# HOUSE BILL 920

N1, D3

ENROLLED BILL

(6lr0485)

— Environment and Transportation/Judicial Proceedings —

## Introduced by **Delegates O'Donnell and Dumais**

Read and Examined by Proofreaders:

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Sealed	with	the	Great	Seal	and	prese	ented	to	the	Governor,	for	his	approval	this
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CHAPTER \_\_\_\_\_

## 1 AN ACT concerning

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## **Real Property – Actions to Quiet Title**

3 FOR the purpose of authorizing a certain action to be brought to establish title against 4 adverse claims to property; establishing that the court is deemed to have possession and control for the purpose of an action under this Act; providing for the venue and  $\mathbf{5}$ 6 the application of certain rules in an action under this Act; establishing requirements 7 for a complaint, an answer to a complaint, naming of defendants, joinder of parties, 8 and service of process in an action under this Act; authorizing the court to take 9 certain actions in an action under this Act; authorizing <u>requiring</u> the recording of a certain judgment; providing for the effect of a judgment in an action under this Act; 10 11 providing for the construction of this Act; making stylistic changes; defining certain 12terms; and generally relating to actions to quiet title.

- 13 BY repealing and reenacting, with amendments,
- 14 Article Real Property

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1	Section 14–108
2	Annotated Code of Maryland
3	(2015 Replacement Volume)
4	BY adding to
<b>5</b>	Article – Real Property
6	Section 14–601 through 14–621 to be under the new subtitle "Subtitle 6. Actions to
$\overline{7}$	Quiet Title"
8	Annotated Code of Maryland
9	(2015 Replacement Volume)
10	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

11 That the Laws of Maryland read as follows:

#### 12

### Article – Real Property

13 14–108.

14 Any person in actual peaceable possession of property, or, if the property is (a) vacant and unoccupied, in constructive and peaceable possession of it, either under color of 15title or claim of right by reason of [his] THE PERSON or [his] THE PERSON'S predecessor's 16 adverse possession for the statutory period, when [his] THE PERSON'S title to the property 17is denied or disputed, or when any other person claims, of record or otherwise to own the 18 19 property, or any part of it, or to hold any lien encumbrance on it, regardless of whether or 20not the hostile outstanding claim is being actively asserted, and if an action at law or 21proceeding in equity is not pending to enforce or test the validity of the title, lien, 22encumbrance, or other adverse claim, the person may maintain a suit in [equity] 23ACCORDANCE WITH SUBTITLE 6 OF THIS TITLE in THE CIRCUIT COURT FOR THE county where the property [lies] OR ANY PART OF THE PROPERTY IS LOCATED to quiet 24or remove any cloud from the title, or determine any adverse claim. 25

(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] **THE PERSON'S** 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.

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### SUBTITLE 6. ACTIONS TO QUIET TITLE.

33 **14–601.** 

34 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS 35 INDICATED.

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1 (B) "CLAIM" INCLUDES A LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, 2 LIEN, OR INTEREST IN PROPERTY OR A CLOUD ON THE TITLE TO PROPERTY.

3 (C) "HOLDER" MEANS THE <u>MORTGAGEE</u>, TRUSTEE, BENEFICIARY, 4 NOMINEE, OR ASSIGNEE OF RECORD, IF ANY, OF A SECURITY INSTRUMENT.

5 (D) "PROPERTY" MEANS REAL PROPERTY OR ANY INTEREST IN OR 6 APPURTENANT TO REAL PROPERTY, INCLUDING FIXTURES.

7 (E) "SECURITY INSTRUMENT" MEANS A RECORDED MORTGAGE OR DEED OF 8 TRUST OR AN ASSIGNMENT OF A RECORDED MORTGAGE OR DEED OF TRUST.

9 **14–602.** 

10 AN ACTION MAY BE BROUGHT UNDER THIS SUBTITLE TO ESTABLISH TITLE 11 AGAINST ADVERSE CLAIMS TO PROPERTY, INCLUDING ADVERSE CLAIMS DESCRIBED 12 IN § 14–108 OF THIS TITLE.

13 **14–603.** 

(A) IN AN ACTION UNDER THIS SUBTITLE, THE COURT IS DEEMED TO HAVE
 OBTAINED POSSESSION AND CONTROL OF THE PROPERTY FOR THE PURPOSES OF
 THE ACTION.

17 **(B)** THIS SUBTITLE DOES NOT LIMIT ANY AUTHORITY THE COURT MAY HAVE 18 TO GRANT ANY EQUITABLE RELIEF THAT MAY BE PROPER UNDER THE 19 CIRCUMSTANCES OF THE CASE.

