which the property is located.

(2) The person in actual possession of the property may retain possession until the determination of the appeal if the person:

(i) Files with the court an affidavit that the appeal is not taken for delay; and

(ii) 1. Files sufficient bond with one or more securities conditioned on diligent prosecution of the appeal; or

2. Pays to the complainant or into the appellate court:

A. The fair rental value of the property for the entire period of possession up to the date of judgment;

B. All court costs in the case;

C. All losses or damages other than the fair rental value of the property up to the day of judgment that the court determined to be due because of the detention of possession; and

D. The fair rental value of the property during the pendency of the appeal.

(3) On application of either party, the court shall set a hearing date for the appeal that is not less than 5 days or more than 15 days after the application for appeal.

(4) Notice of the order for a hearing shall be served on the parties or the parties' counsels not less than 5 days before the hearing.

(h) If the judgment of the circuit court shall be in favor of the person claiming possession, a warrant shall be issued by the court to the sheriff, who shall proceed immediately to execute the warrant.

§14–201.

(a) In this subtitle the following words have the meanings indicated unless the context requires otherwise.

(b) (1) "Contract" means a real covenant running with the land or a contract recorded among the land records of a county or Baltimore City.

(2) "Contract" includes a:

(i) Declaration or bylaws recorded under the provisions of the Maryland Condominium Act or the Maryland Real Estate Time–Sharing Act; or

(ii) Regulated sustainable energy contract recorded under the provisions of Title 9, Subtitle 20D of the State Government Article.

(c) (1) "Damages" means unpaid sums due under a contract, plus interest accruing on the unpaid sums due under a contract or as provided by law, including fines levied under the Maryland Condominium Act or the Maryland Real Estate Time-Sharing Act.

(2) "Damages" does not include consequential or punitive damages.

(d) "Lien" means a lien created under this subtitle.

(e) "Party" means any person who:

(1) Is a signatory to a contract;

(2) Is described in a contract as having the benefit of any provision of the contract; or

(3) Owns property subject to the provisions of a contract.

(f) "Statement of lien" means the statement described under § 14-203(j) of this

subtitle.

§14–202.

(a) A lien on property may be created by a contract and enforced under this subtitle if:

(1) The contract expressly provides for the creation of a lien; and

(2) The contract expressly describes:

(i) The party entitled to establish and enforce the lien; and

(ii) The property against which the lien may be imposed.

(b) A lien may only secure the payment of:

(1) Damages;

(2) Costs of collection;

(3) Late charges permitted by law; and

(4) Attorney's fees provided for in a contract or awarded by a court for breach of a contract.

§14–203.

(a) (1) A party seeking to create a lien as the result of a breach of contract shall, within 2 years of a breach of contract, give written notice to the party against whose property the lien is intended to be imposed.

(2) Except as provided in paragraph (3) of this subsection, notice under this subsection shall be served by:

(i) Certified or registered mail, return receipt requested, addressed to the owner of the property against which the lien is sought to be imposed at the owner's last known address; or

(ii) Personal delivery to the owner by the party seeking a lien or the party's agent.

(3) If a party seeking to create a lien is unable to serve an owner under paragraph (2) of this subsection, notice under this subsection shall be served by:

(i) The mailing of a notice to the owner's last known address; and

(ii) Posting notice in a conspicuous manner on the property by the party seeking to create a lien or the party's agent in the presence of a competent

witness. In the instance of a contractual lien on a building, the notice shall be posted in a conspicuous manner on the door or other front part of the building.

(b) A notice under subsection (a) of this section shall include:

(1) The name and address of the party seeking to create the lien;

(2) A statement of intent to create a lien;

(3) An identification of the contract;

(4) The nature of the alleged breach;

(5) The amount of alleged damages;

(6) A description of the property against which the lien is intended to be imposed sufficient to identify the property, and stating the county or counties in which the property is located; and

(7) A statement that the party against whose property the lien is intended to be imposed has the right to a hearing under subsection (c) of this section.

(c) (1) A party to whom notice is given under subsection (a) of this section may, within 30 days after the notice is served on the party, file a complaint in the circuit court for the county in which any part of the property is located to determine whether probable cause exists for the establishment of a lien.

(2) A complaint filed under this subsection shall include:

(i) The name of the complainant and the name of the party seeking to establish the lien;

(ii) A copy of the notice served under subsection (a) of this section; and

(iii) An affidavit containing a statement of facts that would preclude establishment of the lien for the damages alleged in the notice.

(3) A party filing a complaint under this subsection may request a hearing at which any party may appear to present evidence.

