HOUSE BILL 1182

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0lr3474 CF SB 806

By: **Delegate Smith (By Request – Baltimore City Administration)** Introduced and read first time: February 7, 2020 Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 Real Property – Redemption or Extinguishment of Ground Rents

- FOR the purpose of altering a certain provision relating to the effect of a redemption or
 extinguishment of a certain ground rent to provide that it is effective to conclusively
 merge a certain reversion into a certain title and eliminate certain rights, title, or
 interest of certain individuals; and generally relating to ground leases on residential
 property.
- 8 BY repealing and reenacting, without amendments,
- 9 Article Real Property
- 10 Section 8–801 and 8–804(f)(7)
- 11 Annotated Code of Maryland
- 12 (2015 Replacement Volume and 2019 Supplement)
- 13 BY repealing and reenacting, with amendments,
- 14 Article Real Property
- 15 Section 8–804(f)(8)
- 16 Annotated Code of Maryland
- 17 (2015 Replacement Volume and 2019 Supplement)

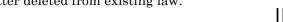
18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 19 That the Laws of Maryland read as follows:

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Article – Real Property

- 21 8-801.
- 22 (a) In this subtitle the following words have the meanings indicated.
- (b) "Ground lease" means a residential lease or sublease for a term of years
 renewable forever subject to the payment of a periodic ground rent.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.





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1 (c) (1) "Ground lease holder" means the holder of the reversionary interest 2 under a ground lease.

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(2) "Ground lease holder" includes an agent of the ground lease holder.

4 (d) "Ground rent" means a rent issuing out of, or collectible in connection with, 5 the reversionary interest under a ground lease.

6 (e) "Leasehold interest" means the tenancy in real property created under a 7 ground lease.

8 (f) "Leasehold tenant" means the holder of the leasehold interest under a ground 9 lease.

10 8-804.

11 (f) (7) Upon receipt of the documentation, fees, and, where applicable, the 12 redemption amount and 3 years' past due ground rent to the extent required under this 13 section and § 8–806 of this subtitle, the Department shall issue to the leasehold tenant a 14 ground rent redemption certificate or a ground rent extinguishment certificate, as 15 appropriate.

16 (8) The redemption or extinguishment of the ground rent is effective to 17 conclusively [vest a fee simple title in the leasehold tenant, free and clear of any and] 18 **MERGE THE REVERSION INTO THE TITLE, AND ELIMINATE** all right, title, or interest of 19 the ground lease holder, any lien of a creditor of the ground lease holder, and any person 20 claiming by, through, or under the ground lease holder when the leasehold tenant records 21 the certificate in the land records of the county in which the property is located.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 23 October 1, 2020.

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