

Chapter 396

(House Bill 920)

AN ACT concerning

Real Property – Actions to Quiet Title

FOR the purpose of authorizing a certain action to be brought to establish title against adverse claims to property; establishing that the court is deemed to have possession and control for the purpose of an action under this Act; providing for the venue and the application of certain rules in an action under this Act; establishing requirements for a complaint, an answer to a complaint, naming of defendants, joinder of parties, and service of process in an action under this Act; authorizing the court to take certain actions in an action under this Act; ~~authorizing~~ requiring the recording of a certain judgment; providing for the effect of a judgment in an action under this Act; providing for the construction of this Act; making stylistic changes; defining certain terms; and generally relating to actions to quiet title.

BY repealing and reenacting, with amendments,

Article – Real Property

Section 14–108

Annotated Code of Maryland

(2015 Replacement Volume)

BY adding to

Article – Real Property

Section 14–601 through 14–621 to be under the new subtitle “Subtitle 6. Actions to Quiet Title”

Annotated Code of Maryland

(2015 Replacement Volume)

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

Article – Real Property

14–108.

(a) Any person in actual peaceable possession of property, or, if the property is vacant and unoccupied, in constructive and peaceable possession of it, either under color of title or claim of right by reason of [his] **THE PERSON** or [his] **THE PERSON’S** predecessor’s adverse possession for the statutory period, when [his] **THE PERSON’S** title to the property is denied or disputed, or when any other person claims, of record or otherwise to own the property, or any part of it, or to hold any lien encumbrance on it, regardless of whether or not the hostile outstanding claim is being actively asserted, and if an action at law or

proceeding in equity is not pending to enforce or test the validity of the title, lien, encumbrance, or other adverse claim, the person may maintain a suit in [equity] **ACCORDANCE WITH SUBTITLE 6 OF THIS TITLE in THE CIRCUIT COURT FOR THE** county where the property [lies] **OR ANY PART OF THE PROPERTY IS LOCATED** to quiet or remove any cloud from the title, or determine any adverse claim.

(b) The proceeding shall be deemed in rem or quasi in rem so long as the only relief sought is a decree that the plaintiff has absolute ownership and the right of disposition of the property, and an injunction against the assertion by the person named as the party defendant, of [his] **THE PERSON’S** claim by any action at law or otherwise. Any person who appears of record, or claims to have a hostile outstanding right, shall be made a defendant in the proceedings.

SUBTITLE 6. ACTIONS TO QUIET TITLE.

14-601.

(A) **IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

(B) **“CLAIM” INCLUDES A LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN PROPERTY OR A CLOUD ON THE TITLE TO PROPERTY.**

(C) **“HOLDER” MEANS THE MORTGAGEE, TRUSTEE, BENEFICIARY, NOMINEE, OR ASSIGNEE OF RECORD, IF ANY, OF A SECURITY INSTRUMENT.**

(D) **“PROPERTY” MEANS REAL PROPERTY OR ANY INTEREST IN OR APPURTENANT TO REAL PROPERTY, INCLUDING FIXTURES.**

(E) **“SECURITY INSTRUMENT” MEANS A RECORDED MORTGAGE OR DEED OF TRUST OR AN ASSIGNMENT OF A RECORDED MORTGAGE OR DEED OF TRUST.**

14-602.

AN ACTION MAY BE BROUGHT UNDER THIS SUBTITLE TO ESTABLISH TITLE AGAINST ADVERSE CLAIMS TO PROPERTY, INCLUDING ADVERSE CLAIMS DESCRIBED IN § 14-108 OF THIS TITLE.

14-603.

(A) **IN AN ACTION UNDER THIS SUBTITLE, THE COURT IS DEEMED TO HAVE OBTAINED POSSESSION AND CONTROL OF THE PROPERTY FOR THE PURPOSES OF THE ACTION.**

(B) THIS SUBTITLE DOES NOT LIMIT ANY AUTHORITY THE COURT MAY HAVE TO GRANT ANY EQUITABLE RELIEF THAT MAY BE PROPER UNDER THE CIRCUMSTANCES OF THE CASE.

14-604.