(d) If a complaint is filed, the party seeking to establish the lien has the burden of proof.

(e) The clerk of the circuit court shall docket the proceedings under this section, and all process shall issue out of and all pleadings shall be filed in a single action.

(f) Before any hearing held under subsection (c) of this section, the party seeking to establish a lien may supplement, by means of an affidavit, any information

contained in the notice given under subsection (a) of this section.

(g) (1) If a complaint is filed under subsection (c) of this section, the court shall review any pleadings filed, including any supplementary affidavit filed under subsection (f) of this section, and shall conduct a hearing if requested under subsection (c)(3) of this section.

(2) If the court determines that probable cause exists to establish a lien, it shall order the lien imposed.

(3) The order to impose a lien shall state that the owner of the property against which the lien is imposed may file a bond of a specified amount to have the lien against the property removed.

(h) (1) If the court orders a lien to be imposed under subsection (g) of this section, or if the owner of the property against which a lien is intended to be imposed fails to file a complaint under subsection (c) of this section the party seeking to create the lien may file a statement of lien among the land records of each county in which any portion of the property is located.

(2) The party seeking to create the lien may file the lien statement in the county land records:

(i) If a complaint was filed under subsection (c) of this section, 30 days after the date of the court order allowing the creation of the lien; or

(ii) If a complaint was not filed under subsection (c) of this section, 30 days after the owner was served under subsection (a)(2) or (3) of this section.

(3) Unless the party seeking to create the lien and the owner agree otherwise, if the party seeking to create the lien fails to file the lien statement within 90 days after the expiration of the applicable time period described in paragraph (2) of this subsection, the party seeking to create the lien may:

(i) Not file the lien statement in the county land records; and

(ii) File for a new lien by complying with the requirements of subsections (a) through (h) of this section.

(4) A lien imposed under this subtitle has priority from the date the statement of lien is filed.

(5) Until an order imposing a lien is entered by the court, the owner of the property against which the lien is imposed may have the lien removed at any time by filing with the clerk of the circuit court a bond in the amount specified by the court under subsection (g)(3) of this section.

(i) (1) Until an order is entered by the court either establishing or denying a

lien, the action shall proceed to trial on any matter at issue.

(2) The court may award costs and reasonable attorney's fees to any party under this subtitle.

(j) (1) Subject to paragraph (2) of this subsection, a statement of lien is sufficient for purposes of this subtitle if it is in substantially the following form:

STATEMENT OF LIEN

This is to certify that the property described as _____ is subject to a lien under Title 14, Subtitle 2 of the Real Property Article, Maryland Annotated Code, in the amount of $_____. The property is owned by _____.

I hereby affirm under the penalty of perjury that notice was given under § 14–203(a) of the Real Property Article, and that the information contained in the foregoing statement of lien is true and correct to the best of my knowledge, information, and belief.

_____
(name of party claiming lien)

(2) (i) This paragraph applies only to a lien that is subject to § 11–110(f) or § 11B–117(c) of this article.

(ii) In addition to satisfying the requirements of paragraph (1) of this subsection, a statement of lien is sufficient for purposes of this subtitle if the statement includes specific information about the amount of the regular monthly assessments, or the equivalent of the regular monthly assessments, for common expenses in substantially the following form:

The amount of the regular monthly assessments, or the equivalent of the regular monthly assessments, for common expenses, that is the basis of the priority portion of this lien as provided in § 11–110(f) or § 11B–117(c) of the Real Property Article, is $_____. This sum represents _____ months of unpaid regular assessments, at $_____ per month.

(k) If an order is entered under subsection (i) of this section denying a lien, or if a bond is filed under subsection (h) of this section, the clerk of the circuit court shall enter a notation in the land records releasing the lien.

§14–204.

(a) Except as provided in subsection (d) of this section, a lien may be enforced and foreclosed by the party who obtained the lien 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.

(b) If the owner of property subject to a lien is personally liable for alleged damages, suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit for a monetary judgment for unpaid damages may be maintained without waiving any lien securing the same.

(c) Any action to foreclose a lien shall be brought within 12 years following recordation of the statement of lien.

(d) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Common ownership community" means:

1. A condominium as defined in § 11–101 of this article; or

2. A homeowners association as defined in § 11B–101 of this article.

(iii) "Governing body" means a person who has authority to enforce the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community.

(2) Notwithstanding the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community, a governing body may foreclose on a lien against a unit owner or lot owner only if the damages secured by the lien:

(i) Consist of:

1. Delinquent periodic assessments or special assessments and any interest; and

2. Reasonable costs and attorney's fees directly related to the filing of the lien that do not exceed the amount of the delinquent assessments, excluding any interest; and

(ii) Do not include fines imposed by the governing body or attorney's fees or costs related to recovering the fines.

