

---

**Maryland Contract Lien Act  
And Selected Statutes**



## Table of Contents

### Maryland Contract Lien Act

§ 14-201. Definitions .....	1
§ 14-202. Creation of lien by contract .....	1
§ 14-203. Creation of lien as a result of breach of contract .....	2
§ 14-204. Enforcement and Foreclosure of Lien .....	6
§ 14-205. Exemptions .....	7
§ 14-206. Short Title .....	7

### Selected Statutes

§ 2-119. Solar Collector Systems – Restriction on Use and Solar Easement .....	8
§ 3-105.2. Release of mortgage, deed of trust, or lien instrument.....	9
§ 3-1901. Personal Injury or Death Caused by Dog.....	12
§ 5-6B-01. Cooperative Housing - Definitions .....	13
§ 5-6B-19. Cooperative Housing – Meetings .....	16
§ 5-6B-20. Cooperative Housing – Distribution of Information .....	17
§ 5-6B-21. Cooperative Housing – Meetings of Members.....	18
§ 5-6B-27 (d). Cooperative Housing – Copy of Fidelity Policy .....	18
§ 5-6B-28. Cooperative Housing – Record Keeping.....	18
§ 5-6B-29. Cooperative Housing – Late Fees.....	18
§ 5-6B-30. Cooperative Housing – Due Process Procedures .....	19
§ 5-6B-31. Cooperative Housing – Eviction.....	20
§ 7-105.3. Notice and disclosure of foreclosure sales to counties.....	21
§ 7-105.14. Foreclosed Property Registry.....	21
§ 7-112. Priority of Refinanced Deed of Trust .....	26
§ 9-1711. Environment – Recycling for Buildings and Condominiums ...	27

## Table of Contents

§14–117. Contracts for sale of property .....	28
§14–120. Abatement of nuisance actions where property used for controlled dangerous substance offenses .....	37
§ 14-128. Display of United States flag by homeowner or tenant .....	43
§ 14-130 Installation and use of clotheslines on residential property .....	44
§ 14-131 Community Association Managers Registry .....	45
§ 21-10A. Transportation - Towing Regulations .....	47
§ 21-10A-02. Signs .....	48
§ 21-10A-03. Location to which vehicles towed or removed .....	48
§ 21-10A-04. Rights, duties and obligations of persons undertaking towing or removing vehicles; database .....	49
§ 21-10A-05. Delivery to storage facility; repossession by owner before or after towing; payment .....	51
§ 21-10A-06. Violation of subtitle .....	52
§ 21-10A-07. "Penalties" .....	52

## Maryland Contract Lien Act

### § 14-201. Definitions.

(a) *In general.* -- In this subtitle the following words have the meanings indicated unless the context requires otherwise.

(b) *Contract.* --

(1) "Contract" means a real covenant running with the land or a contract recorded among the land records of a county or Baltimore City.

(2) "Contract" includes a declaration or bylaws recorded under the provisions of the Maryland Condominium Act or the Maryland Real Estate Time-Sharing Act.

(c) *Damages.* --

(1) "Damages" means unpaid sums due under a contract, plus interest accruing on the unpaid sums due under a contract or as provided by law, including fines levied under the Maryland Condominium Act or the Maryland Real Estate Time-Sharing Act.

(2) "Damages" does not include consequential or punitive damages.

(d) *Lien.* -- "Lien" means a lien created under this subtitle.

(e) *Party.* -- "Party" means any person who:

(1) Is a signatory to a contract;

(2) Is described in a contract as having the benefit of any provision of the contract; or

(3) Owns property subject to the provisions of a contract.

(f) *Statement of lien.* -- "Statement of lien" means the statement described under § 14-203 (j) of this subtitle.

### § 14-202. Creation of lien by contract.

a) *In general.* -- A lien on property may be created by a contract and enforced under this subtitle if:

(1) The contract expressly provides for the creation of a lien; and

(2) The contract expressly describes:

## 2 Maryland Contract Lien Act

- (i) The party entitled to establish and enforce the lien; and
- (ii) The property against which the lien may be imposed.

(b) *Lien as security.* -- A lien may only secure the payment of:

- (1) Damages;
- (2) Costs of collection;
- (3) Late charges permitted by law; and
- (4) Attorney's fees provided for in a contract or awarded by a court for breach of a contract.

### **§ 14-203. Creation of lien as a result of breach of contract.**

(a) *Notice.* --

(1) A party seeking to create a lien as the result of a breach of contract shall, within 2 years of a breach of contract, give written notice to the party against whose property the lien is intended to be imposed.

(2) Except as provided in paragraph (3) of this subsection, notice under this subsection shall be served by:

(i) Certified or registered mail, return receipt requested, addressed to the owner of the property against which the lien is sought to be imposed at the owner's last known address; or

(ii) Personal delivery to the owner by the party seeking a lien or the party's agent.

(3) If a party seeking to create a lien is unable to serve an owner under paragraph (2) of this subsection, notice under this subsection shall be served by:

(i) The mailing of a notice to the owner's last known address; and

(ii) Posting notice in a conspicuous manner on the property by the party seeking to create a lien or the party's agent in the presence of a competent witness. In the instance of a contractual lien on a building, the notice shall be posted in a conspicuous manner on the door or other front part of the building.

(b) *Notice requirements.* -- A notice under subsection (a) of this section shall include:

- (1) The name and address of the party seeking to create the lien;
- (2) A statement of intent to create a lien;
- (3) An identification of the contract;
- (4) The nature of the alleged breach;
- (5) The amount of alleged damages;

(6) A description of the property against which the lien is intended to be imposed sufficient to identify the property, and stating the county or counties in which the property is located; and

(7) A statement that the party against whose property the lien is intended to be imposed has the right to a hearing under subsection (c) of this section.

(c) (1) A party to whom notice is given under subsection (a) of this section may, within 30 days after the notice is served on the party, file a complaint in the circuit court for the county in which any part of the property is located to determine whether probable cause exists for the establishment of a lien.

(2) A complaint filed under this subsection shall include:

(i) The name of the complainant and the name of the party seeking to establish the lien;

(ii) A copy of the notice served under subsection (a) of this section;  
and

(iii) An affidavit containing a statement of facts that would preclude establishment of the lien for the damages alleged in the notice.

(3) A party filing a complaint under this subsection may request a hearing at which any party may appear to present evidence.

(d) *Burden of proof.* -- If a complaint is filed, the party seeking to establish the lien has the burden of proof.

(e) *Docketing and process.* -- The clerk of the circuit court shall docket the proceedings under this section, and all process shall issue out of and all pleadings shall be filed in a single action.

#### 4 Maryland Contract Lien Act

(f) *Supplemental affidavit.* -- Before any hearing held under subsection (c) of this section, the party seeking to establish a lien may supplement, by means of an affidavit, any information contained in the notice given under subsection (a) of this section.

(g) *Action on complaint by circuit court.* --

(1) If a complaint is filed under subsection (c) of this section, the court shall review any pleadings filed, including any supplementary affidavit filed under subsection (f) of this section, and shall conduct a hearing if requested under subsection (c)(3) of this section.

(2) If the court determines that probable cause exists to establish a lien, it shall order the lien imposed.

(3) The order to impose a lien shall state that the owner of the property against which the lien is imposed may file a bond of a specified amount to have the lien against the property removed.

(h) *Recording lien; removal of lien upon filing bond.* --

(1) If the court orders a lien to be imposed under subsection (g) of this section, or if the owner of the property against which a lien is intended to be imposed fails to file a complaint under subsection (c) of this section the party seeking to create the lien may file a statement of lien among the land records of each county in which any portion of the property is located.

(2) The party seeking to create the lien may file the lien statement in the county land records:

(i) If a complaint was filed under subsection (c) of this section, 30 days after the date of the court order allowing the creation of the lien; or

(ii) If a complaint was not filed under subsection (c) of this section, 30 days after the owner was served under subsection (a)(2) or (3) of this section.

(3) Unless the party seeking to create the lien and the owner agree otherwise, if the party seeking to create the lien fails to file the lien statement within 90 days after the expiration of the applicable time period described in paragraph (2) of this subsection, the party seeking to create the lien may:

(i) Not file the lien statement in the county land records; and

(ii) File for a new lien by complying with the requirements of subsections (a) through (h) of this section.



(4) A lien imposed under this subtitle has priority from the date the statement of lien is filed.

(5) Until an order imposing a lien is entered by the court, the owner of the property against which the lien is imposed may have the lien removed at any time by filing with the clerk of the circuit court a bond in the amount specified by the court under subsection (g)(3) of this section.

(i) *Trial; costs.* --

(1) Until an order is entered by the court either establishing or denying a lien, the action shall proceed to trial on any matter at issue.

(2) The court may award costs and reasonable attorney’s fees to any party under this subtitle.

(j) *Statement of lien.* –

(1) Subject to paragraph (2) of this subsection, a statement of lien is sufficient for purposes of this subtitle if it is in substantially the following form:

*STATEMENT OF LIEN*

*This is to certify that the property described as \_\_\_\_\_ is subject to a lien under Title 14, Subtitle 2 of the Real Property Article, Maryland Annotated Code, in the amount of \$ \_\_\_\_\_. The property is owned by \_\_\_\_\_.*

*I hereby affirm under the penalty of perjury that notice was given under § 14-203(a) of the Real Property Article, and that the information contained in the foregoing statement of lien is true and correct to the best of my knowledge, information and belief.*

*(name of party claiming lien)*

(2) (i) This paragraph applies only to a lien that is subject to § 11–110(f) or § 11B–117(c) of this article.

