

HOUSE BILL 971

D3, N1

6lr3210

By: **Delegates Waldstreicher, Barve, and Holmes**

Introduced and read first time: February 10, 2016

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2016

CHAPTER _____

1 AN ACT concerning

2 **Statute of Limitations ~~for Specialties – Exception for~~ Residential Leases Signed**
3 **Under Seal**

4 FOR the purpose of ~~altering~~ clarifying the time period within which a civil action on a
5 residential lease that has been signed under seal must be filed; ~~providing for the~~
6 ~~application of this Act; requiring a cause of action to collect the unpaid balance due~~
7 ~~on a residential lease that was signed under seal that arose before a certain date to~~
8 ~~be filed within a certain period of time~~ declaring the intent of the General Assembly;
9 and generally relating to the statute of limitations for residential leases signed under
10 seal.

11 BY repealing and reenacting, without amendments,
12 Article – Courts and Judicial Proceedings
13 Section 5–101
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2015 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Courts and Judicial Proceedings
18 Section 5–102
19 Annotated Code of Maryland
20 (2013 Replacement Volume and 2015 Supplement)

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

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.



1 **Article – Courts and Judicial Proceedings**

2 5–101.

3 A civil action at law shall be filed within three years from the date it accrues unless
 4 another provision of the Code provides a different period of time within which an action
 5 shall be commenced.

6 5–102.

7 (a) An action on one of the following specialties shall be filed within 12 years after
 8 the cause of action accrues, or within 12 years from the date of the death of the last to die
 9 of the principal debtor or creditor, whichever is sooner:

10 (1) Promissory note or other instrument under seal;

11 (2) Bond except a public officer's bond;

12 (3) Judgment;

13 (4) Recognizance;

14 (5) Contract under seal; or

15 (6) Any other specialty.

16 (b) A payment of principal or interest on a specialty suspends the operation of
 17 this section as to the specialty for three years after the date of payment.

18 (c) This section does not apply to:

19 (1) A specialty taken for the use of the State; [or]

20 (2) A deed of trust, mortgage, or promissory note that has been signed
 21 under seal and secures or is secured by owner-occupied residential property, as defined in
 22 § 7–105.1 of the Real Property Article; **OR**

23 **(3) A RESIDENTIAL LEASE THAT HAS BEEN SIGNED UNDER SEAL.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section~~
 25 ~~3 of this Act, this Act shall be construed to apply only prospectively to any cause of action~~
 26 ~~that arises on or after the effective date of this Act~~ it is the intent of the General Assembly
 27 to clarify that an action for rent arrears under any kind of residential lease must be filed
 28 in compliance with § 5–101 of the Courts Article.

1 SECTION 3. ~~AND BE IT FURTHER ENACTED, That any cause of action to collect~~
2 ~~the unpaid balance due on a residential lease that was signed under seal that arose before~~
3 ~~October 1, 2016, and would not be barred under § 5-102 of the Courts and Judicial~~
4 ~~Proceedings Article before October 1, 2016, shall be filed within 12 years after the date the~~
5 ~~cause of action accrued or before October 1, 2019, whichever occurs first.~~

6 ~~SECTION 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2016.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.