(3) This subsection does not preclude a governing body from using any other means to enforce a lien against a unit owner or lot owner.

§14–205.

The provisions of this subtitle do not apply to land installment contracts or to deeds of trust or mortgages on property in this State.

§14–206.

This subtitle may be cited as the Maryland Contract Lien Act.

§14–301.

(a) In this subtitle the following words have the meanings indicated unless the context requires otherwise.

(b) "Broker" means:

(1) An individual licensed as, or otherwise authorized to act as, a real estate broker under Title 17 of the Business Occupations and Professions Article; or

(2) A corporation or partnership authorized to provide real estate brokerage services under Title 17 of the Business Occupations and Professions Article.

(c) "Broker's lien" means a lien established in accordance with this subtitle.

(d) "Claimant" means a broker claiming a broker's lien under this subtitle.

(e) "Commercial lease" means a lease of building floor space intended to be used by the tenant for a nonresidential use whether or not the lease expressly sets forth a use.

(f) (1) "Commercial leasing brokerage agreement" or "brokerage agreement" means a written agreement between a broker and the owner of commercial property that provides for the payment of a commercial leasing commission by the owner to the broker for services in obtaining a commercial tenant regardless as to whether the broker acted as the agent for the owner or the commercial tenant.

(2) "Commercial leasing brokerage agreement" or "brokerage agreement" includes a written unilateral offer from an owner of commercial property to one or more brokers, including the broker claiming a lien under this subtitle.

(g) "Commercial leasing commission" or "commission" means the compensation payable by the owner of commercial property to a broker for obtaining a commercial tenant under a commercial leasing brokerage agreement.

(h) "Commercial property" means land, and any improvements on the land, used or intended to be used for a nonresidential purpose.

(i) "Commercial tenant" means a tenant under a commercial lease.

(j) "Lien property" means the commercial property against which a broker's lien is claimed or against which a broker's lien has attached under this subtitle.

(k) "Owner" means the owner of the commercial property.

§14–302.

(a) If a broker is not paid a commission according to the terms of a commercial leasing brokerage agreement, the broker shall be entitled to a lien under this subtitle for the unpaid portion of the commission.

(b) (1) A broker's lien established under this subtitle shall:

(i) Subject to subparagraph (ii) of this paragraph, have priority over all liens of every kind perfected against the lien property after the issuance of an interlocutory order or the final order of the court under § 14-305 of this subtitle;

(ii) Be subordinate to a mechanics' lien established under Title 9 of this article, and perfected subsequent to the broker's lien if the mechanics' lien relates back to a date when work was performed or materials were furnished and that date is prior to the issuance of an interlocutory order or the final order of the court under § 14-305 of this subtitle;

(iii) Be subordinate to all liens perfected prior to the issuance of an interlocutory order or the final order of the court under § 14-305 of this subtitle, notwithstanding that the holder of a prior perfected lien had knowledge of the broker's unfiled commission claim at the time of perfection; and

(iv) Be subordinate to all other liens which are otherwise paramount to the broker's lien by operation of law.

(2) (i) A commercial property may not be subjected to a broker's lien under this subtitle if, prior to the establishment of the broker's lien, legal title has been granted to a bona fide purchaser for value.

(ii) The filing of a petition under § 14-304 of this subtitle shall constitute notice to a purchaser of the possibility of a broker's lien perfected under this subtitle.

§14–303.

A lien established in accordance with this subtitle shall extend to the land covered by the building and to as much other land, immediately adjacent and belonging in like manner to the owner of the building, as may be necessary for the ordinary and useful purposes of the building.

§14–304.

(a) To establish a broker's lien under this subtitle, a broker shall commence proceedings in the circuit court where the commercial property is located within 180 days after the commercial leasing commission became due and payable by filing with the clerk of the court:

(1) A petition to establish a broker's lien, which shall contain the following:

(i) The name and address of the petitioner;

(ii) The name and address of the owner;

(iii) A copy of the brokerage agreement;

(iv) A description of the lien property, including a statement whether part of the lien property is located in another county, by:

1. Reasonably specific geographic location;

2. Street address; or

3. Legal description from the deed as recorded among the land records; and

(v) The amount of the commission and the unpaid portion of the commission;

(2) An affidavit by the broker or by an individual on behalf of the broker stating the facts which the broker is claiming a broker's lien against the lien property in the amount specified; and

(3) Either original or sworn, certified or photostatic copies of all material papers or parts of any material papers, if any, which constitute the basis of the broker's claim for a lien, unless the absence of any material papers or parts of any material papers is explained in the affidavit.

