

HOUSE BILL 1337

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5lr2371

By: **Delegates Mangione, Beauchamp, Bouchat, Buckel, Grammer, R. Long, McComas, Miller, M. Morgan, T. Morgan, Nawrocki, Otto, Pippy, Reilly, Rose, Szeliga, and Tomlinson**

Introduced and read first time: February 7, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Condemnation – Damages Awarded for Lost Profits**

3 FOR the purpose of providing that the owner of a business or farm operation conducted on
4 certain property that is taken is entitled to damages for the loss of profits under
5 certain circumstances; and generally relating to damages for property taken by
6 eminent domain.

7 BY repealing and reenacting, without amendments,
8 Article – Real Property
9 Section 12–104(a) and 12–201(a), (c), and (g)
10 Annotated Code of Maryland
11 (2023 Replacement Volume and 2024 Supplement)

12 BY adding to
13 Article – Real Property
14 Section 12–104(h)
15 Annotated Code of Maryland
16 (2023 Replacement Volume and 2024 Supplement)

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

19 **Article – Real Property**

20 12–104.

21 (a) The damages to be awarded for the taking of land is its fair market value.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(H) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "BUSINESS" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.

(III) "FARM OPERATION" HAS THE MEANING STATED IN § 12-201 OF THIS TITLE.

(2) IN ADDITION TO ANY OTHER DAMAGES ALLOWED UNDER THIS SECTION, THE OWNER OF A BUSINESS OR FARM OPERATION CONDUCTED ON THE PROPERTY TAKEN IS ENTITLED TO COMPENSATION FOR LOSS OF PROFIT IF THE OWNER PROVES:

(I) THE AMOUNT OF THE PROFIT LOSS; AND

(II) THAT THE LOSS OF PROFIT:

1. IS DIRECTLY AND PROXIMATELY CAUSED BY THE TAKING OR DAMAGING OF THE PROPERTY;

2. CANNOT REASONABLY BE PREVENTED BY RELOCATION OF THE BUSINESS OR FARM OPERATION OR BY TAKING STEPS AND ADOPTING PROCEDURES THAT A REASONABLY PRUDENT PERSON WOULD TAKE AND ADOPT IN PRESERVING ANY LOST PROFIT;

3. WILL NOT BE INCLUDED IN RELOCATION PAYMENTS UNDER SUBTITLE 2 OF THIS TITLE; AND

4. WILL NOT BE DUPLICATED IN THE COMPENSATION AWARDED TO THE OWNER.

(3) DAMAGES AWARDED UNDER THIS SUBSECTION SHALL BE DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A CONSISTENT BASIS.

12-201.

(a) In this subtitle the following words have the meanings indicated unless otherwise apparent from context.

(c) "Business" means any lawful activity, except a farm operation, conducted primarily:

1 (1) For the purchase, sale, lease, and rental of personal property and of real
2 property, and for the manufacture, processing, or marketing of products, commodities, or
3 any other personal property;

4 (2) For the sale of services to the public; or

5 (3) By a nonprofit organization.

6 (g) “Farm operation” means any activity conducted solely or primarily for the
7 production of one or more agricultural products or commodities, including timber for sale
8 or home use, and customarily producing these products or commodities in sufficient
9 quantity to be capable of contributing materially to the operator’s support.

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