THE MARYLAND RULES APPLY TO ACTIONS UNDER THIS SUBTITLE, EXCEPT TO THE EXTENT THEY ARE INCONSISTENT WITH THE PROVISIONS OF THIS SUBTITLE.

14-605.

(A) AT THE TIME A COMPLAINT IS FILED, THE PLAINTIFF SHALL SEND EACH HOLDER THAT IS NOT NAMED AS A PARTY IN THE ACTION A COPY OF THE COMPLAINT WITH EXHIBITS AND A STATEMENT THAT:

(1) THE HOLDER IS NOT A PARTY IN THE PROCEEDING AND ANY JUDGMENT IN THE PROCEEDING WILL NOT AFFECT ANY CLAIM OF THE HOLDER; AND

(2) IF THE HOLDER ELECTS TO APPEAR IN THE PROCEEDING, THE HOLDER WILL APPEAR AS A DEFENDANT AND BE BOUND BY ANY JUDGMENT ENTERED IN THE PROCEEDING.

(B) THE COMPLAINT AND STATEMENT SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY FIRST-CLASS MAIL TO THE ~~HOLDER'S~~ HOLDER:

(1) AT THE ADDRESS SET FORTH IN THE SECURITY INSTRUMENT FOR THE HOLDER'S RECEIPT OF NOTICES; OR

(2) IF NO ADDRESS FOR THE HOLDER'S RECEIPT OF NOTICES IS SET FORTH IN THE SECURITY INSTRUMENT, AT THE LAST KNOWN ADDRESS OF THE HOLDER.

14-606.

A COMPLAINT UNDER THIS SUBTITLE SHALL BE VERIFIED AND SHALL INCLUDE:

(1) A DESCRIPTION OF THE PROPERTY THAT IS THE SUBJECT OF THE ACTION, INCLUDING BOTH ITS LEGAL DESCRIPTION AND ITS STREET ADDRESS OR COMMON DESIGNATION, IF ANY;

(2) (1) THE TITLE OF THE PLAINTIFF AS TO WHICH A DETERMINATION IS SOUGHT AND THE BASIS OF THE TITLE; AND

(II) IF THE TITLE IS BASED ON ADVERSE POSSESSION, THE SPECIFIC FACTS CONSTITUTING THE ADVERSE POSSESSION;

(3) THE ADVERSE CLAIMS TO THE TITLE OF THE PLAINTIFF AGAINST WHICH A DETERMINATION IS SOUGHT; AND

(4) A PRAYER FOR A DETERMINATION OF THE TITLE OF THE PLAINTIFF AGAINST THE ADVERSE CLAIMS.

14-607.

(A) AN ANSWER TO A COMPLAINT UNDER THIS SUBTITLE SHALL BE VERIFIED AND SHALL SET FORTH:

(1) ANY CLAIM THE DEFENDANT HAS TO THE PROPERTY THAT IS THE SUBJECT OF THE ACTION;

(2) ANY FACTS TENDING TO CONTROVERT ANY MATERIAL ALLEGATIONS OF THE COMPLAINT THAT THE DEFENDANT DOES NOT WISH TO BE TAKEN AS TRUE; AND

(3) A STATEMENT OF ANY NEW MATTER CONSTITUTING A DEFENSE.

(B) IF THE DEFENDANT DISCLAIMS ANY ~~CLAIM~~ *INTEREST IN THE TITLE OF THE PROPERTY* IN THE ANSWER OR ALLOWS JUDGMENT TO BE TAKEN WITHOUT ANSWER, THE PLAINTIFF MAY NOT RECOVER COSTS.

14-608.

(A) THE PLAINTIFF SHALL NAME AS DEFENDANTS IN AN ACTION UNDER THIS SUBTITLE THE PERSONS HAVING ADVERSE CLAIMS TO THE TITLE OF THE PLAINTIFF THAT ARE OF RECORD OR KNOWN TO THE PLAINTIFF OR REASONABLY APPARENT FROM AN INSPECTION OF THE PROPERTY AGAINST WHICH A DETERMINATION IS SOUGHT.

(B) IF THE PLAINTIFF ADMITS THE VALIDITY OF ANY ADVERSE CLAIM, THE PLAINTIFF SHALL STATE THE ADMISSION IN THE COMPLAINT.