(ii) In addition to satisfying the requirements of paragraph (1) of this subsection, a statement of lien is sufficient for purposes of this subtitle if the statement includes specific information about the amount of the regular monthly assessments, or the equivalent of the regular monthly assessments, for common expenses in substantially the following form:

The amount of the regular monthly assessments, or the equivalent of the regular monthly assessments, for common expenses, that is the basis of the priority portion of this lien as provided in § 11–110(f) or § 11B–117(c) of the Real Property Article, is

6 Maryland Contract Lien Act

\$ \_\_\_\_\_. This sum represents \_\_\_\_\_ months of unpaid regular assessments, at \$ \_\_\_\_\_ per month.

(k) *Releasing lien.* -- If an order is entered under subsection (i) of this section denying a lien, or if a bond is filed under subsection (h) of this section, the clerk of the circuit court shall enter a notation in the land records releasing the lien.

**§ 14-204. Enforcement and Foreclosure of Lien.**

(a) *Manner of enforcement and foreclosure.* -- Except as provided in subsection (d) of this section, a lien may be enforced and foreclosed by the party who obtained the lien in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trust on property in this State containing a power of sale or an assent to a decree.

(b) *Suits for deficiency and unpaid damages.* -- If the owner of property subject to a lien is personally liable for alleged damages, suit for any deficiency following foreclosure may be maintained in the same proceeding, and suit for a monetary judgment for unpaid damages may be maintained without waiving any lien securing the same.

(c) *Time limit.* -- Any action to foreclose a lien shall be brought within 12 years following recordation of the statement of lien.

(d) (1) (i) *Definitions.* -- In this subsection the following words have the meanings indicated.

(ii) “Common ownership community” means:

1. A condominium as defined in § 11–101 of this article; or
2. A homeowners association as defined in § 11B–101 of this article.

(iii) “Governing body” means a person who has authority to enforce the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community.

(2) *Limitation.* -- Notwithstanding the declaration, articles of incorporation, bylaws, rules, or regulations of a common ownership community, a governing body may foreclose on a lien against a unit owner or lot owner only if the damages secured by the lien:

(i) Consist solely of:

1. Delinquent periodic assessments or special assessments;
- and any interest; and

2. Reasonable costs and attorney's fees directly related to the filing of the lien that do not exceed the amount of the delinquent assessments; excluding any interest; and

(ii) Do not include fines imposed by the governing body or attorney's fees or costs related to recovering the fines.

(3) This subsection does not preclude a governing body from using any other means to enforce a lien against a unit owner or lot owner.

**§ 14-205. Exemptions.**

The provisions of this subtitle do not apply to land installment contracts or to deeds of trust or mortgages on property in this State.

**§ 14-206. Short Title.**

This subtitle may be cited as the Maryland Contract Lien Act.

## Selected Statutes

### § 2-119. Solar Collector Systems – Restriction on Use and Solar Easement.

(a) (1) In this section, the following words have the meanings indicated.

(2) “Restriction on use” includes any covenant, restriction, or condition contained in:

(i) A deed;

(ii) A declaration;

(iii) A contract;

(iv) The bylaws or rules of a condominium or homeowners association;

(v) A security instrument; or

(vi) Any other instrument affecting:

1. The transfer or sale of real property; or

2. Any other interest in real property.

(3) “Solar collector system” means a solar collector or other solar energy device, the primary purpose of which is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating, space cooling, or water heating.

(4) “Solar easement” means an interest in land that:

(i) Is conveyed or assigned in perpetuity; and

(ii) Limits the use of the land to preserve the receipt of sunlight across the land for the use of a property owner’s solar collector system.

(b) (1) A restriction on use regarding land use may not impose or act to impose unreasonable limitations on the installation of a solar collector system on the roof or exterior walls of improvements, provided that the property owner owns or has the right to exclusive use of the roof or exterior walls.

(2) For purposes of paragraph (1) of this subsection, an unreasonable limitation includes a limitation that:

(i) Significantly increases the cost of the solar collector system; or

(ii) Significantly decreases the efficiency of the solar collector system.

(c) (1) A property owner who has installed or intends to install a solar collector system may negotiate to obtain a solar easement in writing.

(2) Any written instrument creating a solar easement shall include:

(i) A description of the dimensions of the solar easement expressed in measurable terms, including vertical or horizontal angles measured in degrees or the hours of the day on specified dates when direct sunlight to a specified surface of a solar collector system may not be obstructed;

(ii) The restrictions placed on vegetation, structures, and other objects that would impair the passage of sunlight through the solar easement; and

(iii) The terms under which the solar easement maybe revised or terminated.

(3) A written instrument creating a solar easement shall be recorded in the land records of the county where the property is located.

(d) This section does not apply to a restriction on use on historic property that is listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

### **§ 3-105.2. Release of mortgage, deed of trust, or lien instrument.**

(a) In this section, “lien instrument” means:

(1) A lien created under the Maryland Contract Lien Act;

(2) An instrument creating or authorizing the creation of a lien in favor of a homeowners association, a condominium council of unit owners, a property owners association, or a community association;

(3) A security agreement; or

(4) A vendor’s lien.

(b) A mortgage, deed of trust, or lien instrument may be released validly in accordance with this section.

(c) When the debt secured by a mortgage, deed of trust, or lien instrument is paid fully or satisfied by a settlement agent licensed by the Maryland Insurance Administration as a title insurance producer under Title 10, Subtitle 1 of the Insurance Article, a title insurer, or a lawyer

## 10 Selected Statutes

admitted to the Maryland Bar, and the party satisfied fails to provide a release suitable for recording, the settlement agent, title insurer, or lawyer may prepare and record a statutory release affidavit that:

(1) May be received by the clerk and indexed and recorded as any other instrument in the nature of a release or certificate or satisfaction; and

(2) Has the same effect as a release of the property for which the mortgage, deed of trust, or lien instrument is the security, as if a release were executed by the mortgagee, named trustees, or secured party.

(d) Before the settlement agent, title insurer, or lawyer may record a statutory release affidavit under this section, that person shall:

(1) Allow at least a 60-day waiting period from the date the mortgage, deed of trust, or lien instrument is paid fully or satisfied for the party satisfied to provide a release suitable for recording;

(2) Send by certified mail, with or without a return receipt, to the party satisfied:

(i) A copy of this section;

(ii) A copy of the proposed statutory release affidavit that the person intends to record; and

(iii) A notice that unless a release suitable for recording is provided within 30 days, the person will obtain a release in accordance with the provisions of this section;

(3) After the mailing of the notice under item (2) of this subsection, allow an additional waiting period of at least 30 days for the party satisfied to provide a release suitable for recording.

(e) A statutory release affidavit recorded under this section shall:

(1) Be in substantially the following form:

### *STATUTORY RELEASE AFFIDAVIT*

*I hereby declare or affirm, under the penalties of perjury, that:*

*(1) On (insert date), I caused to be paid off the debt secured by the mortgage, deed of trust, or lien instrument, found in Liber/Book \_\_\_\_\_, at Folio/Page \_\_\_\_\_, in the land records of \_\_\_\_\_ County/Baltimore City, Maryland.*

*(2) I obtained a written payoff statement from the person to whom the debt was owed or the person's agent, the funds paid to the person or the person's agent were sufficient to pay off the debt in full, and, as authorized by the obligor on the account, I instructed the person or the person's agent to close the account.*

*(3) On (insert date), I sent the notice required under § 3-105.2(d)(2) of the Real Property Article to the person satisfied by certified mail.*

*(4) The person satisfied has failed to provide a release suitable for recording.*

*(5) I am:*

*\_\_\_\_\_ A settlement agent who holds a title insurance producer license in good standing from the Maryland Insurance Administration;*

*\_\_\_\_\_ An officer of a title insurer; or*

*\_\_\_\_\_ A member of the Maryland Bar.*

*(6) The payoff of the debt was accomplished by:*

*\_\_\_\_\_ The original check, written on an escrow account controlled by the undersigned individual, which is attached to this affidavit and incorporated by reference;*

*\_\_\_\_\_ A check, written on an escrow account controlled by the undersigned individual, a check facsimile of which is attached to this affidavit and incorporated by reference, and which has been certified as a true copy of the original check by the issuing bank; or*

*\_\_\_\_\_ A wire transfer, the wire transfer remittance advice for which contains the information required under § 3-105.2(e)(2)(iii)2 of the Real Property Article and is attached to this affidavit and incorporated by reference.*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Printed or typed name)*

\_\_\_\_\_  
*(Date)*  
*; and*

## 12 Selected Statutes

(2) Be accompanied by:

(i) The canceled check evidencing final payment, which shall contain the name of the party whose debt is being satisfied, the debt account number, if any, and words indicating that the check is intended as payment in full of the debt being satisfied;

(ii) If the canceled check is unavailable, a check facsimile, as defined in § 5-513 of the Financial Institutions Article, that contains the information required under item (i) of this item, accompanied by a certification from an authorized agent of the institution on which the check was drawn stating the check facsimile is a true and genuine image of the original check; or

(iii) If the debt securing the mortgage, deed of trust, or lien instrument was paid off by a wire transfer, the wire transfer remittance advice, which shall:

1. Be accompanied by a certification from an authorized agent of the institution from which the wire transfer was initiated stating that the document is a true and genuine image of the original wire transfer confirmation order issued by the institution; and

2. Contain the name of the person for whom the payoff was made, the name of the institution that was paid the money, a truncated version of the number of the account from which the funds were transferred, a truncated version of the number of the account to which the funds were transferred, the Federal Reserve Bank's reference numbers for the wire transfer, the loan number for the note that was paid off, the amount of the payoff made by the wire transfer, and the date and time of the wire transfer.

### **§ 3-1901. Personal Injury or Death Caused by Dog**

(a) (1) In an action against an owner of a dog for damages for personal injury or death caused by the dog, evidence that the dog caused the personal injury or death creates a rebuttable presumption that the owner knew or should have known that the dog had vicious or dangerous propensities.

(2) Notwithstanding any other law or rule, in a jury trial, the judge may not rule as a matter of law that the presumption has been rebutted before the jury returns a verdict.