(b) The clerk shall docket the proceedings as an action in equity, and all process shall issue out of and all pleadings shall be filed in the one action.

§14–305.

(a) (1) When a petition to establish a broker's lien is filed, the court shall review the pleadings and documents on file and may require the petitioner to supplement or explain any matters set forth in the petition, pleadings, or documents.

(2) If the court determines that the lien should attach, it shall pass an order that:

(i) Directs the owner to show cause within 15 days from the date of service on the owner of a copy of the order, together with copies of the pleadings and documents on file, why a broker's lien on the lien property and for the amount described in the petition should not attach; and

(ii) Informs the owner that:

1. The owner may appear at the time stated in the order and present evidence on the owner's behalf or may file a counter-affidavit at or before that time; and

2. If the owner fails to appear and present evidence or file a counter-affidavit, the facts in the affidavit supporting the petitioner's claim shall be deemed admitted and a broker's lien may attach to the lien property as described in the petition.

(3) (i) If the owner desires to controvert any statement of fact contained in the affidavit supporting the petitioner's claim, the owner shall file an affidavit in support of the owner's answer showing cause.

(ii) The failure of the owner to file an opposing affidavit shall constitute an admission for the purposes of the proceedings of all statements of facts in the affidavit supporting the petitioner's claim, but shall not constitute an admission that a broker's petition or affidavit in support of the broker's petition is legally sufficient.

(4) After the filing of an answer showing cause why a broker's lien should not be established in the amount claimed, the court shall schedule a hearing at the earliest possible time.

(b) (1) (i) If the pleadings, affidavits, and admissions on file and the evidence, if any, show that there is no genuine dispute as to any material fact and that the lien should attach as a matter of law, then the court shall issue a final order establishing the lien for want of any cause shown to the contrary.

(ii) If it appears that there is no genuine dispute as to any portion of the broker's lien claim, then the validity of that portion shall be established and the action shall proceed only on the disputed amount of the broker's lien claim.

(2) If the pleadings, affidavits, and admissions on file and the evidence, if any, show that there is no genuine dispute as to any material fact and that the petitioner failed to establish the broker's right to a broker's lien as a matter of law, then the court shall issue a final order denying the lien for cause shown.

(3) If the court determines from the pleadings, affidavits, and admissions on file and the evidence, if any, that the broker's lien should not attach, or should not attach in the amount claimed, as a matter of law, by any final order, but that there is probable cause to believe that the petitioner is entitled to a broker's lien, the court shall enter an interlocutory order which:

(i) Establishes the broker's lien;

(ii) Describes the lien property to which the broker's lien attaches;

(iii) States the amount of the claim for which probable cause is found;

(iv) Specifies the amount of the bond that the owner may file to have the lien property released from the broker's lien;

(v) May require the claimant to file a bond in an amount that the court believes sufficient for damages, including reasonable attorney's fees; and

(vi) Assigns a date for the trial of all matters at issue in the action, which shall be within a period of 6 months.

(4) The owner or any other person interested in the lien property may move to have the broker's lien established by the interlocutory order modified or dissolved at any time.

(c) (1) The amount of and the surety on any bond shall be determined and approved in accordance with the Maryland Rules except as stated in this subtitle.

(2) (i) If the petitioner, or any other person interested in the lien property, is not satisfied with the sufficiency of a surety or with the amount of any bond given, the petitioner, or any other person interested in the lien property may, at any time before entry of a final decree, apply to the court for an order requiring an additional bond.

(ii) After notice to the other parties involved, the court may order the giving of an additional bond as it may deem proper.

(3) Instead of filing a bond, any party may deposit money in an amount equal to the amount of the bond which would otherwise be required, in accordance with the Maryland Rules.

(d) Until a final order is entered either establishing or denying the broker's lien, the action shall proceed to trial on all matters at issue, as in the case of any other proceedings in equity.

§14–306.

(a) If any part of the lien property is located within another county and the petitioner desires that the broker's lien attach to the lien property in that county, the petitioner shall file a certified copy of the docket entries, the court order, and any required bond with the clerk of the circuit court for that county.

(b) A broker's lien attaches to the lien property in a county at the time the documents required to be filed under subsection (a) of this section are filed with the clerk of the circuit court of that county.

§14–307.

(a) Subject to subsection (b) of this section, if all or any part of the lien property against which a broker's lien has been established under this subtitle is to be sold

under a foreclosure or a judgment, execution or any other court order, all liens and encumbrances on the lien property that are subordinate to the lien with respect to which the property is sold shall be satisfied in accordance with their priority.

