

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1439
Economic Matters

(Delegate Reilly, *et al.*)

Judicial Proceedings

Real Property - Partition of Property - Liens and Purchase Price Adjustments

This bill requires each party in a partition action to timely notify the court of outstanding liens on the property, as specified, if the plaintiff is not required to procure a title report. The bill also (1) alters the calculation of the purchase price for a cotenant's interest; (2) requires the court, as specified, to adjust the purchase price for a cotenant's interest based on necessary costs incurred and income from the property; and (3) authorizes a cotenant to request the court to adjust the purchase price. Before finalizing an adjusted purchase price, the court must notify all cotenants and, on request, hold a hearing to allow the presentation of additional evidence. The bill applies prospectively and does not have any effect on or application to any partition action arising before the bill's October 1, 2026 effective date.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary/Current Law:

Partition Procedures – In General and Failure to Procure Title Report

Generally, partition is a legal process where a court divides real property among multiple persons. State statute outlines the procedures for partition. Partition can occur through a

sale of the property or by dividing it in kind. “Partition by sale” means a court-ordered sale of property, including by auction, sealed bids, or open-market sale. “Partition in kind” means the division of property into physically distinct and separately titled parcels.

In a partition action, the court, on motion of any party or its own initiative, may issue an order to:

- appoint an attorney to protect the interest of any party to the same extent and effect as provided under the Maryland Rules, as specified;
- require joinder of any additional parties that are necessary or proper; and
- require the plaintiff to procure a title report, as specified, and designate a place where the title report must be kept for inspection, use, and copying.

Under the bill, if a plaintiff is not required to obtain a title report, each party must timely notify the court of the type and amount of any outstanding lien on the property that the party knows or should know of, including any mortgage, deed of trust, tax lien, and judgment lien. The notice to the court must include supporting documentation for each outstanding lien on the property and the amount owed.

Partition by Sale – Calculation

Under current law, if any cotenant requests partition by sale, the court must notify the parties that any cotenant, except the one who requested the sale, may buy all the interests of the cotenants who requested the sale.

After the notice is sent, any cotenant, except the one who requested the sale, may notify the court within 45 days of their intent to buy the interests of the other cotenants. The bill also authorizes a cotenant, within 45 days of the notice, to request that the court adjust the purchase price in accordance with the bill. The request for price adjustment must include supporting documentation, to the extent possible.

State statute specifies that the purchase price for each interest of a cotenant that requested partition by sale is calculated by multiplying the value of the entire parcel by the cotenant’s fractional ownership interest in the entire parcel.

The bill alters this calculation to instead be the product of:

- the value of the entire parcel minus the total amount of each outstanding lien on the property, if any, including a mortgage, deed of trust, tax lien, and judgment lien; and
- the cotenant’s fractional ownership of the entire parcel.

The bill also requires the court to adjust the calculated purchase price if the court determines that the cotenant has (1) without equitable contribution from the other cotenants, incurred necessary costs, such as property taxes, mortgage payments, homeowners insurance, or required maintenance or (2) without equitable distribution to the other cotenants, earned income attributable to the property (such as rental income).

Also under the bill, before making a final determination of the adjusted purchase price, the court must notify all cotenants of the adjusted price and, on request of any cotenant, hold a hearing to allow all cotenants to present additional evidence of necessary costs or income earned from the property for the court to consider.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1312 of 2025.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - March 11, 2026
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