(b) In an action against a person other than an owner of a dog for damages for personal injury or death caused by the dog, the common law of liability relating to attacks by dogs against humans that existed on April 1, 2012, is retained as to the person without regard to the breed or heritage of the dog.

(c) The owner of a dog is liable for any injury, death, or loss to person or property that is caused by the dog, while the dog is running at large, unless the injury, death, or loss was caused to the body or property of a person who was:



(1) Committing or attempting to commit a trespass or other criminal offense on the property of the owner;

(2) Committing or attempting to commit a criminal offense against any person; or

(3) Teasing, tormenting, abusing, or provoking the dog.

(d) This section does not affect:

(1) any other common law or statutory cause of action; or

(2) any other common law or statutory defense or immunity.

### **§ 5-6B-01. Cooperative Housing - Definitions**

(a) In this subtitle the following terms have the meanings indicated.

(b) "Articles of incorporation" means the charter by which a cooperative housing corporation becomes incorporated under this article.

(c) "Assessment" means any share of common costs or other expense charged to a member by a cooperative housing corporation.

(d) "Blanket encumbrance" means any contract binding on a cooperative housing corporation and creating a lien or security interest or other encumbrance or imposing restrictions on any real or personal property owned by the cooperative housing corporation.

(e) "Bylaws" means the document which details and governs the internal organization and operation of the cooperative housing corporation.

(f) "Conversion" means the creation of a cooperative housing corporation from a property which was immediately previously a residential rental facility.

(g) "Cooperative housing corporation" means a domestic or foreign corporation qualified in this State, either stock or non stock, having only one class of stock or membership, in which each stockholder or member, by virtue of such ownership or membership, has a cooperative interest in the corporation.

(h) "Cooperative interest" means the ownership interest in a cooperative housing corporation which is coupled with a possessory interest in real or personal property or both and evidenced by a membership certificate.

(i) "Cooperative project" means all the real and personal property in this State owned or leased by the cooperative housing corporation for the primary purpose of residential use.

## 14 Selected Statutes

(j) (1) "Developer" means a person who:

(i) Owns an equitable interest, including a cooperative interest, in a unit prior to its initial sale to a member of the public;

(ii) Exercises control over cooperative interests before they are transferred to initial purchasers, excluding management agents and sales agents acting in their capacities as such; or

(iii) Receives a material portion of the sales proceeds, not including customary brokerage commissions or payment for indebtedness to an institutional banker, from the initial sale of a cooperative interest to a member of the public.

(2) "Developer" does not include a cooperative housing corporation.

(k) "Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that:

(1) May be retained, retrieved, and reviewed by a recipient of the communication; and

(2) May be reproduced directly in paper form by a recipient through an automated process.

(l) "Governing Body" means the board of directors or other entity established to govern the cooperative housing corporation.

(m) "Initial purchaser" means a member of the public, not an affiliate of or a successor to the developer, who, for value, acquires a cooperative interest as part of the initial sale of a cooperative interest which is used for residential purposes.

(n) "Initial sale" means the first transfer of a cooperative interest to an initial purchaser.

(o) "Member" means a person who owns a cooperative interest.

(p) "Membership certificate" means:

(1) A document, including a stock certificate issued by a cooperative housing corporation, evidencing ownership of a cooperative interest; or

(2) If there is no other document which satisfies paragraph (1) of this subsection, a proprietary lease.

(q) “Moving expenses” means costs incurred to:

- (1) Hire contractors, labor, trucks, or equipment for the transportation of personal property;
- (2) Pack and unpack personal property;
- (3) Disconnect and install personal property;
- (4) Insure personal property to be moved; and
- (5) Disconnect and reconnect utilities such as telephone service, gas, water, and electricity.

(r) “No–impact home–based business” means a business that:

- (1) Is consistent with the residential character of the dwelling unit;
- (2) Is subordinate to the use of the dwelling unit for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit;
- (3) Uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors; and
- (4) Does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation or the State or any local governing body designates as a hazardous material.

(s) (1) “Proprietary lease” means an agreement with the cooperative housing corporation under which a member has an exclusive possessory interest in a unit and a possessory interest in common with other members in that portion of a cooperative project not constituting units and which creates a legal relationship of landlord and tenant between the cooperative housing corporation and the member, respectively.

(2) “Proprietary lease” includes, if there is no other document that satisfies paragraph (1) of this subsection, a membership certificate.

(t) “Residential rental facility” means property containing at least 10 dwelling units leased for residential purposes.

(u) “Unit” means a portion of the cooperative project leased for exclusive occupancy by a member under a proprietary lease.

**§ 5-6B-19. Cooperative Housing – Meetings**

(a) This section applies to any meeting of a cooperative housing corporation, the governing body of a cooperative housing corporation, or a committee of a cooperative housing corporation, notwithstanding anything contained in the documents of the cooperative housing corporation.

(b) Subject to the provisions of subsection (e) of this section, all meetings of the cooperative housing corporation shall be open to the members of the cooperative housing corporation or their agents.

(c) All members shall be given reasonable notice of all regularly scheduled open meetings of the cooperative housing corporation.

(d) (1) This subsection does not apply to a meeting of a governing body that occurs at any time before the members, other than the developer, have a majority of votes in the cooperative housing corporation.

(2) Subject to paragraph (3) of this subsection and to reasonable rules adopted by a governing body, a governing body shall provide a designated period of time during a meeting to allow members an opportunity to comment on any matter relating to the cooperative housing corporation.

(3) During a meeting at which the agenda is limited to specific topics or at a special meeting, the comments of members may be limited to the topics listed on the meeting agenda.

(e) (1) A meeting of a cooperative housing corporation may be held in closed session only for the purpose of:

(i) Discussing matters pertaining to employees and personnel;

(ii) Protecting the privacy or reputation of individuals in matters not related to the business of the cooperative housing corporation;

(iii) Consulting with legal counsel on legal matters;

(iv) Consulting with staff personnel, consultants, attorneys, board members, or other persons in connection with pending or potential litigation or other legal matters;

(v) Conducting investigative proceedings concerning possible or actual criminal misconduct;

(vi) Considering the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the cooperative housing corporation;

(vii) Complying with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or

(viii) Discussing individual owner assessment accounts.

(2) If a meeting is held in closed session under paragraph (1) of this subsection:

(i) An action may not be taken and a matter may not be discussed if it is not permitted by paragraph (1) of this subsection; and

(ii) The minutes of the next meeting of the cooperative housing corporation shall include:

1. A statement of the time, place, and purpose of a closed meeting;

2. A record of the vote of each board or committee member by which the meeting was closed; and

3. A statement of the authority under this subsection for closing the meeting.

### **§ 5-6B-20. Cooperative Housing – Distribution of Information**

(a) This section does not apply to the distribution of information or materials at any time before the members, other than the developer, have a majority of votes in the cooperative housing corporation.

(b) Subject to subsection (c) of this section, a cooperative housing corporation shall allow any member to distribute written information or materials regarding matters relating to the operation of the cooperative housing corporation in the same place and manner as the governing body distributes written information or materials other than:

(1) Information or materials reflecting assessments imposed on members that the governing body distributes door-to-door; or

(2) Meeting notices that the governing body distributes door-to-door.

(c) A cooperative housing corporation may place reasonable restrictions on the time of any distribution of written information or materials.

**§ 5-6B-21. Cooperative Housing – Meetings of Members**

(a) This section does not apply to any meetings of members occurring at any time before the members, other than the developer, have a majority of the votes in the cooperative housing corporation.

(b) Subject to reasonable rules adopted by the governing body, members may meet for the purpose of considering and discussing matters relating to the operation of the cooperative housing corporation any area that is generally open to all members of the cooperative housing corporation.

**§ 5-6B-27 (d). Cooperative Housing – Copy of Fidelity Policy**

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by or on behalf of the cooperative housing corporation under § 5-6B-26 of this subtitle.

**§ 5-6B-28. Cooperative Housing – Record Keeping**

(a) The governing body shall keep books and records in accordance with good accounting practices.

(b) (1) (i) Subject to subparagraph (ii) of this paragraph, on the request of the members of at least 5 percent of the unit, the governing body shall cause an audit of the books and records to be made by an independent certified public accountant.

(ii) An audit may not be made more than once in any consecutive 12-month period.

(2) The cost of the audit shall be a common expense.

**§ 5-6B-29. Cooperative Housing – Late Fees**

(a) Subject to the requirements of this section, a proprietary lease or the bylaws of a cooperative housing corporation may provide for a late charge of no more than \$15 or one-tenth of the total amount of any delinquent assessment or installment owed by a member, whichever is greater.

(b) A late charge may not be imposed more than once for the same delinquent assessment or installment.

(c) A late charge may only be imposed if the delinquency has continued for a period of 10 days or more.

**§ 5-6B-30. Cooperative Housing – Due Process Procedures**

(a) The dispute settlement mechanism provided by this section applies to any complaint or demand formally arising on or after January 1, 2015, unless the bylaws of the cooperative housing corporation or the proprietary lease of the member who are parties to the dispute state otherwise.

(b) (1) Except as provided in this subsection, a governing body may not impose a fine, suspend, voting, bring an action in court to evict, or infringe on any other rights of a member for a violation of:

- (i) The rules of the cooperative housing corporation; or
- (ii) The provisions of the member's proprietary lease.

(2) The governing body shall serve the member with a written demand to cease and desist from the alleged violation specifying:

- (i) The alleged violation;
- (ii) The action required to abate the violation; and

(iii) 1. A time period of not less than 10 days during which the violation may be abated without further sanction if the violation is a continuing one; or

2. A statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(3) (i) If the violation continues past the period specified under paragraph 2(iii)1 of this subsection, or if the same rule is violated subsequently, the governing body shall serve the member with written notice of a hearing to be held by the governing body in session.

(ii) The hearing notice shall specify:

- 1. The nature of the alleged violation;
- 2. The time and place of the hearing, which time may be not less than 10 days from the giving of the notice;
- 3. An invitation to attend the hearing and produce any statement, evidence, and witnesses on behalf of the member; and
- 4. The proposed sanction to be imposed.

