
By: **Delegate Marriott (Baltimore City Administration) and Delegates
Branch, Cole, C. Davis, Dobson, Doory, Dypski, Fulton, Gladden,
Hammen, Harrison, V. Jones, Kirk, Krysiak, McHale, McIntosh, Oaks,
Paige, Phillips, and Rawlings**

Introduced and read first time: February 10, 2000
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant - Leases - Perpetual Renewal Covenants - Reversion**
3 **and Abandonment**

4 FOR the purpose of providing that a leasehold interest does not automatically revert
5 at the expiration of a lease that contains a covenant of perpetual renewal;
6 requiring a landlord, in order to recover a certain leasehold interest, to record a
7 certain notice and deliver a copy of that notice to the tenant; providing that a
8 tenant will remain bound by the terms of certain expired leases in certain
9 circumstances; requiring a tenant, in order to abandon a certain leasehold
10 interest, to record a certain notice and meet certain conditions; specifying the
11 contents of certain notices; requiring that certain notices may not be recorded
12 until certain conditions are met; and generally relating to the reversion and
13 abandonment of a leasehold interest at the expiration of a lease that contains a
14 covenant of perpetual renewal.

15 BY adding to
16 Article - Real Property
17 Section 8-109.1
18 Annotated Code of Maryland
19 (1996 Replacement Volume and 1999 Supplement)

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

22 **Article - Real Property**

23 8-109.1.

24 (A) A LEASEHOLD INTEREST DOES NOT AUTOMATICALLY REVERT TO A
25 LANDLORD AT THE EXPIRATION OF A LEASE THAT CONTAINS A COVENANT OF
26 PERPETUAL RENEWAL.

1 (B) (1) IN ORDER TO RECOVER A LEASEHOLD INTEREST DESCRIBED UNDER
2 SUBSECTION (A) OF THIS SECTION, A LANDLORD SHALL RECORD A NOTICE OF
3 REVERSION OF THE LEASEHOLD INTEREST IN THE LAND RECORDS OF THE COUNTY
4 IN WHICH THE PROPERTY IS LOCATED AND DELIVER A COPY OF THE NOTICE TO THE
5 TENANT OF THAT LEASEHOLD INTEREST.

6 (2) THE NOTICE OF REVERSION DESCRIBED IN PARAGRAPH (1) OF THIS
7 SUBSECTION SHALL CONTAIN:

8 (I) THE LOCATION OF THE PROPERTY, DESIGNATED BY BOTH
9 BLOCK AND LOT AND STREET ADDRESS;

10 (II) THE DEED REFERENCE FOR THE LEASEHOLD INTEREST AND
11 THE DATE ON WHICH THE LEASE EXPIRED; AND

12 (III) THE NAME AND ADDRESS OF THE HOLDER OF THE
13 REVERSIONARY INTEREST.

14 (C) (1) IF A LANDLORD DOES NOT ACT TO RECOVER A LEASEHOLD
15 INTEREST AT THE EXPIRATION OF A LEASE THAT CONTAINS A COVENANT OF
16 PERPETUAL RENEWAL, THE TENANT REMAINS LIABLE FOR THE RENT AND IS BOUND
17 BY ANY COVENANTS, CONDITIONS, AND STIPULATIONS OF THE LEASE UNTIL:

18 (I) THE PROPERTY IS NOT SUBJECT TO A LIEN FOR TAXES OR
19 RELATED CHARGES AND ASSESSMENTS;

20 (II) THE PROPERTY IS NOT SUBJECT TO A MORTGAGE OR A DEED
21 OR TRUST; AND

22 (III) THE TENANT RECORDS A NOTICE OF ABANDONMENT OF THE
23 LEASEHOLD INTEREST IN THE LAND RECORDS OF THE COUNTY IN WHICH THE
24 PROPERTY IS LOCATED AND DELIVERS A COPY OF THE NOTICE TO THE LANDLORD.

25 (2) THE NOTICE OF ABANDONMENT DESCRIBED IN PARAGRAPH (1) OF
26 THIS SUBSECTION SHALL CONTAIN:

27 (I) THE LOCATION OF THE PROPERTY, DESIGNATED BY BOTH
28 BLOCK AND LOT AND STREET ADDRESS;

29 (II) THE DEED REFERENCE FOR THE LEASEHOLD INTEREST AND
30 THE DATE ON WHICH THE LEASE EXPIRED;

31 (III) A STATEMENT THAT THE PROPERTY IS NOT SUBJECT TO A
32 MORTGAGE, A DEED OF TRUST, OR A TAX LIEN; AND

33 (IV) AN AFFIRMATION BY THE TENANT UNDER OATH THAT THE
34 INFORMATION CONTAINED IN THE NOTICE OF ABANDONMENT IS TRUE.

35 (D) A NOTICE OF REVERSION OR A NOTICE OF ABANDONMENT DESCRIBED
36 UNDER THIS SECTION MAY NOT BE RECORDED UNTIL THE SUBJECT PROPERTY IS

1 TRANSFERRED ON THE ASSESSMENT BOOKS OF THE COUNTY IN WHICH THE
2 PROPERTY IS LOCATED, AS DESCRIBED IN § 3-104 OF THIS ARTICLE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2000.