20 **14–604.** 

THE MARYLAND RULES APPLY TO ACTIONS UNDER THIS SUBTITLE, EXCEPT TO THE EXTENT THEY ARE INCONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE.

23 **14–605.** 

(A) AT THE TIME A COMPLAINT IS FILED, THE PLAINTIFF SHALL SEND EACH
HOLDER THAT IS NOT NAMED AS A PARTY IN THE ACTION A COPY OF THE COMPLAINT
WITH EXHIBITS AND A STATEMENT THAT:

27(1) THE HOLDER IS NOT A PARTY IN THE PROCEEDING AND ANY28JUDGMENT IN THE PROCEEDING WILL NOT AFFECT ANY CLAIM OF THE HOLDER; AND

HOUSE BILL 920

1 (2) IF THE HOLDER ELECTS TO APPEAR IN THE PROCEEDING, THE 2 HOLDER WILL APPEAR AS A DEFENDANT AND BE BOUND BY ANY JUDGMENT 3 ENTERED IN THE PROCEEDING.

4 (B) THE COMPLAINT AND STATEMENT SHALL BE SENT BY <u>CERTIFIED MAIL</u>, 5 <u>RETURN RECEIPT REQUESTED, AND BY</u> FIRST-CLASS MAIL TO THE HOLDER'S 6 <u>HOLDER:</u>

7(1)AT THE ADDRESS SET FORTH IN THE SECURITY INSTRUMENT FOR8THE HOLDER'S RECEIPT OF NOTICES; OR

9 (2) IF NO ADDRESS FOR THE HOLDER'S RECEIPT OF NOTICES IS SET 10 FORTH IN THE SECURITY INSTRUMENT, AT THE LAST KNOWN ADDRESS OF THE 11 HOLDER.

12 **14–606.** 

13A COMPLAINT UNDER THIS SUBTITLE SHALL BE VERIFIED AND SHALL14INCLUDE:

15 (1) A DESCRIPTION OF THE PROPERTY THAT IS THE SUBJECT OF THE 16 ACTION, INCLUDING BOTH ITS LEGAL DESCRIPTION AND ITS STREET ADDRESS OR 17 COMMON DESIGNATION, IF ANY;

18 (2) (I) THE TITLE OF THE PLAINTIFF AS TO WHICH A 19 DETERMINATION IS SOUGHT AND THE BASIS OF THE TITLE; AND

20 (II) IF THE TITLE IS BASED ON ADVERSE POSSESSION, THE 21 SPECIFIC FACTS CONSTITUTING THE ADVERSE POSSESSION;

22 (3) THE ADVERSE CLAIMS TO THE TITLE OF THE PLAINTIFF AGAINST 23 WHICH A DETERMINATION IS SOUGHT; AND

24 (4) A PRAYER FOR A DETERMINATION OF THE TITLE OF THE 25 PLAINTIFF AGAINST THE ADVERSE CLAIMS.

26 **14–607.** 

27 (A) AN ANSWER TO A COMPLAINT UNDER THIS SUBTITLE SHALL BE 28 VERIFIED AND SHALL SET FORTH:

29 (1) ANY CLAIM THE DEFENDANT HAS TO THE PROPERTY THAT IS THE 30 SUBJECT OF THE ACTION; 1 (2) ANY FACTS TENDING TO CONTROVERT ANY MATERIAL 2 ALLEGATIONS OF THE COMPLAINT THAT THE DEFENDANT DOES NOT WISH TO BE 3 TAKEN AS TRUE; AND

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(3) A STATEMENT OF ANY NEW MATTER CONSTITUTING A DEFENSE.

5 (B) IF THE DEFENDANT DISCLAIMS ANY <del>CLAIM</del> <u>INTEREST IN THE TITLE OF</u> 6 <u>THE PROPERTY</u> IN THE ANSWER OR ALLOWS JUDGMENT TO BE TAKEN WITHOUT 7 ANSWER, THE PLAINTIFF MAY NOT RECOVER COSTS.

8 **14–608.** 

9 (A) THE PLAINTIFF SHALL NAME AS DEFENDANTS IN AN ACTION UNDER 10 THIS SUBTITLE THE PERSONS HAVING ADVERSE CLAIMS TO THE TITLE OF THE 11 PLAINTIFF THAT ARE OF RECORD OR KNOWN TO THE PLAINTIFF OR REASONABLY 12 APPARENT FROM AN INSPECTION OF THE PROPERTY AGAINST WHICH A 13 DETERMINATION IS SOUGHT.