14-609.

(A) IF THE NAME OF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS NOT KNOWN TO THE PLAINTIFF, THE PLAINTIFF SHALL STATE IN THE COMPLAINT

THAT THE NAME IS UNKNOWN AND SHALL NAME AS PARTIES ALL PERSONS UNKNOWN IN THE MANNER PROVIDED IN § 14-613 OF THIS SUBTITLE.

(B) (1) IF THE CLAIM OR THE SHARE OR QUANTITY OF THE CLAIM OF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS UNKNOWN, UNCERTAIN, OR CONTINGENT, THE PLAINTIFF SHALL STATE THOSE FACTS IN THE COMPLAINT.

(2) IF THE LACK OF KNOWLEDGE, UNCERTAINTY, OR CONTINGENCY IS CAUSED BY A TRANSFER TO AN UNBORN OR UNASCERTAINED PERSON OR CLASS MEMBER, OR BY A TRANSFER IN THE FORM OF A CONTINGENT REMAINDER, VESTED REMAINDER SUBJECT TO DEFEASANCE, EXECUTORY INTEREST, OR SIMILAR DISPOSITION, THE PLAINTIFF SHALL ALSO STATE IN THE COMPLAINT, SO FAR AS IS KNOWN TO THE PLAINTIFF, THE NAME, AGE, AND LEGAL DISABILITY, IF ANY, OF THE PERSON IN BEING WHO WOULD BE ENTITLED TO THE CLAIM HAD THE CONTINGENCY ON WHICH THE CLAIM DEPENDS OCCURRED BEFORE THE COMMENCEMENT OF THE ACTION.

14-610.

(A) IF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS DEAD AND THE PLAINTIFF KNOWS OF A PERSONAL REPRESENTATIVE, THE PLAINTIFF SHALL JOIN THE PERSONAL REPRESENTATIVE AS A DEFENDANT.

(B) (1) IF A PERSON REQUIRED TO BE NAMED AS A DEFENDANT IS DEAD, OR IS BELIEVED BY THE PLAINTIFF TO BE DEAD, AND THE PLAINTIFF KNOWS OF NO PERSONAL REPRESENTATIVE, THE PLAINTIFF SHALL STATE THOSE FACTS IN AN AFFIDAVIT FILED WITH THE COMPLAINT.

(2) IF THE PLAINTIFF STATES IN AN AFFIDAVIT UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT A PERSON IS DEAD, THE PLAINTIFF MAY JOIN AS DEFENDANTS “THE TESTATE AND INTESTATE SUCCESSORS OF _____ (NAMING THE DECEASED PERSON), DECEASED, AND ALL PERSONS CLAIMING BY, THROUGH, OR UNDER THE DECEDENT”.

(3) IF THE PLAINTIFF STATES IN AN AFFIDAVIT UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT A PERSON IS BELIEVED TO BE DEAD, THE PLAINTIFF MAY JOIN THE PERSON AS A DEFENDANT, AND MAY ALSO JOIN “THE TESTATE AND INTESTATE SUCCESSORS OF _____ (NAMING THE PERSON), BELIEVED TO BE DECEASED, AND ALL PERSONS CLAIMING BY, THROUGH, OR UNDER THE PERSON BELIEVED TO BE DECEASED”.

14-611.

THE COURT ON ITS OWN MOTION OR ON MOTION OF ANY PARTY MAY ISSUE ANY APPROPRIATE ORDER TO REQUIRE:

(1) JOINDER OF ANY ADDITIONAL PARTIES THAT ARE NECESSARY OR PROPER; AND

(2) THE PLAINTIFF TO PROCURE A TITLE REPORT SUPPORTED BY AN AFFIDAVIT BY THE PERSON MAKING THE SEARCH THAT A COMPLETE SEARCH OF THE PUBLIC RECORDS HAS BEEN PERFORMED IN ACCORDANCE WITH GENERALLY ACCEPTED STANDARDS OF TITLE EXAMINATION FOR THE APPROPRIATE PERIOD AS DETERMINED BY THE COURT, BUT NOT LESS THAN 60 YEARS, AND DESIGNATE A PLACE WHERE THE TITLE REPORT SHALL BE KEPT FOR INSPECTION, USE, AND COPYING BY THE PARTIES.

