

# **Testimony SB 150 Sen. Ron Watson.pdf**

Uploaded by: Delna Gray

Position: FWA

January 15, 2025

**Hearing Testimony by Bill Sponsor Senator Ron Watson, Ph.D.**

**SB150 Real Property – Recordation and Land Records – Requirements**

Good afternoon, Senators:

I am delighted to come before the Senate Judiciary Proceedings Committee today under the leadership of my Democratic colleagues from Montgomery County, Chair, Senator William Smith, Jr. and Vice Chair, Senator Jeff Wald Streicher.

I am here to present Senate Bill 150 for your consideration today. This bill was requested by all 24 Clerks of the Circuit Courts with responsibility for the recordation of Real Property Land Records in the state of Maryland.

The purpose of this bill is not to make any substantive changes in Land Records recordation or requirements. It is merely to update sections of the Real Property Article to reflect current technologies and practices that are already being followed today. The problem is that the law has not kept pace with current systems and procedures, and this bill seeks to bring the statutes up to date.

Senate bill 150 (HB 0347 Cross-filed with Del. Holmes) will update references to outdated language and practices, such as requirements for paper books and microfilm records. It replaces these references to outdated tools to allow for modern electronic technology for the submission and recordation of Land Records.

This bill is necessary to clarify the statute to include what clerks are actually doing in practice versus current law and is supported by the entire industry. Prior to introduction, input on this bill was sought from representatives of the Title Industry, including the Maryland Land Title Association, Real Estate Bar, and Title Underwriting companies.

Given this bill's full support by all 24 Clerks of the Circuit Courts and industry professionals, I ask that the committee give a favorable report to this update of the Land Records Statutes including two amendments needed to ensure the Articles accuracy.

If there are any questions relating to the bill's specific changes, I will defer to the Clerk of the Circuit Court for Anne Arundel County, Scott Poyer, who is here to testify in support of the bill.

**MLTA SB150 testimony (support with amendments).pdf**

Uploaded by: Mark Glazer

Position: FWA



1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

**To:** Members of the Senate Judicial Proceedings Committee  
**From:** MLTA Legislative Committee  
**Date:** January 13, 2025 [Hearing date: January 15, 2025]  
**Subject:** **SB 0150** – Real Property – Recordation and Land Records – Requirements  
**Position:** **Support with Amendments**

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The Maryland Land Title Association (MLTA) is a professional organization working on behalf of title industry service providers and consumers and is comprised of agents, abstractors, attorneys, and underwriters. **MLTA SUPPORTS Senate Bill 150 – Real Property – Recordation and Land Records – Requirements - with an amendment.**

MLTA has worked with the Circuit Court Clerks' association, and is supportive of its goals to ameliorate the process of recording documents in the Land Records. As currently drafted, beginning on Page 5 of the bill, Real Property Article, Section 3-104(e)(1)(I) is sought to be amended by adding the following provision:

“2. INCLUDE AT LEAST A 3–INCH MARGIN AT THE TOP OF THE FIRST PAGE AND 1–INCH MARGINS ON ALL REMAINING SIDES OF EACH PAGE OF THE INSTRUMENT FOR OFFICIAL USE.

(II) A CLERK MAY REFUSE TO RECORD AN INSTRUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH.

The MLTA understands that this is intended to assist the Land Records offices in having a dedicated area in which to place recording information and to prevent inadequate or ineffective scanning of a document submitted for recording. MLTA members, however, do not have control over the formatting of documents submitted to them for a closing transaction. More often than not, they do not have the legal capacity to refuse to accept documents on the grounds that they do not meet Maryland standards for recording. It should be noted that the standard FNMA/FHLMC deed of trust instrument used in most residential purchase transactions, does not meet the margin requirements as the footer for each page is located within the last 1 inch margin.

A refusal to accept the document for recording would subject the title company or attorney that handled the closing, as well as its title insurer, to potential liability to buyers, seller and/or lenders for either(i) a failure to record or (ii) the resulting delay in recording while the matter is resolved and the document brought into compliance. Because Maryland gives preference in many situations to a first recorded document, these liabilities could be extensive and would unfairly burden title professionals.

THE MLTA respectfully requests that the provision be amended to read as follows:

“2. INCLUDE AT LEAST A 3–INCH MARGIN AT THE TOP OF THE FIRST PAGE AND 1–INCH MARGINS ON ALL REMAINING SIDES OF EACH PAGE OF THE INSTRUMENT FOR OFFICIAL USE.

**(II) A CLERK WILL NOT BE LIABLE FOR THE FAILURE OF A DOCUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH TO BE EFFECTIVELY SCANNED OR PRESERVED FOR RECORD.**

# **Poyer Testimony for SB 150.pdf**

Uploaded by: Scott Poyer

Position: FWA

**SB150 Real Property – Recordation and Land Records – Requirements**  
**Judicial Proceedings Committee – January 15, 2025**  
**Sponsor: Senator Ronald Watson**  
**Position: Favorable with Amendments**

**Testimony of Scott Poyer, Clerk of the Circuit Court, Anne Arundel County**

Thank you, Chairman Smith, Vice Chairman Waldstreicher, and members of the committee, for this opportunity to testify in support of Senate Bill 150. For the record, my name is Scott Poyer, Clerk of the Circuit Court for Anne Arundel County. I am also here on behalf of the Maryland Circuit Court Clerks Association, which represents the 24 elected clerks of the circuit court in Maryland.