14(B)IF THE PLAINTIFF ADMITS THE VALIDITY OF ANY ADVERSE CLAIM, THE15PLAINTIFF SHALL STATE THE ADMISSION IN THE COMPLAINT.

16 **14–609.** 

17 (A) IF THE NAME OF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT 18 IS NOT KNOWN TO THE PLAINTIFF, THE PLAINTIFF SHALL STATE IN THE COMPLAINT 19 THAT THE NAME IS UNKNOWN AND SHALL NAME AS PARTIES ALL PERSONS 20 UNKNOWN IN THE MANNER PROVIDED IN § 14–613 OF THIS SUBTITLE.

(B) (1) IF THE CLAIM OR THE SHARE OR QUANTITY OF THE CLAIM OF A
 PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS UNKNOWN, UNCERTAIN, OR
 CONTINGENT, THE PLAINTIFF SHALL STATE THOSE FACTS IN THE COMPLAINT.

24IF THE LACK OF KNOWLEDGE, UNCERTAINTY, OR CONTINGENCY (2) 25IS CAUSED BY A TRANSFER TO AN UNBORN OR UNASCERTAINED PERSON OR CLASS 26MEMBER, OR BY A TRANSFER IN THE FORM OF A CONTINGENT REMAINDER, VESTED REMAINDER SUBJECT TO DEFEASANCE, EXECUTORY INTEREST, OR SIMILAR 2728DISPOSITION, THE PLAINTIFF SHALL ALSO STATE IN THE COMPLAINT, SO FAR AS IS 29KNOWN TO THE PLAINTIFF, THE NAME, AGE, AND LEGAL DISABILITY, IF ANY, OF THE PERSON IN BEING WHO WOULD BE ENTITLED TO THE CLAIM HAD THE CONTINGENCY 30 ON WHICH THE CLAIM DEPENDS OCCURRED BEFORE THE COMMENCEMENT OF THE 3132ACTION.

33 **14–610.** 

1 (A) IF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS DEAD AND 2 THE PLAINTIFF KNOWS OF A PERSONAL REPRESENTATIVE, THE PLAINTIFF SHALL 3 JOIN THE PERSONAL REPRESENTATIVE AS A DEFENDANT.

4 (B) (1) IF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS DEAD, 5 OR IS BELIEVED BY THE PLAINTIFF TO BE DEAD, AND THE PLAINTIFF KNOWS OF NO 6 PERSONAL REPRESENTATIVE, THE PLAINTIFF SHALL STATE THOSE FACTS IN AN 7 AFFIDAVIT FILED WITH THE COMPLAINT.

8 (2) IF THE PLAINTIFF STATES IN AN AFFIDAVIT UNDER PARAGRAPH 9 (1) OF THIS SUBSECTION THAT A PERSON IS DEAD, THE PLAINTIFF MAY JOIN AS 10 DEFENDANTS "THE TESTATE AND INTESTATE SUCCESSORS OF \_\_\_\_\_\_ (NAMING 11 THE DECEASED PERSON), DECEASED, AND ALL PERSONS CLAIMING BY, THROUGH, 12 OR UNDER THE DECEDENT".

(3) IF THE PLAINTIFF STATES IN AN AFFIDAVIT UNDER PARAGRAPH
(1) OF THIS SUBSECTION THAT A PERSON IS BELIEVED TO BE DEAD, THE PLAINTIFF
MAY JOIN THE PERSON AS A DEFENDANT, AND MAY ALSO JOIN "THE TESTATE AND
INTESTATE SUCCESSORS OF \_\_\_\_\_\_ (NAMING THE PERSON), BELIEVED TO BE
DECEASED, AND ALL PERSONS CLAIMING BY, THROUGH, OR UNDER THE PERSON
BELIEVED TO BE DECEASED".

19 **14–611.** 

20THE COURT ON ITS OWN MOTION OR ON MOTION OF ANY PARTY MAY ISSUE ANY21APPROPRIATE ORDER TO REQUIRE:

22 (1) JOINDER OF ANY ADDITIONAL PARTIES THAT ARE NECESSARY OR 23 PROPER; AND

(2) THE PLAINTIFF TO PROCURE A TITLE REPORT SUPPORTED BY AN
AFFIDAVIT BY THE PERSON MAKING THE SEARCH THAT A COMPLETE SEARCH OF THE
PUBLIC RECORDS HAS BEEN PERFORMED IN ACCORDANCE WITH GENERALLY
ACCEPTED STANDARDS OF TITLE EXAMINATION FOR THE APPROPRIATE PERIOD AS
DETERMINED BY THE COURT, <u>BUT NOT LESS THAN 60 YEARS</u>, AND DESIGNATE A
PLACE WHERE THE TITLE REPORT SHALL BE KEPT FOR INSPECTION, USE, AND
COPYING BY THE PARTIES.

