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By: **Delegates Finifter and Minnick**  
Introduced and read first time: February 22, 2001  
Assigned to: Rules and Executive Nominations

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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 altering certain recording costs required to be paid before  
4 recording a memorandum of lease under certain circumstances; providing  
5 exemptions under the recordation tax and the State transfer tax for a  
6 memorandum of lease recorded in lieu of recording a lease under certain  
7 circumstances; and generally relating to the recordation of certain memoranda  
8 of leases.

9 BY repealing and reenacting, without amendments,  
10 Article - Real Property  
11 Section 3-101(e)  
12 Annotated Code of Maryland  
13 (1996 Replacement Volume and 2000 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article - Real Property  
16 Section 3-601(a)  
17 Annotated Code of Maryland  
18 (1996 Replacement Volume and 2000 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - Tax - Property  
21 Section 12-108(u) and 13-207(a)(14)  
22 Annotated Code of Maryland  
23 (1994 Replacement Volume and 2000 Supplement)

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

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**Article - Real Property**

2 3-101.

3 (e) In lieu of recording a lease as prescribed above, a memorandum of the  
4 lease, executed by every person who is a party to the lease, may be recorded with like  
5 effect. A memorandum of lease thus entitled to be recorded shall contain at least the  
6 following information with respect to the lease: (1) the name of the lessor and the  
7 name of the lessee; (2) any addresses of the parties set forth in the lease; (3) a  
8 reference to the lease, with its date of execution; (4) a description of the leased  
9 premises in the form contained in the lease; (5) the term of the lease, with the date of  
10 commencement and the date of termination of the term; and (6) if there is a right of  
11 extension or renewal, the maximum period for which or date to which it may be  
12 renewed, and any date on which the right of extension or renewal is exercisable. If  
13 any date is unknown, then the memorandum of lease shall contain the formula from  
14 which the date is to be computed. When a memorandum of lease is presented for  
15 recording, the lease also shall be submitted to the recording office for the purpose of  
16 examination to determine whether or not the lease or the memorandum authorized by  
17 this section is subject to any transfer or other tax or requires any recording stamp.  
18 The clerk shall stamp the lease when submitted so that it may be identified as the  
19 instrument presented to the clerk at the time of recording the memorandum, and the  
20 clerk shall collect any required tax.

21 3-601.

22 (a) (1) In this subsection, "page" means one side of a leaf not larger than 8 ½  
23 inches wide by 14 inches long, or any portion of it.

24 (2) Before recording an instrument among the land or financing records,  
25 a clerk shall collect:

26 (i) \$10 for a release 9 pages or less in length;

27 (ii) EXCEPT AS PROVIDED IN ITEM (IV) OF THIS PARAGRAPH, \$20 for  
28 any other instrument 9 pages or less in length;

29 (iii) Except as provided in item (i) of this paragraph, \$20 for an  
30 instrument, regardless of length, involving solely a principal residence;[and]

31 (IV) \$500 FOR A MEMORANDUM OF LEASE RECORDED UNDER §  
32 3-101(E) OF THIS TITLE; AND

33 [(iv)] (V) \$75 for any other instrument 10 pages or more in length.

34 (3) The recording costs under this subsection shall also apply to  
35 instruments required to be recorded in the financing statement records of the State  
36 Department of Assessments and Taxation.

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**Article - Tax - Property**

2 12-108.

3 (u) (1) A lease of 7 years or less, which is not required to be recorded under  
4 § 3-101 of the Real Property Article, is not subject to recordation tax.

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

7 13-207.

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

10 (14) § 12-108(u) of this article (Leases of 7 years or less AND MEMORANDA  
11 OF LEASES);

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 July 1, 2001.