N1, D3 HB 673/24 – HGO

By: Senator Love

Introduced and read first time: January 16, 2025 Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 Medical Debt – Complaints for Money Judgment and Real Property Liens

- FOR the purpose of establishing certain requirements for a complaint for a money
 judgment; prohibiting the creation of a lien on owner-occupied residential property
 by contract or as a result of a breach of contract for the payment of medical debt; and
 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
- 19 Section 14–203.1
- 20 Annotated Code of Maryland
- 21 (2023 Replacement Volume and 2024 Supplement)
- 22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 23 That the Laws of Maryland read as follows:

24 Article – Courts and Judicial Proceedings

 $25 \quad 11-401.$

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1 In this subtitle the following terms have the meanings indicated. (a) $\mathbf{2}$ (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 3 the District of Maryland, the Supreme Court of Maryland, the Appellate Court of Maryland, 4 $\mathbf{5}$ A CIRCUIT COURT OF A COUNTY OR BALTIMORE CITY, and the District Court of 6 Maryland. "Money judgment" means a judgment determining that a specified 7 (c) (1)amount of money is immediately payable to the judgment creditor. 8 9 (2)"Money judgment" does not include a judgment mandating the payment of money. 10 11 - 402.11 12(1) In this section[, "land"] THE FOLLOWING WORDS HAVE THE (a) **MEANINGS INDICATED.** 13 "LAND" means real property or any interest in or appurtenant to real 14(2) 15property. "MEDICAL DEBT" HAS THE MEANING STATED IN § 14-203.1 OF 16 (3) 17 THE REAL PROPERTY ARTICLE. 18 (b) (1) A COMPLAINT SEEKING A MONEY JUDGMENT SHALL INDICATE WHETHER THE JUDGMENT SOUGHT IS FOR MEDICAL DEBT. 19 20(2) A COMPLAINT SEEKING A MONEY JUDGMENT FOR MEDICAL DEBT 21SHALL INCLUDE THE ADDRESS OF THE PRIMARY RESIDENCE OF THE DEFENDANT. 22**(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 23the judgment debtor's interest in land located in the county in which the judgment was 24rendered except: 2526(1) **FOR** a lease from year to year or for a term of not more than five years 27and not renewable; AND AS PROVIDED IN § 14–203.1 OF THE REAL PROPERTY ARTICLE. 28(2) 29[(c)] **(D)** If indexed and recorded as prescribed by the Maryland Rules, a money 30 judgment constitutes a lien on the judgment debtor's interest in land located in a county other than the county in which the judgment was originally entered, except: 31

 $\mathbf{2}$

1 (1) FOR a lease from year to year or for a term not more than five years 2 and not renewable; AND

3

(2) AS PROVIDED IN § 14–203.1 OF THE REAL PROPERTY ARTICLE.

4 [(d)] (E) Promptly after the entry of an order of satisfaction or the filing of a 5 written statement by a judgment creditor with the clerk of the court that a judgment of a 6 court has been satisfied, the clerk of the court shall make an entry of the word "satisfied" 7 on the horizontal line in the judgment record where the lien is indexed.

8

Article – Real Property

9 7-105.1.

10 (a) (8) "Owner-occupied residential property" means residential property in 11 which at least one unit is occupied by an individual who:

- 12 (i) Has an ownership interest in the property; and
- 13 (ii) Uses the property as the individual's primary residence.

14 **14–203.1.**

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 16 INDICATED.

17 (2) "MEDICAL DEBT" MEANS DEBT INCURRED DUE TO A MEDICATION,
 18 PROCEDURE, OR SERVICE.

19 (3) "OWNER-OCCUPIED RESIDENTIAL PROPERTY" HAS THE MEANING 20 STATED IN § 7–105.1 OF THIS ARTICLE.

21 (B) A LIEN ON OWNER-OCCUPIED RESIDENTIAL PROPERTY MAY NOT BE 22 CREATED BY CONTRACT OR AS A RESULT OF A BREACH OF CONTRACT FOR THE 23 PAYMENT OF MEDICAL DEBT.

- 24 (C) IF A LIEN IS CREATED IN VIOLATION OF THIS SECTION, THE COURT:
- 25 (1) SHALL REMOVE THE LIEN; AND

26 (2) MAY AWARD TO THE OWNER OF THE PROPERTY ECONOMIC 27 DAMAGES SUFFERED AS A RESULT OF THE VIOLATION.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to 2 apply only prospectively and may not be applied or interpreted to have any effect on or 3 application to any complaint filed before the effective date of this Act.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 5 October 1, 2025.