(4) (i) The governing body shall hold a hearing on the alleged violation in executive session, in accordance with the notice provided under paragraph (3) of this subsection.

(ii) At the hearing, the member shall have the right to present evidence and to present and cross-examine witnesses regarding the alleged violation.

(iii) Prior to imposing any sanction on the member, the governing body shall place in the minutes of the meeting proof of the notice provided to the member under paragraph (3) of this subsection, which shall include:

1. A copy of the notice, together with a statement of the date and manner of the delivery of the notice; or

2. A statement that the member in fact appeared at the hearing.

(iv) The governing body shall place in the minutes of the meeting the results of the hearing and the sanction, if any, imposed on the member.

(c) A member may appeal a decision of a governing body made in accordance with the dispute settlement procedure described in this section to the courts of Maryland.

(d) (1) If a member fails to comply with this subtitle, the bylaws of a cooperative housing corporation, or a decision rendered by the governing body in accordance with this section, the governing body or any other member of the cooperative housing corporation may sue the member for any damages caused by the failure or for injunctive relief.

(2) The prevailing party in a proceeding authorized under this subsection is entitled to an award for reasonable attorney's fees as determined by court.

(e) The failure of a governing body to enforce a provision of this title, the proprietary lease of a member, or the bylaws of the cooperative housing corporation on any occasion is not a waiver of the right to enforce the provision on any other occasion.

### **§ 5-6B-31. Cooperative Housing – Eviction**

(a) This section applies only to a cooperative project that is no longer subject to a mortgage or deed of trust.

(b) Notwithstanding the articles of incorporation, bylaws, or regulations of a cooperative housing corporation or the proprietary lease of any member, a governing body may not bring an action in court to evict a member based solely on the failure of the member to pay assessments owed to the cooperative housing corporation unless:

(1) The member has been delinquent assessments for a period of 3 months or more;



(2) The governing body has given the member notice and an opportunity to be heard regarding the delinquency, consistent with § 5-6B-30 of this subtitle;

(3) The governing body has given the member an opportunity to cure the delinquency; and

(4) The member has failed to cure the delinquency.

### § 7-105.3. Notice and disclosure of foreclosure sales to counties

(a) *Notice to county or municipal corporation.* – In addition to any other foreclosure requirements under the law, after the commencement of an action to foreclose a lien on real property and before making a sale of the property subject to the lien, the person authorized to make the sale shall notify the county or municipal corporation where the property subject to the lien is located, not less than 15 days prior to sale, of:

(1) The name, address, and telephone number of the person authorized to make the sale; and

(2) The time, place, and terms of sale.

(b) *Notice of outstanding liens, charges, taxes, or assessments.* -- A county or municipal corporation that receives the notice described under subsection (a) of this section shall notify the person authorized to make the sale of any outstanding liens, charges, taxes, or assessments that the county or municipal corporation has against the property not more than 10 days after receiving the notice of sale.

### § 7-105.14. Foreclosed Property Registry

(a) *Definitions.* –

(1) In this section the following words have the meanings indicated.

(2) “Foreclosed Property Registry” means the Foreclosed Property Registry established by the Commissioner of Financial Regulation under subsection (b) of this section.

(3) “Foreclosure purchaser” means the person identified as the purchaser on the report of sale required by Maryland Rule 14–305 for a foreclosure sale of residential property.

(4) “Fund” means the Foreclosed Property Registry Fund established by the Commissioner of Financial Regulation under subsection (i) of this section.

(5) “Local jurisdiction” means:

(i) A county; or

(ii) A municipal corporation.

(6) “Residential property” means real property improved by four or fewer dwelling units that are designed principally and are intended for human habitation.

(b) *Internet based.* -- The Commissioner of Financial Regulation shall establish and maintain an Internet-based Foreclosed Property Registry for information relating to foreclosure sales of residential property.

(c) *Disclosure.* -- At the time of a foreclosure sale of residential property, the person responsible for conducting the foreclosure shall obtain from the foreclosure purchaser a written acknowledgment of the requirements of this section.

(d) *Registration.* --

(1) Within 30 days after a foreclosure sale of residential property, a foreclosure purchaser shall submit an initial registration to the Foreclosed Property Registry.

(2) The initial registration shall:

(i) Be in the form the Commissioner of Financial Regulation requires; and

(ii) Contain the following information:

1. The name, telephone number, and address of the foreclosure purchaser;

2. The street address of the property that is the subject of the foreclosure sale;

3. The date of the foreclosure sale;

4. Whether the property is a single-family or multifamily property;

5. The name and address of the person, including a substitute purchaser, who is authorized to accept legal service for the foreclosure purchaser;

6. To the best of the foreclosure purchaser’s knowledge at the time of registration:

A. Whether the residential property is vacant; and

B. The name, telephone number, and street address of the person who is responsible for the maintenance of the property; and

7. Whether the foreclosure purchaser has possession of the property.

(3) Within 30 days after a deed transferring title to the residential property has been recorded, the foreclosure purchaser shall submit a final registration to the Foreclosed Property Registry.

(4) The final registration shall:

(i) Be in the form the Commissioner of Financial Regulation requires; and

(ii) Contain the following information as of the date of final registration:

1. The name, telephone number, and address of the owner on the deed;
2. The date of the ratification of the sale; and
3. The date the deed was recorded.

(5) The Commissioner of Financial Regulation shall establish procedures that require a foreclosure purchaser, after submitting an initial registration, to submit to the Foreclosed Property Registry any change to the information required under paragraph (2)(ii)5 through 7 of this subsection within 21 business days after the change is known to the purchaser.

(6) On receipt through the Foreclosed Property Registry of an initial registration or any change submitted under paragraph (5) of this subsection, the Commissioner of Financial Regulation shall promptly notify, by electronic means, authorized users from the county and, if appropriate, the municipal corporation in which the property is located.

(e) *Filing fees.* –

(1) The filing fees for registering a residential property are:

(i) \$50 for an initial registration filed within the time period required under subsection (d)(1) of this section; and

(ii) \$100 for an initial registration filed after the time period required under subsection (d)(1) of this section.

## 24 Selected Statutes

(2) There is no fee for a final registration.

(3) A filing fee paid under paragraph (1) of this subsection is nonrefundable.

(4) A local jurisdiction may enact a local law that imposes a civil penalty for failure to register under this section in an amount not exceeding \$1,000.

(f) *Cost of nuisance abatement.* –

(1) Subject to paragraph (2) of this subsection, a local jurisdiction that, in accordance with any applicable building code or local ordinance, abates a nuisance on a residential property registered under this section or takes action to maintain a residential property registered under this section may collect the cost associated with the abatement or other action as a charge included on the residential property's property tax bill.

(2) Exceptions:

(i) The cost associated with an abatement or other action taken under paragraph (1) of this subsection may not be included as a charge on the residential property's property tax bill unless the local jurisdiction provides advance written notice in accordance with subparagraph (ii) of this paragraph to:

1. The person identified in the registry who is authorized to accept legal service for the foreclosure purchaser; and

2. The person identified in the registry who is responsible for the maintenance of the property.

(ii) The notice described in subparagraph (i) of this paragraph shall:

1. Describe the intended abatement or other action the local jurisdiction intends to take; and

2. Be provided:

A. In accordance with the notice provisions of the applicable building code or local ordinance; or

B. If the applicable building code or local ordinance does not provide for notice, at least 30 days before the local jurisdiction abates the nuisance or takes action to maintain the property.

(g) *Not public record.* –

(1) The Foreclosed Property Registry:

Article; and

(i) Is not a public record as defined by § 10–611 of the State Government

(ii) Is not subject to Title 10, Subtitle 6 of the State Government Article.

(2) The Commissioner of Financial Regulation may authorize access to the Foreclosed Property Registry only to local jurisdictions, their agencies, and representatives and State agencies.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, the Commissioner of Financial Regulation or a local jurisdiction may provide information for a specific property in the Foreclosed Property Registry to:

(i) A person who owns property on the same block; or

(ii) A homeowners association or condominium in which the property is located.

(h) *Revenue.* -- Revenue collected from the filing fees required under subsection (e)(1) of this section shall be distributed to the Fund.

(i) *Registry Fund.* –

(1) There is a Foreclosed Property Registry Fund in the Office of the Commissioner of Financial Regulation.

(2) The purpose of the Fund is to support the development, administration, and maintenance of the Foreclosed Property Registry established under this section.

(3) The Commissioner of Financial Regulation shall administer the Fund.

(4) (i) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(ii) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(5) The Fund consists of:

(i) Revenue distributed to the Fund under subsection (h) of this section;

(ii) Investment earnings of the Fund;

(iii) Money appropriated in the State budget to the Fund; and

(iv) Any other money from any other source accepted for the benefit of the Fund.

(6) (i) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(ii) Any investment earnings of the Fund shall be paid into the Fund.

**§ 7-112. Priority of Refinanced Deed of Trust**

(a) (1) In this section the following words have the meanings indicated.

(2) “Escrow Costs” means money to pay property taxes, hazard insurance, mortgage insurance, and similar costs associated with real property secured by a refinance mortgage that a lender requires to be collected at closing and held in escrow.

(3) (i) “Junior Lien” means a mortgage, deed of trust, or other security instrument that is subordinate in priority to a first mortgage or deed of trust under § 3-203 of this article.

(ii) “Junior Lien” does not include:

1. A judgment lien; or

2. A lien filed under the Maryland contract lien act.

(4) “Refinance Mortgage” means a mortgage, deed of trust, or other security instrument given to secure the refinancing of indebtedness secured by a first mortgage or deed of trust.

(5) “Residential property” means real property improved by four or fewer single family dwelling units that are designed principally and are intended for human habitation.

(b) This section does not apply to a junior lien securing a loan made by a state or local government agency with a 0% interest rate.