14-612.

ANY PERSON WHO HAS A CLAIM TO THE PROPERTY DESCRIBED IN A COMPLAINT UNDER THIS SUBTITLE MAY APPEAR IN THE PROCEEDING.

14-613.

IN ADDITION TO THE PERSONS REQUIRED TO BE NAMED AS DEFENDANTS IN AN ACTION UNDER THIS SUBTITLE, THE PLAINTIFF MAY NAME AS DEFENDANTS “ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY DESCRIBED IN THE COMPLAINT ADVERSE TO THE PLAINTIFF’S TITLE, OR ANY CLOUD ON THE PLAINTIFF’S TITLE TO THE PROPERTY”.

14-614.

THE COURT ON ITS OWN MOTION OR ON MOTION OF ANY PARTY MAY ISSUE AN ORDER FOR APPOINTMENT OF AN ATTORNEY TO PROTECT THE INTEREST OF ANY PARTY TO THE SAME EXTENT AND EFFECT AS PROVIDED UNDER RULE 2-203 OF THE MARYLAND RULES WITH RESPECT TO INDIVIDUALS NOT IN BEING.

14-615.

(A) (1) IF, ON AFFIDAVIT OF THE PLAINTIFF, IT APPEARS TO THE SATISFACTION OF THE COURT THAT THE PLAINTIFF HAS USED REASONABLE DILIGENCE TO ASCERTAIN THE IDENTITY AND RESIDENCE OF AND TO SERVE A SUMMONS ON THE PERSONS NAMED AS UNKNOWN DEFENDANTS AND PERSONS JOINED AS TESTATE OR INTESTATE SUCCESSORS OF A PERSON KNOWN OR BELIEVED TO BE DEAD, THE COURT SHALL ORDER SERVICE BY PUBLICATION IN ACCORDANCE

WITH RULE 2-122 OF THE MARYLAND RULES AND THE PROVISIONS OF THIS SUBTITLE.

(2) THE ORDER SHALL DIRECT THAT A COPY OF THE SUMMONS, THE COMPLAINT, AND THE ORDER FOR PUBLICATION BE MAILED IMMEDIATELY TO THE PARTY IF THE PARTY'S ADDRESS IS ASCERTAINED BEFORE EXPIRATION OF THE TIME PRESCRIBED FOR PUBLICATION OF THE SUMMONS.

(B) THIS SECTION DOES NOT AUTHORIZE SERVICE BY PUBLICATION ON ANY PERSON NAMED AS AN UNKNOWN DEFENDANT WHO IS IN OPEN AND ACTUAL POSSESSION OF THE PROPERTY.

14-616.

(A) IF THE COURT ORDERS SERVICE BY PUBLICATION, THE PLAINTIFF SHALL:

(1) POST, NOT LATER THAN 10 DAYS AFTER THE DATE THE ORDER IS ISSUED, A COPY OF THE SUMMONS AND COMPLAINT IN A CONSPICUOUS PLACE ON THE PROPERTY THAT IS THE SUBJECT OF THE ACTION; AND

(2) FILE PROOF THAT THE SUMMONS HAS BEEN SERVED, POSTED, AND PUBLISHED AS REQUIRED IN THE ORDER.

(B) ~~(1)~~ IF THE COURT ORDERS SERVICE BY PUBLICATION, THE PUBLICATION SHALL USE THE LEGAL DESCRIPTION OF THE PROPERTY ALONG WITH ITS STREET ADDRESS, OR OTHER COMMON DESIGNATION, IF ANY.

~~(2) IF A LEGAL DESCRIPTION OF THE PROPERTY IS GIVEN, THE VALIDITY OF THE PUBLICATION MAY NOT BE AFFECTED BY THE FACT THAT THE STREET ADDRESS OR OTHER COMMON DESIGNATION RECITED IS ERRONEOUS OR THAT THE STREET ADDRESS OR OTHER COMMON DESIGNATION IS OMITTED.~~

14-617.