(b) (1) If the proceeds of the sale are insufficient to satisfy all broker's liens established under this subtitle, then all proceeds available to satisfy each broker's lien shall be stated by the court auditor as one fund.

(2) The amount to be disbursed to satisfy each broker's lien established under this subtitle shall bear the same proportion to that fund as the amount of each broker's lien bears to the total amount secured by all broker's liens, without regard to priority among the broker's liens.

§14–308.

(a) A broker's lien established under this subtitle may be enforced to the same extent as a judgment under the Maryland Rules, including a judicial sale of the lien property to satisfy the amount of the broker's lien.

(b) (1) The right to enforce any broker's lien under this subtitle expires at the end of 1 year from the day on which the petition to establish the broker's lien was first filed.

(2) During the 1-year period the claimant may file a petition in the broker's lien proceedings to enforce the lien or to execute on any bond given to obtain a release of the lien property from the broker's lien.

(3) If a petition to enforce the lien is filed within the 1-year period, the right to a broker's lien or the broker's lien, or any bond given to obtain a release of the broker's lien, shall remain in full force and effect until the conclusion of the enforcement proceedings and after the conclusion of the enforcement proceedings in accordance with the decree entered in the case.

§14–309.

Nothing in this subtitle affects the right of any broker, to whom a commercial leasing commission is due and payable under a commercial leasing brokerage agreement, to maintain any personal action against the owner of commercial property or any other person for the commission due and payable.

§14–310.

(a) This law is remedial and shall be so construed to give effect to its purpose.

(b) (1) Any amendment shall be made in the proceedings, commencing with the claim or broker's lien to be filed and extending to all subsequent proceedings, as may be necessary or proper.

(2) The amount of the claim or broker's lien filed may not be enlarged by amendment.

§14–311.

(a) A commercial leasing brokerage agreement between a broker and an owner may not waive or require the broker to waive the right to claim or establish a broker's lien.

(b) Any waiver provision made in a commercial leasing brokerage agreement or any other contract, express or implied, between a broker and an owner made in violation of this section is void as a matter of public policy.

§14–312.

(a) At the time of any settlement or payment in full between a broker and an owner, the broker shall give to the owner a signed release of the broker's lien established under this subtitle.

(b) An owner is not subject to a lien and is not otherwise liable for any commission included in the release under subsection (a) of this section.

§14–313.

Subject to the provisions of this subtitle, an action to establish and enforce a broker's lien under this subtitle, and all proceedings held under this subtitle, shall be in accordance with the Maryland Rules applicable to the establishment and enforcement of a mechanics' lien under Title 9 of this article.

§14–401.

In this subtitle, "Maryland Coordinate System" means the system of plane rectangular coordinates that has been established and adopted by the National Geodetic Survey for defining and stating the positions or locations of points on the surface of the earth within the State.

§14–402.

This subtitle:

(1) Does not apply to Baltimore City; and

(2) Does not refer to and is not connected with the coordinate system used by the Bureau of Plans and Surveys of Baltimore City.

§14–403.

(a) If a land description uses the Maryland Coordinate System, it shall be designated on the land description.

(b) A survey of lands may not have endorsed on the survey any legend or other statement indicating that the survey is based on the Maryland Coordinate System unless the survey actually is based on the Maryland Coordinate System.

§14–404.

(a) The plane rectangular coordinates of a point on the earth's surface, to be used in expressing the position or location of the point on the Maryland Coordinate System, consist of two distances, expressed in meters and decimals of meters.

(b) (1) One of the distances, known as the "eastings", shall give the position in an east-west direction.

(2) The other distance, known as the "northings", shall give the position in a north-south direction.

(c) The plane rectangular coordinates under this section shall be made to depend on and conform to the plane rectangular coordinates of the triangulation and traverse stations of the National Geodetic Survey within the State, as those coordinates have been determined by the National Geodetic Survey.

§14–405.

(a) For the purpose of more precisely defining the Maryland Coordinate System, the standards of the National Geodetic Survey set out in this section are adopted.

(b) (1) The Maryland Coordinate System is a Lambert conic conformal projection of the Geodetic Reference System of 1980, having standard parallels at north latitudes 38 degrees 18' and 39 degrees 27', along which parallels the scale shall be exact.

(2) The origin of coordinates is at the intersection of the meridian 77 degrees 00' west longitude and the parallel 37 degrees 40' north latitude.

(3) This origin is given the coordinates: Easting=400,000 meters and northing=0 meters.

(c) For the Maryland Coordinate System, the unit used to convert feet to meters is the United States survey foot, which is 39.37/12 feet for each meter.