The Clerks support SB 150 because it updates the Real Property article of the Maryland Code to reflect current technology. For instance, SB 150 removes reference to the updating of paper books because Land Records are recorded electronically now. It removes references to obsolete technology such as “linen” copies, “aperture cards,” and “microfilm.” And it removes references to obsolete practices such as sending paper documents to the Maryland State Archives at the end of the year, because documents are now sent electronically throughout the year.

The Clerks did have two minor amendments to the bill which we discussed with the sponsor, which we understand the sponsor is accepting. With those amendments we fully support this bill and we ask for a favorable report on SB 150. The Clerks would also like to thank Senator Watson for sponsoring this bill and I am available to answer any questions you may have.

**SB 150 [Support w Amendment 2025].pdf**

Uploaded by: William O'Connell

Position: FWA



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**To:** Judicial Proceedings Committee (Senate)

**From:** Legislative Committee of the Real Property Section

**Date:** January 13, 2025 [Hearing Date January 15, 2025]

**Subject:** **SB 150 – Real Property – Recordation and Land Records – Requirements**

**Position:** **Support with Amendments**

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The Real Property Section of the Maryland State Bar Association (MSBA) **Supports with Amendments, Senate Bill 150 – Real Property – Recordation and Land Records – Requirements.**

The Real Property Section has worked with the Circuit Court Clerks’ association and is supportive of its goals to ameliorate the process of recording documents in the Land Records and modernize the code to reflect the technological advances that have been made since the existing provisions of the code were enacted.

Bginning on Page 3, line 21 through page 4, line 5, the proposed bill seeks to amend Real Property Article, §3-104(e)(1) by adding the following provisions:

- “1. BE printed in not less than [eight–point] 10 POINT type and in black letters . . .
  2. INCLUDE AT LEAST A 3–INCH MARGIN AT THE TOP OF THE FIRST PAGE AND 1–INCH MARGINS ON ALL REMAINING SIDES OF EACH PAGE OF THE INSTRUMENT FOR OFFICIAL USE.
- (II) A CLERK MAY REFUSE TO RECORD AN INSTRUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH.

The Real Property Section understands that margins are intended to create a dedicated space for recording information so as to prevent such information from having to be printed on top of the content of the document and to prevent inadequate or ineffective scanning of a document submitted for recording. However, the attorney conducting the closing or submitting documents for recording does not always have the ability to create or format the documents presented to them for recording in order to complete the closing of the transaction. In addition, the closing attorney does not have the legal capacity to refuse to accept documents on the grounds that they do not meet Maryland standards for recording.

Many documents are standardized forms, (e.g., the standard FNMA/FHLMC deed of trust instrument used in most residential purchase transactions), which do not meet the margin requirements as the footer for each page is located within the last 1-inch margin.

There are already enough documents being rejected for recording. We do not need more rules that allow for rejection. A refusal to accept the document for recording would subject the title company or attorney that handled the closing, as well as its title insurer to potential liability to buyers, seller and lenders for failure to record or the resulting delay in recording while the matter is resolved and the document is recreated and re-executed in order to bring it into compliance. As Maryland is a Race-Notice recording state, these liabilities could be extensive.

Thus, the Real Property Section requests that the proposed provision be modified to read as follows:

“1. BE printed in not less than [eight–point] 10 POINT type and in black letters . . .

“2. INCLUDE AT LEAST A 3–INCH MARGIN AT THE TOP OF THE FIRST PAGE AND 1–INCH MARGINS ON ALL REMAINING SIDES OF EACH PAGE OF THE INSTRUMENT FOR OFFICIAL USE.

(II) A CLERK MAY REFUSE TO RECORD AN INSTRUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH WILL NOT BE LIABLE FOR THE FAILURE OF A DOCUMENT THAT DOES NOT MEET THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH TO BE EFFECTIVELY SCANNED OR PRESERVED FOR RECORD.

In addition, on page 10, lines 23-25, the proposed bill seeks to amend Real Property Article, §3-302(a)(2) by adding the following provisions:

(3) The clerk shall index every deed or other instrument [retaining a vendor’s lien both as a deed and as a vendor’s lien,] in the same manner as mortgages are indexed.

If “retaining a vendor’s lien both as a deed and as a vendor’s lien” is removed from the provision, paragraph 3 will lose its meaning and simply restate what is required in the provisions above it. A “Vendor” is any person who makes a sale of property by means of a land installment contract.” (Real Property Article, §10-101(f).) A “Vendor” is also a “seller”. (Real Property Article, §1-101(n).) Thus, a “vendor’s lien” is a seller “take back” mortgage or deed of trust. (See Real Property Article, §3-107.) In essence, the purchaser borrows the money from the seller to purchase the seller’s property and such loan is secured by mortgage or deed of trust. If the statute is amended as proposed, it will lose its meaning. As such, the code should remain as set forth in current law and the deletion brackets removed from the proposed bill, to wit:

(3) The clerk shall index every deed or other instrument {retaining a vendor’s lien both as a deed and as a vendor’s lien,} in the same manner as mortgages are indexed.

For these reasons, the Real Property Section of the MSBA **supports with amendments Senate Bill 150 and asks for a favorable with amendments report.** Thank you for your consideration.