(A) IN ALL CASES THE PLAINTIFF SHALL SUBMIT EVIDENCE AT A HEARING BEFORE THE COURT ESTABLISHING THE PLAINTIFF'S TITLE AND THE COURT MAY HEAR OR TAKE ANY EVIDENCE OFFERED RESPECTING THE CLAIMS OF ANY DEFENDANT, OTHER THAN CLAIMS THE VALIDITY OF WHICH IS ADMITTED BY THE PLAINTIFF IN THE COMPLAINT.

(B) (1) A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE ~~MAY~~ SHALL BE RECORDED IN THE LAND RECORDS OF THE COUNTY IN WHICH ANY PORTION OF THE PROPERTY IS LOCATED.

(2) ~~IF THE JUDGMENT IS RECORDED, THE~~ *THE* CLERK SHALL INDEX THE JUDGMENT IN ACCORDANCE WITH § 3-302 OF THIS ARTICLE, WITH THE PARTIES AGAINST WHOM THE JUDGMENT IS ENTERED AS GRANTOR AND THE PARTY IN WHOSE FAVOR THE JUDGMENT IS ENTERED AS GRANTEE.

14-618.

A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE IS BINDING AND CONCLUSIVE, REGARDLESS OF ANY LEGAL DISABILITY, ON:

(1) ALL PERSONS KNOWN AND UNKNOWN WHO WERE PARTIES TO THE ACTION AND WHO HAVE ANY CLAIM TO THE PROPERTY, WHETHER PRESENT OR FUTURE, VESTED OR CONTINGENT, LEGAL OR EQUITABLE, SEVERAL OR UNDIVIDED; AND

(2) EXCEPT AS PROVIDED IN § 14-619 OF THIS SUBTITLE, ALL PERSONS WHO WERE NOT PARTIES TO THE ACTION AND WHO HAVE ANY CLAIM TO THE PROPERTY THAT WAS NOT OF RECORD AT THE TIME THE ACTION WAS COMMENCED.

14-619.

(A) A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE DOES NOT AFFECT A CLAIM IN THE PROPERTY OR PART OF THE PROPERTY OF ANY PERSON WHO WAS NOT A PARTY TO THE ACTION, IF, AT THE TIME THE ACTION WAS COMMENCED:

(1) THE CLAIM WAS OF RECORD; OR

(2) THE CLAIM WAS ACTUALLY KNOWN TO THE PLAINTIFF OR WOULD HAVE BEEN REASONABLY APPARENT FROM AN INSPECTION OF THE PROPERTY.

(B) THIS SECTION MAY NOT BE CONSTRUED TO IMPAIR THE RIGHTS OF A BONA FIDE PURCHASER OR ENCUMBRANCER FOR VALUE DEALING WITH THE PLAINTIFF OR THE PLAINTIFF'S SUCCESSORS IN INTEREST.

14-620.

ANY RELIEF GRANTED IN AN ACTION OR PROCEEDING DIRECTLY OR COLLATERALLY ATTACKING A JUDGMENT ENTERED UNDER THIS SUBTITLE, WHETHER BASED ON LACK OF ACTUAL NOTICE TO A PARTY OR OTHERWISE, MAY NOT IMPAIR THE RIGHTS OF A PURCHASER OR ENCUMBRANCER FOR VALUE OF THE

PROPERTY ACTING IN RELIANCE ON THE JUDGMENT WITHOUT KNOWLEDGE OF ANY DEFECTS OR IRREGULARITIES IN THE JUDGMENT OR THE PROCEEDINGS.

14-621.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, A JUDGMENT IN AN ACTION UNDER THIS SUBTITLE IS NOT BINDING OR CONCLUSIVE ON:

(1) THE STATE, UNLESS INDIVIDUALLY JOINED AS A PARTY TO THE ACTION AND STATE LAW AUTHORIZES THE JUDGMENT TO BE BINDING OR CONCLUSIVE AS TO ITS INTERESTS; OR

(2) THE UNITED STATES, UNLESS THE UNITED STATES IS INDIVIDUALLY JOINED AS A PARTY TO THE ACTION AND FEDERAL LAW AUTHORIZES THE JUDGMENT TO BE BINDING OR CONCLUSIVE AS TO ITS INTERESTS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Approved by the Governor, May 10, 2016.