(d) The position of the Maryland Coordinate System shall be as marked on the ground by triangulation or traverse stations established in conformity with the standards adopted by the National Geodetic Survey for first-order and second-order work, whose:

(1) Geodetic positions have been rigidly adjusted on the North American Datum of 1983; and

(2) Plane coordinates have been computed in accordance with this section.

§14–406.

A triangulation or traverse station may be used in establishing a survey connection with the Maryland Coordinate System if:

(1) The triangulation or traverse station is established:

(i) In accordance with § 14-405 of this subtitle; or

(ii) By or in accordance with the requirements of the State department authorized to administer this subtitle; and

(2) The connection is made in accordance with the regulations adopted by the State department authorized to administer this subtitle.

§14–407.

This subtitle does not require any purchaser or mortgagee to rely wholly on a description based on the Maryland Coordinate System.

§14–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Affordable housing land trust" means an entity that:

(1) Provides affordable housing to low–income families and moderate–income families through an affordable housing land trust agreement; and

(2) Is organized or managed by:

(i) A nonprofit organization exempt from taxation under § 501(c)(2), (3), or (4) of the United States Internal Revenue Code; or

(ii) A unit or instrumentality of the State or a political subdivision of the State.

(c) "Affordable housing land trust agreement" means an agreement between an affordable housing land trust and a purchaser of real property owned by the affordable housing land trust, or for which the affordable housing land trust has a proprietary or reversionary interest, that:

(1) Grants the affordable housing land trust a preemptive right to purchase or repurchase the property, including any improvements on the property;

(2) Contains language restricting the transfer, lease, sublease, assignment, or occupancy of the property with regard to:

(i) Potential transferees, sublessees, assignees, or occupants; and

(ii) The price at which the property may be transferred; or

(3) Imposes other conditions on the use or transfer of the property that would trigger a reversionary interest and that are designed to ensure that the property remains available and affordable to low–income families and moderate–income families.

(d) "Family" means a household consisting of one or more individuals.

(e) "Low–income family" means a household with an income that does not exceed 80% of the area median income for a household of the same size.

(f) "Moderate–income family" means a household with an income that does not exceed 140% of the area median income for a household of the same size.

(g) "Nonprofit status" means the recognition by the Internal Revenue Service that an affordable housing land trust is exempt from taxation under § 501(c)(2), (3), or (4) of the Internal Revenue Code.

§14–502.

(a) An affordable housing land trust agreement created under this subtitle:

(1) Is not a ground lease; and

(2) Is not subject to any provision concerning ground leases under Title 8 or Title 14, Subtitle 1 of this article or under any other provision of the Code.

(b) This subtitle does not apply to any ground lease that is subject to Title 8 or Title 14, Subtitle 1 of this article.

(c) This subtitle may not be construed to exempt any affordable housing land trust or any affordable housing land trust agreement from any provision of law mandating equal treatment or prohibiting discrimination.

§14–503.

(a) In this section, "Department" means the State Department of Assessments and Taxation.

(b) Each affordable housing land trust shall register its creation with the Department on a form prescribed by the Department.

(c) An affordable housing land trust shall submit updates relating to its organization, tax status, address, officers, and any other information as required by the Department.

(d) (1) The Department shall maintain an online list of registered affordable housing land trusts in the State.

(2) The Department is not responsible for the completeness or accuracy of the contents of the online list or the accuracy of any registration.

(e) The Department shall adopt regulations to carry out and enforce the provisions of this section.

§14–504.

In accordance with this subtitle, an affordable housing land trust may:

(1) Acquire residential real property;

(2) Acquire an interest in property for the construction of residential real property;

(3) Make improvements on residential real property;

(4) Enter into affordable housing land trust agreements with persons who meet the criteria set out in this subtitle and any other criteria as established in the affordable housing land trust agreement for the transfer of an interest in residential real property; and

(5) Engage in other activities related to the sale, leasing, management, maintenance, and preservation of properties under the control of the affordable housing land trust.

§14–505.

(a) An affordable housing land trust agreement may:

(1) Restrict the transfer, lease, sublease, or assignment of possession or of any interest in the property to a person who does not meet the conditions set forth in the affordable housing land trust agreement for that property;

(2) Grant the affordable housing land trust the right to repurchase any interest in the property and any improvements on the property under terms set forth in the affordable housing land trust agreement and in accordance with the requirements of § 14–506 of this subtitle;

(3) Grant the affordable housing land trust the right to take possession of the property and sell the property if a condition defined in the agreement is met and in accordance with the requirements of § 14–507 of this subtitle;

(4) Provide for the reversion of the property at the end of the term of the affordable housing land trust agreement under conditions set forth in the agreement;

(5) Provide a mechanism or formula for the sharing of any proceeds from a future sale or transfer of an interest in the property under terms set forth in the agreement; and

(6) Provide other mechanisms to enforce the terms of the affordable housing land trust agreement.

