



Senate Fiscal Agency  
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## BILL ANALYSIS

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House Bill 4416 (Substitute S-1 as reported)  
Sponsor: Representative Sarah Anthony  
House Committee: Local Government and Municipal Finance  
Senate Committee: Local Government

### **CONTENT**

The bill would enact the "Discharge of Prohibited Restrictive Covenants Act" to do the following:

- Prohibit a person from recording with the register of deeds a deed or other instrument that contained a prohibited restriction.
- Prohibit a court or other person from enforcing a prohibited restriction.
- Allow a discharge of prohibited restriction form to be recorded with the register of deeds for the county where the property was located.
- Allow a homeowners' or property owners' association to record a discharge form to remove a prohibited restriction in a deed or other instrument that affected a property governed by the association.
- Allow the owner, occupant or tenant of a property or a specified member of a board of a homeowners' or property owners' association to bring an action in the circuit court in the county in which the property was location to have a discharge form recorded with the register of deeds, if the recorded deed or other instrument contained a prohibited restriction.
- Specify that a person who refused, before recording, to remove from a deed or other instrument a prohibited restriction would be liable for all actual court costs and reasonable attorney fees incurred in an action to remove the restriction.

Legislative Analyst: Olivia Ponte

### **FISCAL IMPACT**

The bill would have no fiscal impact on State government but could have an impact on local circuit courts. The impact would depend upon the number of declaratory judgements sought and any increased administrative costs associated with those filings. Any additional costs likely would be absorbed by the local court system.

Date Completed: 11-21-22

Fiscal Analyst: Michael Siracuse