(c) A mortgagor or grantor who refinances in full the unpaid indebtedness secured by a first mortgage or deed of trust encumbering or conveying an interest in residential property at an interest rate lower than provided for in the evidence of indebtedness secured by the first mortgage or deed of trust is not required to obtain permission from the holder of a junior lien if:

(1) The principal amount secured by the junior lien does not exceed \$150,000; and

(2) The principal amount secured by the refinance mortgage does not exceed the unpaid outstanding principal balance secured by the first mortgage or deed of trust plus an amount not exceeding \$5,000 to pay closing costs and escrow costs.

(d) A refinance mortgage that meets the requirements of subsection (c) of this section shall have, on recordation, the same lien priority as the first mortgage or deed of trust that the refinance mortgage replaces.

(e) A refinance mortgage that meets the requirements of subsection (c) of this section shall include the following statement in bold or capitalized letters: "This is a refinance of a deed of trust/mortgage/other security instrument recorded among the land records of ..... county/city, Maryland in liber no. .... folio ....., in the original principal amount of ....., and with the unpaid outstanding principal balance of ..... . The interest rate provided for in the evidence of indebtedness secured by this refinance mortgage is lower than the applicable interest rate provided for in the evidence of indebtedness secured by the deed of trust/mortgage/other security instrument being refinanced."

(f) The priorities among two or more junior liens shall be governed by § 3–203 of this article.

(g) This section may not be construed to preempt or abrogate the operation or effect of, or ability of a court to apply the principles of, equitable subrogation or equitable subordination.

### **§ 9–1711. Environment – Recycling for Buildings and Condominiums**

(a) Applicability. --

(1) Except as provided in paragraph (4) of this subsection, this section applies only to:

(i) A property owner or manager of an apartment building that contains 10 or more dwelling units; and

(ii) A council of unit owners of a condominium that contains 10 or more dwelling units.

(2) This section does not affect the authority of a county, municipality, or other local government to enact and enforce recycling requirements, including establishing civil penalties, for an apartment building or a condominium that are more stringent than the requirements of this section.

(3) This section does not require a county to manage or enforce the recycling activities of an apartment building or condominium that is located within the boundaries of a municipality.

(4) This section does not apply in Ocean City.

(b) (1) Compliance Date. -- On or before October 1, 2014, each property owner or manager of an apartment building or a council of unit owners of a condominium shall provide for recycling for the residents of the dwelling units, including:

(i) The collection of recyclable materials from residents of the dwelling units; and

(ii) The removal for further recycling of recyclable materials collected from residents of the dwelling units.

(2) A county may require a property owner or manager of an apartment building or a council of unit owners of a condominium that provides for recycling for the residents of the dwelling units in accordance with paragraph (1) of this subsection to report to the county on recycling activities in a manner determined by the county.

(c) County Recycling Plan. -- The recycling required under subsection (b) of this section shall be carried out in accordance with the recycling plan required under § 9–1703 of this subtitle for the county in which the apartment building or condominium that contains 10 or more dwelling units is located.

(d) Violations. -- A person that violates subsection (b) or (c) of this section is subject to a civil penalty not exceeding \$50 for each day on which the violation exists.

(e) Inspections. -- An enforcement unit, officer, or official of a county, municipality, or other local government may conduct inspections of an apartment building or condominium to enforce subsection (b) of this section.

(f) Enforcement Authority. -- Any penalties collected under subsection (d) of this section shall be paid to the county, municipality, or other local government that brought the enforcement action.

#### **§14–117. Contracts for sale of property**

(a) (1) In this subsection, “water and sewer authority” includes a person to which the duties and responsibilities of the Washington Suburban Sanitary Commission have been delegated by a written agreement or in accordance with a local ordinance.

(2) A contract for the initial sale of improved, residential real property to a member of the public who intends to occupy or rent the property for residential purposes shall disclose the estimated cost, as established by the appropriate water and sewer authority, of any deferred water and sewer charges for which the purchaser may become liable.



(3) (i) In Prince George's county, a contract for the initial sale of residential real property for which there are deferred private water and sewer assessments recorded by a covenant or declaration deferring costs for water and sewer improvements for which the purchaser may be liable shall contain a disclosure that includes:

1. The existence of the deferred private water and sewer assessments;
2. The amount of the annual assessment;
3. The approximate number of payments remaining on the assessment;
4. The amount remaining on the assessment, including interest;
5. The name and address of the person or entity most recently responsible for collection of the assessment;
6. The interest rate on the assessment;
7. The estimated payoff amount of the assessment; and
8. A statement that payoff of the assessment is allowed without prepayment penalty.

(ii) A person or entity establishing water and sewer costs for the initial sale of residential real property may not amortize costs that are passed on to a purchaser by imposing a deferred water and sewer charge for a period longer than 20 years after the date of the initial sale.

(4) If the appropriate water and sewer authority has not established a schedule of charges for the water and sewer project that benefits residential real property or if a local jurisdiction has adopted a plan to benefit residential real property in the future, the contract for the initial sale of the residential real property shall disclose that fact.

(5) (i) This paragraph does not apply in a county that has adopted a disclosure requirement that is substantially similar to the disclosure requirement in subparagraph (ii) of this paragraph.

(ii) A contract for the resale of residential real property that is served by public water or wastewater facilities for which deferred water and sewer charges have been established by a recorded covenant or declaration shall contain a notice in substantially the following form:

“NOTICE REQUIRED BY MAYLAND LAW REGARDING DEFERRED WATER  
AND SEWER CHARGES

This property is subject to a fee or assessment that purports to cover or defray the cost of installing or maintaining during construction all or part of the public water or wastewater facilities constructed by the developer. This fee or assessment is \$ \_\_\_\_, payable annually or in (\_\_ month \_\_) until (\_\_ date \_\_) to (\_\_ name and address \_\_) (hereafter called “lienholder”).

There may be a right of prepayment or a discount for early prepayment which may be ascertained by contacting the lienholder. This fee or assessment is a contractual obligation between the lienholder and each owner of this property, and is not in any way a fee or assessment imposed by the county in which the property is located.”

(b) (1) Violation of subsection (1). -- Violation of subsection (a)(2) or (4) of this section entitles the initial purchaser to recover from the seller:

(i) Two times the amount of deferred charges the purchaser would be obligated to pay during the 5 years of payments following the sale;

(ii) No amount greater than actually paid thereafter; and

(iii) Any deposit moneys actually paid by the purchaser that was lost as a result of a violation of subsection (a)(2) or (4) of this section.

(2) Violation of subsection (a)(3) of this section entitles the purchaser:

(i) Recover from the seller the total amount of deferred charges the purchaser will be obligated to pay following the sale;

(ii) Recover from the seller any money actually paid by the purchaser on the deferred charge that was lost as a result of a violation of subsection (a)(3) of this section; or

(iii) If the violation is discovered before settlement, rescind the real estate contract without penalty.

(3) (i) Violation of subsection (a)(5) of this section entitles the purchaser:

1. If the violation is discovered before settlement, to rescind in writing the sales contract without penalty or liability;

2. On rescission, to the full return of any deposits made on account of the sales contract; and

3. After settlement, to payment from the seller for the full amount of any fee or assessment not disclosed, unless the seller was never charged a fee or

assessment to defray the costs of public water or wastewater facilities by the developer, a successor of the developer, or a subsequent assignee.

(ii) The purchaser's right to rescind under the paragraph shall terminate 5 days after the seller provides a written notice in accordance with subsection (a)(5) of this section.

(iii) If any deposits are held in trust by a licensed real estate broker, the return of the deposits to a purchaser under this paragraph shall comply with the procedures under § 17-505 of the Business Occupations and Professions Article.

(c) (1) A contract for use in the sale of residential property used as a dwelling place for one or two single-family units shall contain, in the manner provided under paragraph (2) of this subsection, the following statement:

“Section 14–104 of the Real Property Article of the Annotated Code of Maryland provides that, unless otherwise negotiated in the contract or provided by State or local law, the cost of any recordation tax or any State or local transfer tax shall be shared equally between the buyer and seller.”

(2) The statement required under paragraph (1) of this subsection shall be printed in conspicuous type or handwritten in the contract or an addendum to the contract.

(d) "*Critical area*" notice required. -- A contract or an addendum to the contract for the sale of real property shall contain in conspicuous type the following statement:

“Notice to buyer concerning the Chesapeake and Atlantic Coastal Bays Critical Area.

Buyer is advised that all or a portion of the property may be located in the “critical area” of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The “critical area” generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of State or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The “critical area” also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries to the head of tide. For information as to whether the property is located within the critical area, buyer may contact the local department of planning and zoning, which maintains maps showing the extent of the critical area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington counties do not include land located in the critical area.”

