

# HOUSE BILL 1182

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CF SB 806

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By: **Delegate Smith (By Request – Baltimore City Administration)**

Introduced and read first time: February 7, 2020

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Redemption or Extinguishment of Ground Rents**

3 FOR the purpose of altering a certain provision relating to the effect of a redemption or  
4 extinguishment of a certain ground rent to provide that it is effective to conclusively  
5 merge a certain reversion into a certain title and eliminate certain rights, title, or  
6 interest of certain individuals; and generally relating to ground leases on residential  
7 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:

20 **Article – Real Property**

21 8–801.

22 (a) In this subtitle the following words have the meanings indicated.

23 (b) “Ground lease” means a residential lease or sublease for a term of years  
24 renewable forever subject to the payment of a periodic ground rent.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

8–804.

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

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

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