(b) An affordable housing land trust shall record any affordable housing land trust agreement in accordance with subsection (f) of this section and Title 3 of this article.

(c) An affordable housing land trust agreement:

(1) May not extend for a term longer than 99 years; and

(2) May be renewed under conditions set forth in the agreement.

(d) An affordable housing land trust agreement shall:

(1) Be in writing; and

(2) Clearly identify each term and condition.

(e) (1) A copy of an affordable housing land trust agreement shall be provided to the purchaser of any property covered by the agreement at least 15 days before the purchaser enters into a contract acquiring an interest in or possession of any property covered by the agreement.

(2) (i) If a copy of the affordable housing land trust agreement is not provided as required under this subsection, a contract entered into by a purchaser of any property covered by the agreement is voidable by the purchaser.

(ii) The failure to provide a copy of the affordable housing land trust agreement as required under this subsection is cause for the rescission of any transaction involving the transfer of any interest in the property by the purchaser.

(f) A copy of the affordable housing land trust agreement and a signed, notarized affidavit acknowledging receipt of the affordable housing land trust agreement by the transferee shall be:

(1) Recorded in the land records of the county in which the property is located;

(2) Indexed in the grantor and grantee indices with the seller as grantor and the purchaser as grantee; and

(3) Notwithstanding the fact that a copy of the affordable housing land trust agreement, rather than the original, is offered for record with the affidavit,

accepted for recording by the clerk without payment of recordation and transfer taxes.

(g) Recordation of a copy of the affordable housing land trust agreement and the affidavit:

(1) Terminates the right of rescission; and

(2) Provides a conclusive presumption that a contract of sale was not rescinded.

(h) The terms of an affordable housing land trust agreement may be modified or changed only with the written consent of all the parties.

§14–506.

(a) (1) Subject to paragraphs (2) and (3) of this subsection, an affordable housing land trust agreement may authorize the affordable housing land trust to repurchase any interest in the property covered and any improvements on it under conditions set forth in the agreement.

(2) The time period during which the affordable housing land trust may exercise the right to repurchase shall be set forth in the affordable housing land trust agreement and may not exceed 120 days from the date that the affordable housing land trust receives notice of an event that would give the affordable housing land trust the right to exercise the right to repurchase.

(3) The failure of an affordable housing land trust to exercise the right to repurchase does not prohibit the affordable housing land trust from exercising any other right established in the agreement, including the right to share in the proceeds of the first sale to a purchaser following the failure of the land trust to exercise its right to repurchase.

(b) (1) Except as provided in subsection (a)(3) of this section or in the affordable housing land trust agreement, the failure to exercise a right to repurchase extinguishes the right of the affordable housing land trust to exercise any reversionary interest in the future.

(2) A subsequent purchaser who acquires the specified interest in the property in an arms–length, third–party transaction for a fair market price after the affordable housing land trust has not exercised its right to repurchase receives title, free of any rights established in the affordable housing land trust agreement that would otherwise have been enforceable by the affordable housing land trust.

(3) (i) A seller who sells the specified interest in the property to a purchaser in an arms–length, third–party transaction for a fair market price after the affordable housing land trust has failed to exercise its right to repurchase shall execute a signed, notarized affidavit attesting to the fact of the seller's notification to the affordable housing land trust and the affordable housing land trust's failure to

exercise its right to repurchase.

(ii) The affidavit shall be recorded with the deed transferring the specified interest in the property to the purchaser in accordance with § 14–505(f) of this subtitle.

(iii) Recordation of the affidavit under this paragraph provides a conclusive presumption of the fact that the affordable housing land trust failed to exercise its right to repurchase.

§14–507.

An affordable housing land trust agreement may authorize the affordable housing land trust to take possession of the property and any improvements and sell or transfer the specified interest in the property if:

(1) A condition defined in the affordable housing land trust agreement authorizing the action is met;

(2) The sale is made under Title 14, Chapter 300 of the Maryland Rules;

(3) The owner of the interest in the property retains the right to any proceeds of a sale as set forth in the affordable housing land trust agreement; and

(4) The right of the owner to the proceeds has precedence over any claim by the affordable housing land trust to the proceeds of the sale.

§14–508.