## 32 Selected Statutes

(e) *Additional requirements.* -- A contract of sale shall also comply with the following provisions, if applicable:

(1) Section 17–405 of the Business Occupations and Professions Article (notice of purchaser’s protection by the Real Estate Guaranty Fund in an amount not to exceed \$25,000);

(2) Section 17–504 of the Business Occupations and Professions Article (notice by real estate broker pertaining to deposit in noninterest bearing account);

(3) Section 17–523 of the Business Occupations and Professions Article (notice by real estate broker about recordation and transfer taxes);

(4) Section 17–524 of the Business Occupations and Professions Article (notice of purchaser’s right to select title company, settlement company, escrow company, mortgage lender, or financial institution);

(5) Section 8A–605 of this article (notice of park rules to be given to buyer pertaining to sales of mobile homes);

(6) Section 10–103 of this article (notices and disclosures pertaining to land installment contracts);

(7) Sections 10–301 and 10–306 of this article (requirements and disclosures pertaining to deposits on new homes);

(8) Sections 10–505 and 10–506 of this article (requirements and disclosures pertaining to contracts between custom home builders and buyers);

(9) Sections 10–602, 10–603, 10–604(b), and 10–605 of this article (notices, disclosures, and requirements pertaining to new home warranties);

(10) Section 10–701 of this article (notice pertaining to sale of real property in Prince George’s County creating subdivision);

(11) Section 10–702 of this article (disclosure or disclaimer statements pertaining to single–family residential real property);

(12) Section 10–703 of this article (notice pertaining to land use in county land–use plans in Anne Arundel County);

(13) Section 11–126 of this article (notice pertaining to initial sale of condominium unit);

(14) Section 11–135 of this article (notice pertaining to resale of condominium unit);

(15) Sections 11A–112, 11A–115, and 11A–118 of this article (statements and requirements pertaining to time–shares);

(16) Section 11B–105 of this article (notice pertaining to initial sale of lot in development containing more than 12 lots);

(17) Section 11B–106 of this article (notice pertaining to resale of any lot or initial sale of lot in development containing 12 or fewer lots);

(18) Section 11B–107 of this article (notice pertaining to initial sale of lot not intended to be occupied or rented for residential purposes);

(19) Section 5–6B–02 of the Corporations and Associations Article (notice pertaining to initial sale of cooperative interests);

(20) Section 13–308 of the Tax – Property Article (notice of liability for agricultural land transfer tax);

(21) Section 13–504 of the Tax – Property Article (notice of liability for agricultural land transfer tax in Washington County); and

(22) Section 6–824 of the Environment Article (disclosure pertaining to obligations to perform risk reduction).

(f) *Validity of contract.* -- Unless otherwise specifically provided, a contract of sale is not rendered invalid by the omission of any statement referred to in this section.

(g) *Development impact fees.* –

(1) This subsection applies to Prince George’s County.

(2) A contract for the sale of real property on which a development impact fee has been imposed shall contain a notice to the purchaser stating:

(i) That a development impact fee has been imposed on the property;

(ii) The total amount of the impact fee that has been imposed on the property; and

(iii) The amount of the impact fee, if any, that is unpaid on the date of the contract for the sale of the property.

(3) Violation of paragraph (2) of this subsection entitles the initial purchaser to recover from the seller:

### 34 Selected Statutes

(i) Two times the amount of development impact fees the purchaser would be obligated to pay following the sale;

(ii) No amount greater than actually paid thereafter; and

(iii) Any deposit moneys actually paid by the purchaser that were lost as a result of violation of paragraph (2) of this subsection.

(h) *Agriculturally assessed property; applicability.* –

(1) This subsection applies to St. Mary’s and Charles counties.

(2) A contract for the sale of agriculturally assessed real property shall include the following information:

“Notice: under § 9–241 of the Environment Article of the Annotated Code of Maryland, the Department of the Environment is required to maintain permanent records regarding every permit issued for the utilization of sewage sludge, including the application of sewage sludge on farm land. A prospective buyer has the right to ascertain all such information regarding the property being sold under this transaction.”

(3) Omission of the notice required under paragraph (2) of this subsection may not be a basis for invalidation of the contract for sale.

(i) *Contract for initial sale of new home.--*

(1) This subsection applies to Baltimore City and all other counties except Montgomery County.

(2) A contract for the initial sale of a new home, as defined in the Maryland Home Builder Registration Act, shall include the following:

(i) The builder registration number of the seller of the new home;

(ii) A provision stating that the new home shall be constructed in accordance with all applicable building codes in effect at the time of the construction of the new home;

(iii) A provision referencing all performance standards or guidelines:

(1) That the seller shall comply with in the construction of the new home; and

(2) That shall prevail in the performance of the contract and any arbitration or adjudication of a claim arising from the contract; and

(iv) A provision detailing the purchaser's right to receive a consumer information pamphlet as provided under the Home Builder Registration Act.

(3) The performance standards or guidelines described in paragraph (2) of this subsection shall be:

(i) The performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or

2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable;

(ii) Any performance standards or guidelines adopted by the home builder and incorporated into the contract that are equal to or more stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home Builders; or

2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable; or

(iii) Any performance standards or guidelines adopted at the time of the contract by a county or municipal corporation that are equal to or more stringent than the performance standards or guidelines adopted at the time of the contract:

1. By the National Association of Home builders; or

2. Under the federal National Manufactured Housing Construction and Safety Standards Act, to the extent applicable.

(4) The information required by paragraph (2) of this subsection shall be printed in conspicuous type.

(j) *Written commitment for loan.* –

(1) A contract for the initial sale of a new home, as defined in the Maryland Home Builder Registration Act, shall be contingent on the purchaser obtaining a written commitment for a loan secured by the property, unless the contract contains a provision expressly stating that it is not contingent.

### 36 Selected Statutes

(2) If the contract is contingent on the purchaser obtaining a written commitment for a loan secured by the property, the contract shall state:

(i) The maximum loan interest rate the purchaser is obligated to accept;  
and

(ii) The time period within which the purchaser must obtain a written commitment for a loan.

(3) If a purchaser does not obtain a written commitment for a loan in accordance with the terms of the contract, including terms relating to the time period or obtaining the written commitment:

(i) At the seller's election and on the written notice to the purchaser, the seller may declare the contract void and of no effect; or

(ii) On written notice to the seller accompanied by written documentation from a lender evidencing that purchaser's inability to obtain a loan in accordance with the terms of the contracts, the purchaser may declare the contract void and of no effect.

(k) *Notice of potential high noise levels from proximity to military installation.*—

(1) This subsection does not apply in Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington counties.

(2) A contract for the sale of residential real property shall contain the following statement:

“Buyer is advised that the property may be located near a military installation that conducts flight operations, munitions testing, or military operations that may result in high noise levels.”

(3) All local laws requiring a statement or notice substantially similar to the statement required under paragraph (2) of this subsection prevail over the requirements of this subsection.

(l) *Disclosure of violations described in § 5-106(aa)(1) of the Courts and Judicial Proceedings Article.* –

(1) This subsection applies to Anne Arundel County.

(2) Subject to paragraph (3) of this subsection, if Anne Arundel County or the State has initiated enforcement action for a violation of a local law described in § 5–106(aa)(1) of



the Courts and Judicial Proceedings Article, a contract for sale of the real property where the violation occurred shall disclose:

- (i) The nature of the violation;
- (ii) The status of any ongoing proceedings to enforce the violation; and
- (iii) Any actions the buyer of the real property may be required to take with respect to the property in order to cure the violation.

(3) If a violation of a local law described in § 5-106(aa)(1) of the Courts and Judicial Proceedings Article is cured and a buyer of the real property where the violation occurred would not have any obligation to cure the violation, paragraph (2) of this subsection does not apply.

**§14-120. Abatement of nuisance actions where property used for controlled dangerous substance offenses**

(a) (1) In this section the following words have the meanings indicated.

(2) "Commercial property" does not include residential rental property.

(3) "Community association" means:

(i) A nonprofit association, corporation, or other organization that is:

1. Comprised of residents of a community within which a nuisance is located;
2. Operated exclusively for the promotion of social welfare and general neighborhood improvement and enhancement; and
3. Exempt from taxation under § 501(c) (3) or (4) of the Internal Revenue Code; or

(ii) A nonprofit association, corporation, or other organization that is:

1. Comprised of residents of a contiguous community that is defined by specific geographic boundaries, within which a nuisance is located; and
2. Operated for the promotion of the welfare, improvement and enhancement of that community.

(4) "Controlled dangerous substance" means a substance listed in Schedule I or Schedule II under § 5-402 or § 5-403 of the Criminal Law Article.

(5) "Nuisance" means a property that is used:

(i) (1) By persons who assemble for the specific purpose of illegally administering a controlled dangerous substance;

2. For the illegal manufacture, or distribution of:

A. A controlled dangerous substance; or

B. Controlled paraphernalia, as defined in § 5-101 of the Criminal Law Article; or

3. For the illegal storage or concealment of a controlled dangerous substance in sufficient quantity to reasonably indicate under all the circumstances an intent to manufacture, distribute, or dispense:

A. A controlled dangerous substance; or

B. Controlled paraphernalia, as defined in § 5-101 of the Criminal Law Article.

(ii) For prostitution.

(6) (i) "Operator" means a person that exercises control over property.

(ii) "Operator" includes a property manager or any other person that is authorized to evict a tenant.

(7) "Owner" includes an owner-occupant.

(8) "Owner-occupant" includes an owner of commercial property that conducts business in any part of the property.

(9) "Property" includes a mobile home.

(10) "Prostitution" has the meaning stated in § 11-301 of the Criminal Law Article.

(11) (i) "Tenant" means the lessee or a person occupying property, whether or not a party to a lease.

(ii) "Tenant" includes a lessee or a person occupying a mobile home, whether or not a party to a lease.

(iii) "Tenant" does not include:

1. The owner of the property; or

2. A mobile home owner who leases or rents a site for residential use and resides in a mobile home park.

(b) An action under § 4-401 of the Courts Article to abate a nuisance may be brought by:

- (1) The State's Attorney of the county in which the nuisance is located;
- (2) The county attorney or solicitor of the county in which the nuisance is located;
- (3) A community association within whose boundaries the nuisance is located; or
- (4) A municipal corporation within whose boundaries the nuisance is located.

(c) An action under § 4-401 of the Courts Article to abate a nuisance may be brought against:

- (1) A tenant of the property where the nuisance is located;
- (2) An owner of the property where the nuisance is located; or
- (3) An operator of the property where the nuisance is located.

(d) (1) (i) Except as provided in subparagraph (ii) of this paragraph, an action may not be brought under this section concerning a commercial property until 30 days after the tenant, if any, and owner of record receive notice from a person entitled to bring an action under this section that a nuisance exists.

(ii) In Baltimore City, an action may not be brought under this section concerning a commercial property until 15 days after the tenant, if any, and owner of record receive notice from a person entitled to bring an action under this section that a nuisance exists.

