

SENATE BILL 471

N1

2lr2384
CF HB 403

By: **Senator Edwards**

Introduced and read first time: February 2, 2012

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Natural Gas and Oil Leases – Recordation Requirement –**
3 **Intake Sheet**

4 FOR the purpose of prohibiting a clerk of court from recording an instrument that
5 effects a certain real property lease dealing in natural gas and oil unless the
6 instrument is accompanied by a complete intake sheet; and generally relating to
7 the recordation of real property leases dealing in natural gas and oil.

8 BY repealing and reenacting, with amendments,
9 Article – Real Property
10 Section 3–104(g)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2011 Supplement)

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

15 **Article – Real Property**

16 3–104.

17 (g) (1) This subsection does not apply to:

18 (i) An assignment of a mortgage or if presented for recordation,
19 an assignment of a deed of trust;

20 (ii) A release of a deed of trust or mortgage;

21 (iii) A substitution of trustees on a deed of trust;

22 (iv) A power of attorney; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (v) A financing statement or an amendment, continuation,
2 release, or termination of a financing statement recorded in land records.

3 (2) Except as provided in paragraph (1) of this subsection, each deed
4 or other instrument affecting property and presented for recordation shall be:

5 (i) Accompanied by a complete intake sheet, on the form that
6 the Administrative Office of the Courts provides; or

7 (ii) Endorsed as provided under paragraph (8) of this
8 subsection.

9 (3) A complete intake sheet shall:

10 (i) Describe the property by at least one of the following
11 property identifiers:

12 1. The property tax account identification number, if
13 any, or in Montgomery County, any parcel identifier required under § 3–501 of this
14 title, if different from the tax account number;

15 2. The street address, if any;

16 3. If the property is a lot within a subdivided tract, the
17 lot and block designation, or in Baltimore City, the current land record block number;

18 4. If the property is part of a tract that has been
19 subdivided informally and there is neither an assigned tax account identification
20 number for the parcel nor a lot and block designation, then the street address, if any,
21 or the amount of acreage; or

22 5. If the property consists of multiple parcels, the
23 designation “various lots of ground” or the abbreviation “VAR. L.O.G.”;

24 (ii) Name each grantor, donor, mortgagor, and assignor and
25 each grantee, donee, mortgagee, and assignee;

26 (iii) State the type of instrument;

27 (iv) State the amount of consideration payable, including the
28 amount of any mortgage or deed of trust indebtedness assumed, or the principal
29 amount of debt secured;

30 (v) State the amount of recording charges due, including the
31 land records surcharge and any transfer and recordation taxes;

1 (vi) Identify, by citation or explanation, each claimed exemption
2 from recording taxes;

3 (vii) For an instrument effecting a change in ownership, state a
4 tax bill mailing address; and

5 (viii) Indicate the person to whom the instrument is to be
6 returned.

7 (4) An intake sheet may request any other information that the
8 Administrative Office of the Courts considers necessary in expediting transfers of
9 property or recording and indexing of instruments.

10 (5) A clerk may not charge any fee for recording an intake sheet.

11 (6) A clerk may not refuse to record an instrument that does not effect
12 a change of ownership on the assessment books solely because it is not accompanied by
13 an intake sheet.

14 (7) A clerk may refuse to record a deed or instrument that effects a
15 change of ownership on the assessment rolls if the instrument is not accompanied by a
16 complete intake sheet or endorsed as transferred on the assessment books by the
17 assessment office for the county where the property is located.

18 (8) (i) If a deed or other instrument that effects a change in
19 ownership is submitted for transfer on the assessment books without an intake sheet,
20 the person offering the deed or other instrument shall mail or deliver to the person
21 having charge of the assessment books the information required on the intake sheet.

22 (ii) When property is transferred on the assessment books under
23 this paragraph:

24 1. The transfer shall be to the grantee or assignee
25 named in the deed or other instrument; and

26 2. The person recording the transfer shall evidence the
27 fact of the transfer on the deed or other instrument.

28 (iii) An endorsement under this paragraph is sufficient to
29 authorize the recording of the deed or other instrument by the clerk of the appropriate
30 court.

31 (9) **A CLERK MAY NOT RECORD AN INSTRUMENT THAT EFFECTS A**
32 **REAL PROPERTY LEASE DEALING IN NATURAL GAS AND OIL UNLESS THE**
33 **INSTRUMENT IS ACCOMPANIED BY A COMPLETE INTAKE SHEET.**

1 **(10)** (i) An intake sheet shall be recorded immediately after the
2 instrument it accompanies.

3 (ii) The intake sheet is not part of the instrument and does not
4 constitute constructive notice as to the contents of the instrument.

5 (iii) The lack of an intake sheet does not affect the validity of any
6 conveyance, lien, or lien priority based on recordation of an instrument.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2012.