31 **14–612.** 

32ANY PERSON WHO HAS A CLAIM TO THE PROPERTY DESCRIBED IN A33COMPLAINT UNDER THIS SUBTITLE MAY APPEAR IN THE PROCEEDING.

34 **14–613.** 

IN ADDITION TO THE PERSONS REQUIRED TO BE NAMED AS DEFENDANTS IN AN ACTION UNDER THIS SUBTITLE, THE PLAINTIFF MAY NAME AS DEFENDANTS "ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY DESCRIBED IN THE COMPLAINT ADVERSE TO THE PLAINTIFF'S TITLE, OR ANY CLOUD ON THE PLAINTIFF'S TITLE TO THE PROPERTY".

7 **14–614.** 

8 THE COURT ON ITS OWN MOTION OR ON MOTION OF ANY PARTY MAY ISSUE AN 9 ORDER FOR APPOINTMENT OF AN ATTORNEY TO PROTECT THE INTEREST OF ANY 10 PARTY TO THE SAME EXTENT AND EFFECT AS PROVIDED UNDER RULE 2–203 OF THE 11 MARYLAND RULES WITH RESPECT TO INDIVIDUALS NOT IN BEING.

12 **14–615.** 

13 (A) (1) IF, ON AFFIDAVIT OF THE PLAINTIFF, IT APPEARS TO THE 14 SATISFACTION OF THE COURT THAT THE PLAINTIFF HAS USED REASONABLE DILIGENCE TO ASCERTAIN THE IDENTITY AND RESIDENCE OF AND TO SERVE A 15SUMMONS ON THE PERSONS NAMED AS UNKNOWN DEFENDANTS AND PERSONS 16 17JOINED AS TESTATE OR INTESTATE SUCCESSORS OF A PERSON KNOWN OR BELIEVED TO BE DEAD, THE COURT SHALL ORDER SERVICE BY PUBLICATION IN ACCORDANCE 18 WITH RULE 2-122 OF THE MARYLAND RULES AND THE PROVISIONS OF THIS 19 20 SUBTITLE.

(2) THE ORDER SHALL DIRECT THAT A COPY OF THE SUMMONS, THE
 COMPLAINT, AND THE ORDER FOR PUBLICATION BE MAILED IMMEDIATELY TO THE
 PARTY IF THE PARTY'S ADDRESS IS ASCERTAINED BEFORE EXPIRATION OF THE TIME
 PRESCRIBED FOR PUBLICATION OF THE SUMMONS.

(B) THIS SECTION DOES NOT AUTHORIZE SERVICE BY PUBLICATION ON ANY
PERSON NAMED AS AN UNKNOWN DEFENDANT WHO IS IN OPEN AND ACTUAL
POSSESSION OF THE PROPERTY.

28 **14–616.** 

29 (A) IF THE COURT ORDERS SERVICE BY PUBLICATION, THE PLAINTIFF 30 SHALL:

(1) POST, NOT LATER THAN 10 DAYS AFTER THE DATE THE ORDER IS
 ISSUED, A COPY OF THE SUMMONS AND COMPLAINT IN A CONSPICUOUS PLACE ON
 THE PROPERTY THAT IS THE SUBJECT OF THE ACTION; AND

#### HOUSE BILL 920

1 (2) FILE PROOF THAT THE SUMMONS HAS BEEN SERVED, POSTED, 2 AND PUBLISHED AS REQUIRED IN THE ORDER.

3 (B) (1) IF THE COURT ORDERS SERVICE BY PUBLICATION, THE 4 PUBLICATION SHALL USE THE LEGAL DESCRIPTION OF THE PROPERTY ALONG WITH 5 ITS STREET ADDRESS, OR OTHER COMMON DESIGNATION, IF ANY.

6 (2) IF A LEGAL DESCRIPTION OF THE PROPERTY IS GIVEN, THE
7 VALIDITY OF THE PUBLICATION MAY NOT BE AFFECTED BY THE FACT THAT THE
8 STREET ADDRESS OR OTHER COMMON DESIGNATION RECITED IS ERRONEOUS OR
9 THAT THE STREET ADDRESS OR OTHER COMMON DESIGNATION IS OMITTED.