(2) The notice shall specify:

- (i) The date and time of day the nuisance was first discovered; and
- (ii) The location on the property where the nuisance is allegedly occurring.

(3) The notice shall be:

- (i) Hand delivered to the tenant, if any, and the owner of record; or
- (ii) Sent by certified mail to the tenant, if any, and the owner of record.

(e) (1) In addition to any service of process required by the Maryland Rules, the plaintiff shall cause to be posted in a conspicuous place on the property no later than 48 hours before the hearing the notice required under paragraph (2) of this subsection.

(2) The notice shall indicate:

(i) The nature of the proceedings;

(ii) The time and place of the hearing; and

(iii) The name and telephone number of the person to contact for additional information.

(f) A plaintiff is entitled to relief under this section whether or not an adequate remedy exists at law.

(g) (1) If, after a hearing, the court determines that a nuisance exists, the court may order any appropriate injunctive or other equitable relief.

(2) Notwithstanding any other provision of law, and in addition to or as a component of any remedy ordered under paragraph (1) of this subsection, the court may order:

(i) A tenant who knew or should have known of the existence of the nuisance to vacate the property within 72 hours; or

(ii) An owner or operator of the property to submit for court approval a plan of correction to ensure, to the extent reasonably possible, that the property will not again be used for a nuisance if:

1. The owner or operator is a party to the action; and

2. The owner or operator knew or should have known of the existence of the nuisance.

(h) (1) (i) If a tenant fails to comply with an order under subsection (g) of this section and the owner or operator, and tenant, are parties to the action, the court, after a hearing, may order restitution of the possession of the property to the owner or operator.

(ii) If the court orders restitution of the possession of the property under subparagraph (i) of this paragraph, the court shall immediately issue its warrant to the sheriff or constable commanding execution of the warrant within 5 days after issuance of the warrant.

(2) (i) This paragraph does not apply to an action brought under this section alleging the use of a property for prostitution.

(ii) If an owner, including an owner-occupant, fails to comply with an order under subsection (g) of this section, after a hearing the court may, in addition to issuing a contempt order or an order for any other relief, order that:

1. The property be sold, at the owner's expense, in accordance with the Maryland Rules governing judicial sales; or

2. The property be demolished if the property is unfit for habitation and the estimated cost of rehabilitation significantly exceeds the estimated market value of the property after rehabilitation.

(3) (i) This paragraph applies only to an action brought under this section alleging the use of a property for prostitution.

(ii) If an owner, including an owner-occupant, fails to comply with an order under subsection (g) of this section, after a hearing, the court may issue a contempt order.

(4) If an owner-occupant fails to comply with an order under subsection (g) of this section regarding a nuisance in the owner-occupied unit of the property, after a hearing the court may, in addition to issuing a contempt order or an order for any other relief, order that:

(i) The owner-occupied unit be vacated within 72 hours; and

(ii) The owner-occupied unit remain unoccupied for a period not to exceed 1 year or until the property is sold in an arm's length transaction.

(i) Except as provided in paragraph (g)(2) of this section, the court may order appropriate relief under subsection (g) of this section without proof that a defendant knew of the existence of the nuisance.

(j) In any action brought under this section:

(1) Evidence of the general reputation of the property is admissible to corroborate testimony based on personal knowledge or observation, or evidence seized during the execution of a search and seizure warrant, but shall not, in and of itself, be sufficient to establish the existence of a nuisance under this section; and

(2) Evidence that the nuisance had been discontinued at the time of the filing of the complaint or at the time of the hearing does not bar the imposition of appropriate relief by the court under subsection (g) of this section.

## 42 Selected Statutes

(k) (1) This subsection does not apply to an action against an owner, other than an owner-occupant, brought under this section alleging the use of a property for prostitution.

(2) The court may award court costs and reasonable attorney's fees to a community association that is the prevailing plaintiff in an action brought under this section.

(l) An action under this section shall be heard within 14 days after service of process on the parties.

(m) This section does not abrogate any equitable or legal right or remedy under existing law to abate a nuisance.

(n) (1) An appeal from a judgment or order under this section shall be filed within 10 days after the date of the order or judgment.

(2) If either party files a request for oral argument, the court shall hear the oral argument within 7 days after the request is filed.

(3) (i) If the appellant files a request for oral argument, the request shall be filed at the time of the filing of the appeal.

(ii) If the appellee files a request for oral argument, the request shall be filed within 2 days of receiving notice of the appeal.

(o) Provisions of this article or public local laws applicable to actions between a landlord and tenant are not applicable to actions brought against a landlord or a tenant under this section.

(p) All proceedings under this section are equitable in nature.

(q) (1) Except as provided in paragraph (2) of this subsection, when necessary to accomplish the purposes of this section, a law enforcement officer, an attorney in a municipal or county attorney's office, or an attorney in an office of the State's Attorney may disclose the contents of an executed search warrant and papers filed in connection with the search warrant to:

(i) An officer or director of the community association in which the nuisance is located, or the attorney representing the community association;

(ii) An owner, tenant, or operator of the searched property or an agent of the owner, tenant, or operator of the searched property; or

(iii) An attorney in a municipal or county attorney's office.

(2) An affidavit may not be disclosed under this subsection while under seal in accordance with § 1-203 of the Criminal Procedure Article.

**§ 14-128. Display of United States flag by homeowner or tenant**

(a) *Application of section.* -- The provisions of this section shall apply to any residential property, including property that is subject to the provisions of:

- (1) Title 8, Title 8A, Title 11, Title 11A, or Title 11B of this article; or
- (2) Title 5, Subtitle 6B of the Corporations and Associations Article.

(b) *Homeowner or tenant may not be prohibited from displaying flag.* -- Regardless of the terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the display of flags or decorations by a homeowner or tenant on residential property, a homeowner or tenant may not be prohibited from displaying on the premises of the property in which the homeowner or tenant is entitled to reside one portable, removable flag of the United States in a respectful manner, consistent with 4 U.S.C. §§ 4 through 10, as amended, and subject to reasonable rules and regulations adopted pursuant to subsection (d) of this section.

(c) *Terms of contract may not prohibit display of flag.* -- The terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the display of flags or decorations by a homeowner or tenant on residential property may not prohibit or unduly restrict the right of a homeowner or tenant to display on the premises of the property in which the homeowner or tenant is entitled to reside one portable, removable flag of the United States in a respectful manner, consistent with 4 U.S.C. §§ 4 through 10, as amended, and subject to reasonable rules and regulations adopted under subsection (d) of this section.

(d) *Rules and regulations.* --

(1) Subject to paragraph (2) of this subsection, the board of directors of a condominium, homeowners association, or housing cooperative, or a landlord may adopt reasonable rules and regulations regarding the placement and manner of display of the flag of the United States and a flagpole used to display the flag of the United States on the premises of the property in which the homeowner or tenant is entitled to reside.

(2) Before adopting any rules or regulations under paragraph (1) of this subsection, the board of directors of the condominium, homeowners association, or housing cooperative, or the landlord shall:

(i) Hold an open meeting on the proposed rules and regulations for the purpose of providing affected homeowners and tenants an opportunity to be heard; and

(ii) Provide advance notice of the time and place of the open meeting by publishing the notice in a community newsletter, on a community bulletin board, by means provided in the documents governing the condominium, homeowners association, or housing cooperative, or in the lease, or by other means reasonably calculated to inform the affected homeowners and tenants.

**§ 14-130 Installation and use of clotheslines on residential property**

(a) *Definitions.* --

(1) In this section the following words have the meanings indicated.

(2) (i) "Single-family property" includes:

1. A single-family detached home;

2. A townhouse; and

3. A property that is subject to:

A. Title 11 of this article;

B. Title 11B of this article; or

C. Title 5, Subtitle 6B of the Corporations and Associations Article.

(ii) "Single-family property" does not include property that contains more than four dwelling units.

(3) "Townhouse" means a single-family dwelling unit that is constructed in a horizontal series of attached units with property lines separating the units.

(b) Section inapplicable to historic property. -- This section does not apply to a restriction concerning the installation or use of clotheslines on historic property that is listed in, or determined by the Director of the Maryland Historical Trust to be eligible for inclusion in, the Maryland Register of Historic Properties.

(c) Property instruments may not prohibit installation or use of clotheslines. -- A contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the installation or use of clotheslines on single-family property may not prohibit a homeowner or tenant from installing or using clotheslines on single-family property.



(d) Installation or use of clotheslines not prohibited by existing property instruments. -- Notwithstanding any other provision of law or the terms of any contract, deed, covenant, restriction, instrument, declaration, rule, bylaw, lease agreement, rental agreement, or any other document concerning the installation or use of clotheslines on single-family property, a homeowner or tenant may not be prohibited from installing or using clotheslines on single-family property.

(e) Reasonable restrictions permitted. -- This section does not prohibit reasonable restrictions on:

(1) The dimensions, placement, or appearance of clotheslines for the purpose of protecting aesthetic values; or

(2) The placement of clotheslines for the purpose of protecting persons or property in the event of fire or other emergencies.

(f) Meetings regarding adoption of restrictions. -- Before adopting any restriction concerning the installation or use of clotheslines on single-family property, a landlord or the governing body of a condominium, homeowners association, or housing cooperative shall:

(1) Hold an open meeting on the proposed restriction for the purpose of providing affected homeowners and tenants an opportunity to be heard; and

(2) Provide advance notice of the time and place of the open meeting by publishing the notice:

(i) In a community newsletter;

(ii) On a community bulletin board;

(iii) By means provided in the lease or governing documents of the condominium, homeowners association, or housing cooperative; or

(iv) By other means reasonably calculated to inform the affected homeowners and tenants.

### **§ 14-131 Community Association Managers Registry**

(a) *Definitions.* --

(1) In this section the following terms have the meanings indicated.

(2) "Community association" means:

(i) A condominium council of unit owners organized under Title 11, Subtitle 1 of this article;

(ii) A homeowners association organized under Title 11B of this article; or

(iii) A cooperative housing corporation organized under Title 5, Subtitle 6B of the Corporations and Associations Article.

