

Chapter 51

(Senate Bill 152)

AN ACT concerning

Estates and Trusts – Rule Against Perpetuities

FOR the purpose of limiting a statutory exception to the common-law rule against perpetuities that provides that the rule does not apply to an option of a tenant to purchase all or part of the premises leased by the tenant to an option that is exercisable only during the term of the lease; providing for the application of this Act; and generally relating to the rule against perpetuities.

BY repealing and reenacting, with amendments,
Article – Estates and Trusts
Section 11–102(b)(7)
Annotated Code of Maryland
(2017 Replacement Volume and 2019 Supplement)

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

Article – Estates and Trusts

11–102.

(b) Subject to §§ 4–409 of this article and 11–103 of this subtitle, the common-law rule against perpetuities as now recognized in the State is preserved, but the rule does not apply to the following:

(7) An option of a tenant to purchase all or part of the premises leased by the tenant **THAT IS EXERCISABLE ONLY DURING THE TERM OF THE LEASE**;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any option to purchase leased premises granted before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.