10 **14–617.** 

11 (A) IN ALL CASES THE PLAINTIFF SHALL SUBMIT EVIDENCE <u>AT A HEARING</u> 12 <u>BEFORE THE COURT</u> ESTABLISHING THE PLAINTIFF'S TITLE AND THE COURT MAY 13 HEAR OR TAKE ANY EVIDENCE OFFERED RESPECTING THE CLAIMS OF ANY 14 DEFENDANT, OTHER THAN CLAIMS THE VALIDITY OF WHICH IS ADMITTED BY THE 15 PLAINTIFF IN THE COMPLAINT.

16 **(B) (1)** A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE MAY <u>SHALL</u> BE 17 RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH ANY PORTION OF THE 18 PROPERTY IS LOCATED.

19 (2) IF THE JUDGMENT IS RECORDED, THE <u>THE</u> CLERK SHALL INDEX 20 THE JUDGMENT IN ACCORDANCE WITH § 3–302 OF THIS ARTICLE, WITH THE PARTIES 21 AGAINST WHOM THE JUDGMENT IS ENTERED AS GRANTOR AND THE PARTY IN WHOSE 22 FAVOR THE JUDGMENT IS ENTERED AS GRANTEE.

23 **14–618.** 

A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE IS BINDING AND CONCLUSIVE, REGARDLESS OF ANY LEGAL DISABILITY, ON:

(1) ALL PERSONS KNOWN AND UNKNOWN WHO WERE PARTIES TO THE
 ACTION AND WHO HAVE ANY CLAIM TO THE PROPERTY, WHETHER PRESENT OR
 FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, SEVERAL OR UNDIVIDED;
 AND

30 (2) EXCEPT AS PROVIDED IN § 14–619 OF THIS SUBTITLE, ALL 31 PERSONS WHO WERE NOT PARTIES TO THE ACTION AND WHO HAVE ANY CLAIM TO 32 THE PROPERTY THAT WAS NOT OF RECORD AT THE TIME THE ACTION WAS 33 COMMENCED.

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1 **14–619.** 

2 (A) A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE DOES NOT AFFECT A
3 CLAIM IN THE PROPERTY OR PART OF THE PROPERTY OF ANY PERSON WHO WAS NOT
4 A PARTY TO THE ACTION, IF, AT THE TIME THE ACTION WAS COMMENCED:

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(1) THE CLAIM WAS OF RECORD; OR

6 (2) THE CLAIM WAS ACTUALLY KNOWN TO THE PLAINTIFF OR WOULD 7 HAVE BEEN REASONABLY APPARENT FROM AN INSPECTION OF THE PROPERTY.

8 (B) THIS SECTION MAY NOT BE CONSTRUED TO IMPAIR THE RIGHTS OF A 9 BONA FIDE PURCHASER OR ENCUMBRANCER FOR VALUE DEALING WITH THE 10 PLAINTIFF OR THE PLAINTIFF'S SUCCESSORS IN INTEREST.

11 **14–620.** 

12 ANY RELIEF GRANTED IN AN ACTION OR PROCEEDING DIRECTLY OR 13 COLLATERALLY ATTACKING A JUDGMENT ENTERED UNDER THIS SUBTITLE, 14 WHETHER BASED ON LACK OF ACTUAL NOTICE TO A PARTY OR OTHERWISE, MAY NOT 15 IMPAIR THE RIGHTS OF A PURCHASER OR ENCUMBRANCER FOR VALUE OF THE 16 PROPERTY ACTING IN RELIANCE ON THE JUDGMENT WITHOUT KNOWLEDGE OF ANY 17 DEFECTS OR IRREGULARITIES IN THE JUDGMENT OR THE PROCEEDINGS.

18 **14–621.** 

19 NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A JUDGMENT
 20 IN AN ACTION UNDER THIS SUBTITLE IS NOT BINDING OR CONCLUSIVE ON:

21 (1) THE STATE, UNLESS INDIVIDUALLY JOINED AS A PARTY TO THE 22 ACTION AND STATE LAW AUTHORIZES THE JUDGMENT TO BE BINDING OR 23 CONCLUSIVE AS TO ITS INTERESTS; OR

24(2) THE UNITED STATES, UNLESS THE UNITED STATES IS25INDIVIDUALLY JOINED AS A PARTY TO THE ACTION AND FEDERAL LAW AUTHORIZES26THE JUDGMENT TO BE BINDING OR CONCLUSIVE AS TO ITS INTERESTS.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 28 October 1, 2016.