

SENATE BILL 152

N2

0lr2071
CF HB 94

By: **Senator West**

Introduced and read first time: January 10, 2020

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: February 4, 2020

CHAPTER _____

1 AN ACT concerning

2 **Estates and Trusts – Rule Against Perpetuities**

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

8 BY repealing and reenacting, with amendments,
9 Article – Estates and Trusts
10 Section 11–102(b)(7)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2019 Supplement)

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

15 **Article – Estates and Trusts**

16 11–102.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(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.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.