HOUSE BILL 428

N1, D3 5lr0935 CF SB 349

By: Delegates Embry, Attar, Boafo, Boyce, Charkoudian, Fair, Feldmark, Forbes, Guzzone, Hutchinson, Kaufman, Palakovich Carr, Ruth, Shetty, Simpson, Taveras, Taylor, Terrasa, and Wims Wims, Pena-Melnyk, Cullison, Alston, Bagnall, Bhandari, Chisholm, Hill, S. Johnson, Kaiser, Kerr, Lopez, Martinez, Rosenberg, White Holland, Woods, and Woorman

Introduced and read first time: January 16, 2025 Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 22, 2025

CHA	AΡΊ	ER		

- 1 AN ACT concerning
- 2 Medical Debt Complaints for Money Judgment and Real Property Liens
- 3 FOR the purpose of establishing certain requirements for a complaint for a money
- 4 judgment; prohibiting the creation of a lien on owner-occupied residential property
- 5 by contract or as a result of a breach of contract for the payment of medical debt; and
- 6 generally relating to contract liens and medical debt.
- 7 BY repealing and reenacting, with amendments,
- 8 Article Courts and Judicial Proceedings
- 9 Section 11–401 and 11–402
- 10 Annotated Code of Maryland
- 11 (2020 Replacement Volume and 2024 Supplement)
- 12 BY repealing and reenacting, without amendments,
- 13 Article Real Property
- 14 Section 7–105.1(a)(8)
- 15 Annotated Code of Maryland
- 16 (2023 Replacement Volume and 2024 Supplement)
- 17 BY adding to
- 18 Article Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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



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rendered except:

1 2 3	Section 14–203.1 Annotated Code of Maryland (2023 Replacement Volume and 2024 Supplement)
4 5	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
6	Article - Courts and Judicial Proceedings
7	11–401.
8	(a) In this subtitle the following terms have the meanings indicated.
9 10 11 12 13	(b) "Court" means a court of law or a court of equity and includes the United States District Court for the District of Maryland, the United States Bankruptcy Court for the District of Maryland, the Supreme Court of Maryland, the Appellate Court of Maryland, A CIRCUIT COURT OF A COUNTY OR BALTIMORE CITY, and the District Court of Maryland.
14 15	(c) (1) "Money judgment" means a judgment determining that a specified amount of money is immediately payable to the judgment creditor.
16 17	(2) "Money judgment" does not include a judgment mandating the payment of money.
18	11–402.
19 20	(a) (1) In this section[, "land"] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
21 22	(2) "LAND" means real property or any interest in or appurtenant to real property.
23 24	(3) "Medical debt" has the meaning stated in § 14–203.1 of the Real Property Article.
25 26	(b) (1) A COMPLAINT SEEKING A MONEY JUDGMENT SHALL INDICATE WHETHER THE JUDGMENT SOUGHT IS FOR MEDICAL DEBT.
27 28	(2) A COMPLAINT SEEKING A MONEY JUDGMENT FOR MEDICAL DEBT SHALL INCLUDE THE ADDRESS OF THE PRIMARY RESIDENCE OF THE DEFENDANT.
29	(C) If indexed and recorded as prescribed by the Maryland Rules, a money

judgment of a court constitutes a lien to the amount and from the date of the judgment on the judgment debtor's interest in land located in the county in which the judgment was

1 **(1) FOR** a lease from year to year or for a term of not more than five years 2 and not renewable; AND 3 AS PROVIDED IN § 14–203.1 OF THE REAL PROPERTY ARTICLE. **(2)** 4 [(c)] **(D)** If indexed and recorded as prescribed by the Maryland Rules, a money judgment constitutes a lien on the judgment debtor's interest in land located in a county 5 other than the county in which the judgment was originally entered, except: 6 7 **(1)** FOR a lease from year to year or for a term not more than five years 8 and not renewable; AND 9 **(2)** AS PROVIDED IN § 14–203.1 OF THE REAL PROPERTY ARTICLE. 10 [(d)] **(E)** Promptly after the entry of an order of satisfaction or the filing of a 11 written statement by a judgment creditor with the clerk of the court that a judgment of a court has been satisfied, the clerk of the court shall make an entry of the word "satisfied" 12on the horizontal line in the judgment record where the lien is indexed. 13 14 Article - Real Property 7-105.1.15 16 (8)"Owner-occupied residential property" means residential property in (a) 17 which at least one unit is occupied by an individual who: 18 (i) Has an ownership interest in the property; and 19 (ii) Uses the property as the individual's primary residence. 20 14-203.1. 21(A) **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 22INDICATED. 23 **(2)** (I)"MEDICAL DEBT" MEANS DEBT INCURRED DUE TO A 24**MEDICATION, PROCEDURE, OR SERVICE** A DEBT OWED BY A CONSUMER TO A PERSON WHOSE PRIMARY BUSINESS IS PROVIDING MEDICAL SERVICES, PRODUCTS, OR 25DEVICES, OR TO THE PERSON'S AGENT OR ASSIGNEE, FOR THE PROVISION OF THE 26MEDICAL SERVICES, PRODUCTS, OR DEVICES. 2728 "MEDICAL DEBT" DOES NOT INCLUDE DEBT CHARGED TO A (II)

CREDIT CARD UNLESS THE CREDIT CARD IS ISSUED UNDER AN OPEN-END OR

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$\frac{1}{2}$	CLOSED-END CREDIT PLAN OFFERED SOLELY FOR THE PAYMENT OF HEALTH CARE SERVICES.
3 4	(3) "OWNER-OCCUPIED RESIDENTIAL PROPERTY" HAS THE MEANING STATED IN § 7–105.1 OF THIS ARTICLE.
5 6 7	(B) A LIEN ON OWNER-OCCUPIED RESIDENTIAL PROPERTY MAY NOT BE CREATED BY CONTRACT OR AS A RESULT OF A BREACH OF CONTRACT FOR THE PAYMENT OF MEDICAL DEBT.
8	(C) IF A LIEN IS CREATED IN VIOLATION OF THIS SECTION, THE COURT
9	(1) SHALL REMOVE THE LIEN; AND
10 11	(2) MAY AWARD TO THE OWNER OF THE PROPERTY ECONOMIC DAMAGES SUFFERED AS A RESULT OF THE VIOLATION SHALL REMOVE THE LIEN.
12 13 14	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any complaint filed before the effective date of this Act.
15 16	SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.
	Approved:
	$\qquad \qquad \text{Governor}.$
	Speaker of the House of Delegates.
	President of the Senate.