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By: **Delegate Minnick**

Introduced and read first time: February 11, 2000

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Recordation Tax and State Transfer Tax - Memorandum of Lease**

3 FOR the purpose of providing exemptions under the recordation tax and the State  
4 transfer tax for a memorandum of lease recorded in lieu of recording a lease  
5 under certain circumstances.

6 BY repealing and reenacting, without amendments,  
7 Article - Real Property  
8 Section 3-101(e)  
9 Annotated Code of Maryland  
10 (1996 Replacement Volume and 1999 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - Tax - Property  
13 Section 12-108(u) and 13-207(a)(14)  
14 Annotated Code of Maryland  
15 (1994 Replacement Volume and 1999 Supplement)

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

18 **Article - Real Property**

19 3-101.

20 (e) In lieu of recording a lease as prescribed above, a memorandum of the  
21 lease, executed by every person who is a party to the lease, may be recorded with like  
22 effect. A memorandum of lease thus entitled to be recorded shall contain at least the  
23 following information with respect to the lease: (1) the name of the lessor and the  
24 name of the lessee; (2) any addresses of the parties set forth in the lease; (3) a  
25 reference to the lease, with its date of execution; (4) a description of the leased  
26 premises in the form contained in the lease; (5) the term of the lease, with the date of  
27 commencement and the date of termination of the term; and (6) if there is a right of  
28 extension or renewal, the maximum period for which or date to which it may be

1 renewed, and any date on which the right of extension or renewal is exercisable. If  
2 any date is unknown, then the memorandum of lease shall contain the formula from  
3 which the date is to be computed. When a memorandum of lease is presented for  
4 recording, the lease also shall be submitted to the recording office for the purpose of  
5 examination to determine whether or not the lease or the memorandum authorized by  
6 this section is subject to any transfer or other tax or requires any recording stamp.  
7 The clerk shall stamp the lease when submitted so that it may be identified as the  
8 instrument presented to the clerk at the time of recording the memorandum, and the  
9 clerk shall collect any required tax.

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**Article - Tax - Property**

11 12-108.

12 (u) (1) A lease of 7 years or less, which is not required to be recorded under  
13 § 3-101 of the Real Property Article, is not subject to recordation tax.

14 (2) A MEMORANDUM OF LEASE RECORDED UNDER § 3-101(E) OF THE  
15 REAL PROPERTY ARTICLE IS NOT SUBJECT TO RECORDATION TAX.

16 13-207.

17 (a) An instrument of writing is not subject to transfer tax to the same extent  
18 that it is not subject to recordation tax under:

19 (14) § 12-108(u) of this article (Leases of 7 years or less AND MEMORANDA  
20 OF LEASES);

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2000.