The reversionary rights of an affordable housing land trust as set forth in the affordable housing land trust agreement are limited to provisions that relate to:

(1) The transfer of the property to a person who is not a party to the agreement or a person who does not meet the conditions set forth in the affordable housing land trust agreement;

(2) The possession of the property by a person who does not meet the conditions set forth in the affordable housing land trust agreement;

(3) The transfer of an interest in the property to a person who does not meet the conditions set forth in the affordable housing land trust agreement;

(4) The waste, destruction, or abandonment of the property; or

(5) The failure to comply with any financial provision in the affordable housing land trust agreement.

§14–509.

(a) In any assessment for tax purposes of property subject to an affordable housing land trust agreement, the property shall be assessed based on its market value subject to any restrictions in the affordable housing land trust agreement.

(b) The assessment shall note that the sale was not an arms–length transfer on the property tax record.

§14–510.

(a) A nonprofit organization operating an affordable housing land trust that gives up or loses its nonprofit status may no longer operate an affordable housing land trust under the terms of this subtitle.

(b) A nonprofit organization operating an affordable housing land trust may transfer its interest in any affordable housing land trust agreement to another affordable housing land trust, provided that the nonprofit organization does not receive any financial or other valuable compensation for the transfer other than compensation for incidental costs associated with the transfer.

(c) If a nonprofit organization operating an affordable housing land trust gives up or loses its nonprofit status and does not transfer its interest in an affordable housing land trust agreement as provided in subsection (b) of this section, the affordable housing land trust agreement is abrogated and any reversionary interest contained in the agreement or any provision for the sharing of proceeds becomes unenforceable.

(d) If an affordable housing land trust agreement becomes unenforceable, the title holder to the property obtains fee simple title to the property without restriction.

§14–511.

This subtitle may be cited as the Affordable Housing Land Trust Act.

§15–101.

The effective date of this article is 12:01 A.M. on July 1, 1974, and this article is applicable at that time except as provided in § 15-102 of this title.

§15–102.

Unless otherwise specifically provided in this article, the provisions of this article are applicable on the effective date. In addition,

(1) Section 3–101(a) of this article applies to all deeds whether executed before or after the effective date.

(2) Section 3–102 of this article applies to all instruments whether recorded before or after the effective date.

(3) Section 3–104(f)(1) of this article applies only to documents executed on or after May 31, 1966.

(4) Section 3–104(f)(2) of this article applies only to all deeds recorded after June 1, 1967.

(5) Section 3–104(f)(6) of this article applies only to all deeds recorded after June 1, 1965.

(6) Sections 4–101 and 4–103 of this article apply only to all deeds executed on or after the effective date.

(7) Section 4–106(e) of this article applies only to all mortgages and deeds of trust executed on or after the effective date.

(8) Section 2–113 of this article applies only to all deeds executed after April 7, 1886.

(9) Section 2–114 of this article applies to all inter vivos instruments executed on or after the effective date and to all testamentary instruments where the testator died after the effective date.

(10) Section 7–101 of this article applies only to mortgages and mortgage assignments executed on or after the effective date.

(11) Section 7–102 of this article applies only to mortgages and deeds of trust executed on or after the effective date.

(12) Section 7–103(b) of this article applies only to payments made on or after the effective date.

(13) Section 7–105.4 of this article applies to all mortgages or deeds of trust whether executed before or after the effective date.

(14) Section 7–106(a) of this article applies only to deeds of trust executed on or after the effective date.

(15) Section 7–106(c) of this article applies to all proceedings instituted on or after the effective date, whether the mortgage or deed of trust was executed before or after the effective date.

(16) Section 8–203(b) of this article applies only to those leases entered into, renegotiated, or renewed after July 1, 1972.

(17) Section 8–203(d) of this article applies to all security deposits held by a

landlord before July 1, 1972, with interest accruing from July 1, 1972, and to all security deposits received by the landlord on or after July 1, 1972, with interest accruing from the date of receipt.

(18) Section 8–402(a) of this article applies to all leases whose terms expire on or after the effective date, whether or not the lease term commenced before the effective date.

(19) Section 10–401 of this article applies to all contracts whether recorded before or after the effective date.

(20) Section 10–402 of this article applies to all options whether recorded before or after the effective date.

(21) Section 14–103 of this article applies to all sales mentioned in that section which occur on or after the effective date.

(22) Section 14–111 of this article applies to all proceedings commenced on or after the effective date.

§15–103.

Except as expressly provided to the contrary in this article, transactions validly entered into before the effective date and the rights, duties, and interests flowing from them remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by any statute amended or repealed by this article as though such repeal or amendment had not occurred.