

Chapter 540

(Senate Bill 513)

AN ACT concerning

Real Property – Unlawfully Restrictive Covenant Modifications – County or Municipality Notice Requirements

FOR the purpose of altering certain notice requirements relating to the recordation of a restrictive covenant modification to an unlawfully restrictive covenant by a county or municipality; and generally relating to unlawfully restrictive covenants.

BY repealing and reenacting, without amendments,

Article – Real Property

Section 3–112(a)

Annotated Code of Maryland

(2023 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 3–112(c)

Annotated Code of Maryland

(2023 Replacement Volume and 2024 Supplement)

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

Article – Real Property

3–112.

(a) In this section, “unlawfully restrictive covenant” means any recorded covenant or restriction that restricts ownership based on race, religious belief, or national origin.

(c) (1) A person may execute and record a restrictive covenant modification to an unlawfully restrictive covenant in accordance with this section if the person:

(i) Holds an ownership interest in property that the person believes is subject to the unlawfully restrictive covenant; or

(ii) Is a nonprofit entity that is required to enforce within a defined residential neighborhood:

1. Covenants that limit architectural alterations, renovations, landscaping elements, or other modifications to residential lots in the neighborhood; and

2. The unlawfully restrictive covenant.

(2) (i) Subject to subparagraph (ii) of this paragraph, a county or municipality may execute and record a restrictive covenant modification to an unlawfully restrictive covenant in accordance with this section if:

1. The property that the county or municipality believes is subject to an unlawfully restrictive covenant is within the boundaries of the county or municipality; and

2. At least 30 days before executing and recording the restrictive covenant modification, the county or municipality provides written notice in accordance with subparagraph (iii) of this paragraph of the county's or municipality's intent to execute and record the restrictive covenant modification to all persons with an ownership interest in the property.

(ii) A person with an ownership interest in the property may decline to have the restrictive covenant modification executed and recorded by the county or municipality by notifying the county or municipality within 30 days after the date of notice.

(iii) Notice under subparagraph (i)2 of this paragraph shall:

1. **A.** ~~Be sent by first class mail; [and]~~

~~B.~~ BE PUBLISHED ONCE PER WEEK FOR 4 SUCCESSIVE WEEKS IN ONE OR MORE NEWSPAPERS OF GENERAL CIRCULATION IN THE COUNTY OR MUNICIPALITY WHERE THE PROPERTY IS LOCATED;

~~C.~~ ~~BE POSTED ON THE DOOR OF THE COURTHOUSE OR ON A BULLETIN BOARD IN THE IMMEDIATE VICINITY OF THE DOOR OF THE COURTHOUSE OF THE COUNTY OR MUNICIPALITY WHERE THE PROPERTY IS LOCATED; OR~~ AND

~~D.~~ B. BE POSTED ON THE OFFICIAL WEBSITE OF THE COUNTY OR MUNICIPALITY WHERE THE PROPERTY IS LOCATED; AND

2. Provide information on how a person with an ownership interest in the property may decline to have the restrictive covenant modification executed and recorded by the county or municipality.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.

Approved by the Governor, May 13, 2025.