(3) "Community association management" means to manage the common property and services of a community association with the authority of the community association in its business, legal, financial, or other transactions with association members and nonmembers for a fee, commission, or other valuable consideration, including:

(i) Collecting monthly assessments;

(ii) Preparing budgets, financial statements, or other financial reports;

(iii) Negotiating contracts or otherwise coordinating or arranging for services or the purchase of property or goods for or on behalf of a community association;

(iv) Executing the resolutions and decisions of a community association and assisting the governing body of a community association and association members in complying with laws, contracts, covenants, rules, and bylaws;

(v) Managing the operation and maintenance of community-owned properties, including community centers, pools, golf courses, and parking areas; and

(vi) Arranging, conducting, or coordinating meetings of a community association or the governing body of an association.

(4) "Office" means the Prince George's County Office of Community Relations.

(5) "Registry" means the Community Association Managers Registry.

(b) *Prince George County.* -- This section applies only in Prince George's County.

(c) *Registry established.* -- On or after January 1, 2011, the Office shall establish a Registry.

(d) *Registration required.* -- Any entity, including a sole proprietorship, that provides community association management services for community associations located in the county shall register with the Registry and renew its registration by January 31 of each year.

(e) *Form and fee.* –

(1) The Office shall:

- (i) Provide the registration form; and
- (ii) Collect a fee from each entity that registers under this section.

(2) The annual fee charged shall be set at \$ 100.

(f) *Form -- Contents.* -- The registration form shall include:

(1) The name, address, and telephone number of the entity providing community association management services;

(2) The names, titles, and business telephone numbers of the principal officers of the entity;

(3) The designated contact person of the entity, including name, address, title, telephone number, and electronic mail address;

(4) The length of time the entity has been in existence and the length of time the entity has provided community association management services; and

(5) A listing of all community associations in the county as of December 31 of the previous year for which the entity provided community association management services.

(g) *Information available to public.* -- The Office may make any information received under this section available to the public, subject to the provisions of the Maryland Public Information Act.

(h) *Violations.* -- A person who commits a willful violation of this section or who causes a person to commit a willful violation of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$ 1,000.

## **§ 21-10A. Transportation - Towing Regulations**

### **§ 21-10A-01. "Parking lot" defined; applicability.**

(a) "Parking lot" defined. -- In this subtitle, "parking lot" means a privately owned facility consisting of 3 or more spaces for motor vehicle parking that is:

- (1) Accessible to the general public; and

## 48 Selected Statutes

(2) Intended by the owner of the facility to be used primarily by the owner's customers, clientele, residents, lessees, or guests.

(b) Applicability -- In general. –

(1) This subtitle applies only to the towing or removal of vehicles from parking lots.

(2) Nothing in this subtitle prevents a local authority from exercising any power to adopt local laws or regulations relating to the registration or licensing of persons engaged in, or otherwise regulating in a more stringent manner, the parking, towing or removal, or impounding of vehicles.

### § 21-10A-02. Signs

(a) In general. -- The owner or operator of a parking lot or the owner's or operator's agent may not have a vehicle towed or otherwise removed from the parking lot unless the owner, operator, or agent has placed in conspicuous locations, as described in subsection (b) of this section, signs that:

(1) Are at least 24 inches high and 30 inches wide;

(2) Are clearly visible to the driver of a motor vehicle entering or being parked in the parking lot;

(3) State the location to which the vehicle will be towed or removed and the name of the towing company;

(4) State that State law requires that the vehicle be available for reclamation 24 hours per day, 7 days per week;

(5) State the maximum amount that the owner of the vehicle may be charged for the towing or removal of the vehicle; and

(6) Provide the telephone number of a person who can be contacted to arrange for the reclaiming of the vehicle by its owner or the owner's agent.

(b) Location. -- The signs described in subsection (a) of this section shall be placed to provide at least 1 sign for every 7,500 square feet of parking space in the parking lot.

### § 21-10A-03. Location to which vehicles towed or removed.

(a) In general. -- A vehicle may not be towed or otherwise removed from a parking lot to a location that is:

(1) Subject to subsection (b) of this section, more than 15 miles from the parking lot;

or

(2) Outside the State.

(b) Establishment of distance limitations by local jurisdiction. -- A local jurisdiction may establish a maximum distance from a parking lot to a towed vehicle storage facility that is different than that established under subsection (a)(1) of this section.

**§ 21-10A-04. Rights, duties and obligations of persons undertaking towing or removing vehicles; database**

(a) In general. -- Unless otherwise set by local law, a person who undertakes the towing or removal of a vehicle from a parking lot:

(1) May not charge the owner of the vehicle, the owner's agent, the insurer of record, or any secured party more than:

(i) Twice the amount of the total fees normally charged or authorized by the political subdivision for the public safety impound towing of vehicles;

(ii) Notwithstanding § 16-207(f)(1) of the Commercial Law Article, the fee normally charged or authorized by the political subdivision from which the vehicle was towed for the daily storage of impounded vehicles;

(iii) If a political subdivision does not establish a fee limit for the public safety towing, recovery, or storage of impounded vehicles, \$ 250 for towing and recovering a vehicle and \$ 30 per day for vehicle storage; and

(iv) The actual cost of providing notice under this section;

(2) Shall notify the police department in the jurisdiction where the parking lot is located within 1 hour after towing or removing the vehicle from the parking lot, and shall provide the following information:

(i) A description of the vehicle including the vehicle's registration plate number and vehicle identification number;

(ii) The date and time the vehicle was towed or removed;

(iii) The reason the vehicle was towed or removed; and

(iv) The locations from which and to which the vehicle was towed or removed;

(3) Shall notify the owner, any secured party, and the insurer of record by certified mail, return receipt requested, and first-class mail within 3 days, exclusive of days that the towing business is closed, after towing or removing the vehicle, and shall provide the same information required in a notice to a police department under item (2) of this subsection;

(4) Shall provide to the owner, any secured party, and the insurer of record the itemized actual costs of providing notice under this section;

(5) Before towing or removing the vehicle, shall have authorization of the parking lot owner which shall include:

(i) The name of the person authorizing the tow or removal;

(ii) A statement that the vehicle is being towed or removed at the request of the parking lot owner; and

(iii) Photographic evidence of the violation or event that precipitated the towing of the vehicle;

(6) Shall obtain commercial liability insurance in the amount required by federal law for transporting property in interstate or foreign commerce to cover the cost of any damage to the vehicle resulting from the person's negligence;

(7) May not employ or otherwise compensate individuals, commonly referred to as "spotters", whose primary task is to report the presence of unauthorized parked vehicles for the purposes of towing or removal, and impounding;

(8) May not pay any remuneration to the owner, agent, or employee of the parking lot; and

(9) May not tow a vehicle solely for a violation of failure to display a valid current registration under § 13-411 of this article until 72 hours after a notice of violation is placed on the vehicle.

(b) Administration to establish and maintain database. -- The Administration shall:

(1) Establish and maintain a database containing the proper address for providing notice to an insurer under subsection (a)(3) of this section for each insurer authorized to write a vehicle liability insurance policy in the State; and

(2) Make the database available to any tower free of charge.

**§ 21-10A-05. Delivery to storage facility; repossession by owner before or after towing; payment.**

(a) Delivery to storage facility; repossession by owner. -- Subject to subsection (b) of this section, if a vehicle is towed or otherwise removed from a parking lot, the person in possession of the vehicle:

(1) Shall immediately deliver the vehicle directly to the storage facility stated on the signs posted in accordance with § 21-10A-02 of this subtitle;

(2) May not move the towed vehicle from that storage facility to another storage facility for at least 72 hours; and

(3) Shall provide the owner of the vehicle or the owner's agent immediate and continuous opportunity, 24 hours per day, 7 days per week, from the time the vehicle was received at the storage facility, to retake possession of the vehicle.

(b) Repossession by owner prior to removal to storage facility. -- Before a vehicle is removed from a parking lot, a tower who possesses the vehicle shall release the vehicle to the owner or an agent of the owner:

(1) If the owner or agent requests that the tower release the vehicle;

(2) If the vehicle can be driven under its own power;

(3) Whether or not the vehicle has been lifted off the ground; and

(4) If the owner or agent pays a drop fee to the tower in an amount not exceeding 50% of the cost of a full tow.

(c) Payment options and duties; availability of vehicle. --

(1) Subject to paragraph (2) of this subsection, a storage facility that is in possession of a towed vehicle shall:

(i) Accept payment for outstanding towing, recovery, or storage charges by cash or at least two major, nationally recognized credit cards; and

(ii) If the storage facility accepts only cash, have an operable automatic teller machine available on the premises.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, if a storage facility is unable to process a credit card payment and does not have an operable automatic teller machine on the premises, the storage facility shall accept a personal check as payment for outstanding towing, recovery, and storage charges.

(ii) A storage facility may refuse to accept a personal check as payment if it is unable to process a credit card for the payment because use of the credit card has been declined by the credit card company.

(3) A storage facility that is in possession of a towed vehicle shall make the vehicle available to the owner, the owner's agent, the insurer of record, or a secured party, under the supervision of the storage facility, for:

(i) Inspection; or

(ii) Retrieval from the vehicle of personal property that is not attached to the vehicle.

**§ 21-10A-06. Violation of subtitle**

Any person who undertakes the towing or removal of a vehicle from a parking lot in violation of any provision of this subtitle:

(1) Shall be liable for actual damages sustained by any person as a direct result of the violation; and

(2) Shall be liable to the vehicle owner, a secured party, an insurer, or a successor in interest for triple the amount paid by the owner or the owner's agent to retake possession of the vehicle.

**§ 21-10A-07. "Penalties"**

A person convicted of a violation of this subtitle is subject to imprisonment not exceeding 2 months or a fine not exceeding \$500 or both.