

CHAPTER 5

(House Bill 38)

AN ACT to repeal Sections 124, 125 and 126 of Article 16 of the Annotated Code of Maryland (1966 Replacement Volume), title "Chancery," subtitle "Jurisdiction," and to add new Sections 143 to 146, inclusive, to Article 21 of the Annotated Code of Maryland (1966 Replacement Volume), title "Conveyancing," to follow immediately after Section 142 thereof and to comprise the new subtitle "Limitations on Rights of Entry and Possibilities of Reverter," setting a 30 year limit on enforceability of rights of entry and possibilities of reverter created after the effective date of this Act, limiting the duration of rights of entry and possibilities of reverter existing on the effective date of this Act if notice of intention to preserve is not recorded as prescribed, limiting the period within which actions may be brought and land recovered by reason of the termination of determinable fee simple estates or upon the happening of conditions subsequent, making possibilities of reverter and rights of entry alienable, and relating generally to rights of entry and possibilities of reverter in this State.

WHEREAS, it is hereby declared to be a matter of state policy that land is the basic resource of the economy and that any private arrangement which prevents its most economical use, marketability and development for the needs of the people of the state for residences, industry, agriculture and commerce is against the public interest; and that reverter or forfeiture provisions of unlimited duration in the conveyance of real estate or any interest therein in the state interfere with the marketability and development and therefore constitute an unreasonable restraint on alienation and are contrary to the public policy of this state.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 124, 125, and 126 of Article 16 of the Annotated Code of Maryland (1966 Replacement Volume), title "Chancery," subtitle "Jurisdiction," be and they are hereby repealed, and new Sections 143, 144, 145, and 146 be and they are hereby added to Article 21 of the Annotated Code of Maryland (1966 Replacement Volume), title "Conveyancing," to follow immediately after Section 142 thereof and to be under the new subtitle "Limitations on Rights of Entry and Possibilities of Reverter," and to read as follows:

*LIMITATIONS ON RIGHTS OF ENTRY
AND POSSIBILITIES OF REVERTER*

143.

Thirty Year Limit on Possibilities of Reverter and Rights of Entry Created On Or After the Effective Date of the Act.—(a) A special limitation or a condition subsequent, which restricts a fee simple estate in land, and the possibility of reverter or right of entry for condition broken thereby created, shall, if the specified contingency does not occur within thirty years after the possibility of reverter or right of entry was created, be extinguished and cease to be valid. Any estate of fee simple determinable or any fee simple estate subject to a condition subsequent shall become a fee simple absolute if the specified contingency does not occur within thirty