

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 396
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Pugh” and substitute “Pugh, Frosh, and Stone”; in line 7, strike “sole”; in line 9, after “notice” insert “to certain persons”; and in line 14, after the semicolon insert “providing for the application and construction of certain provisions of this Act.”.

AMENDMENT NO. 2

On page 5, strike in their entirety lines 15 through 25, inclusive, and substitute:

“(2) “GROUND LEASE” MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) “GROUND LEASE HOLDER” MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(II) “GROUND LEASE HOLDER” INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) “GROUND RENT” MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) “LEASEHOLD INTEREST” MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

(Over)

(6) “LEASEHOLD TENANT” MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(7) “PROPERTY” MEANS PROPERTY SUBJECT TO A GROUND LEASE AGAINST WHICH A LIEN IS INTENDED TO BE IMPOSED UNDER THIS SECTION.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.”.

AMENDMENT NO. 3

On page 5 in line 26, and on page 6 in lines 1 and 4, strike “(B)”, “(C)”, and “(D)”, respectively, and substitute “(C) (1)”, “(D)”, and “(E)”, respectively.

On page 5 in line 27, on page 6 in lines 2 and 4, and on page 10 in line 29, in each instance, strike “**LANDLORD**” and substitute “**GROUND LEASE HOLDER**”.

On page 10, in line 11, strike “§ **8-402.2(D)**” and substitute “§ **8-402.2(E)**”.

AMENDMENT NO. 4

On page 5, in line 28, strike “**SOLE**”; and after line 29, insert:

“(2) THIS SECTION DOES NOT AFFECT THE RIGHT OF A GROUND LEASE HOLDER TO BRING A CIVIL ACTION AGAINST THE LEASEHOLD TENANT SEEKING A MONEY JUDGMENT FOR THE AMOUNT OF THE PAST DUE GROUND RENT.”.

AMENDMENT NO. 5

On page 6, in line 2, strike “**AT LEAST**” and substitute “**UNPAID**”; and in the same line, strike “**IN ARREARS**” and substitute “**AFTER ITS DUE DATE**”.

AMENDMENT NO. 6

On page 6, in line 5, strike “**THE**” and substitute “**:**”

(I) THE LEASEHOLD”;

strike beginning with “**AGAINST**” in line 5 down through “**IMPOSED**” in line 6 and substitute “**;****AND**”

(II) EACH MORTGAGEE OR TRUSTEE OF THE PROPERTY WHOSE LIEN IS ON RECORD”;

in line 7, after “**(2)**” insert “**(I)**”; in the same line, after “**SERVED**” insert “**ON THE LEASEHOLD TENANT**”; in line 8, strike “**(I)**”; in lines 9 and 11, in each instance, before “**TENANT**” insert “**LEASEHOLD**”; in lines 9 and 12, in each instance, before

(Over)

“TENANT’S” insert “LEASEHOLD”; in line 12, strike “; AND” and substitute a period; strike in their entirety lines 13 and 14 and substitute:

“(II) IF THE GROUND LEASE HOLDER IS UNABLE TO SERVE THE LEASEHOLD TENANT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, NOTICE UNDER THIS SUBSECTION SHALL BE GIVEN BY:

1. MAILING THE NOTICE TO THE LEASEHOLD TENANT’S LAST KNOWN ADDRESS; AND

2. POSTING THE NOTICE IN A CONSPICUOUS MANNER ON THE PROPERTY ON THE DOOR OR OTHER FRONT PART OF THE PROPERTY BY THE GROUND LEASE HOLDER IN THE PRESENCE OF A COMPETENT WITNESS.

(III) NOTICE TO ANY MORTGAGEE OR TRUSTEE UNDER THIS SUBSECTION SHALL BE GIVEN BY SENDING THE NOTICE BY CERTIFIED AND FIRST CLASS MAIL TO THE MOST CURRENT ADDRESS FOR NOTICES AS SET FORTH IN THE LAND RECORDS OR, IF NO SUCH ADDRESS IS CONTAINED IN THE LAND RECORDS, TO THE MORTGAGEE’S OR TRUSTEE’S CURRENT ADDRESS.”;

in line 15, strike “(E)” and substitute “(3)”; in the same line, after “UNDER” insert “THIS”; in the same line, strike “(D) OF THIS SECTION”; in lines 17, 19, 20, 21, 22, and 24, strike “(1)”, “(2)”, “(3)”, “(4)”, “(5)”, and “(6)”, respectively, and substitute “(I)”, “(II)”, “(III)”, “(IV)”, “(V)”, and “(VI)”, respectively; and strike beginning with “AGAINST” in line 22 down through “IMPOSED” in line 23; and strike beginning with “AGAINST” in line 24 down through “IMPOSED” in line 25 and substitute “TO WHOM NOTICE IS GIVEN UNDER THIS SUBSECTION”.

On page 7, in lines 3 and 5, strike “(7)” and “(8)”, respectively, and substitute “(VII)” and “(VIII)”, respectively; in lines 9 and 19, in each instance, strike “(D)” and substitute “(E)”; and in line 21, strike “AMOUNT OF” and substitute “UNPAID”.

AMENDMENT NO. 7

On page 8, strike in their entirety lines 1 through 3, inclusive; in lines 4, 8, and 13, strike “(I)”, “(J)”, and “(K)”, respectively, and substitute “(H)”, “(I)”, and “(J)”, respectively; in line 7, strike “(D)” and substitute “(E)”; and in line 10, strike “(I)” and substitute “(H)”.

AMENDMENT NO. 8

On page 8, in line 15, after “LIEN” insert “ON THE PROPERTY IDENTIFIED IN THE NOTICE UNDER SUBSECTION (E) OF THIS SECTION”; strike in their entirety lines 18 through 22, inclusive, and substitute:

“(3) THE COURT MAY AWARD TO THE PREVAILING PARTY IN AN ACTION UNDER THIS SECTION:

(I) COURT COSTS; AND

(II) REASONABLE EXPENSES AND ATTORNEY’S FEES NOT EXCEEDING \$500.”;

in line 23, strike “(4)” and substitute “(K) (1)”; in the same line, strike “THE” and substitute “IF A COMPLAINT WAS FILED UNDER SUBSECTION (F) OF THIS SECTION, THE”; in line 24, after “COSTS” insert “, EXPENSES,”; after line 25, insert:

“(II) IF A COMPLAINT WAS NOT FILED UNDER SUBSECTION (F) OF THIS SECTION AND THE PAST DUE GROUND RENT WAS NOT PAID, THE AMOUNT OF THE LIEN SHALL BE FOR THE AMOUNT ALLEGED TO BE DUE IN THE

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**NOTICE UNDER SUBSECTION (E) OF THIS SECTION AND REASONABLE EXPENSES
AND ATTORNEY'S FEES NOT EXCEEDING \$150.**;

in line 26, strike “(II)” and substitute “(2)”; in the same line, strike “ANNUALLY”; and in line 27, strike “DUE” and substitute “ACCRUING AFTER THE FILING OF THE STATEMENT OF LIEN IN THE LAND RECORDS”.

On page 9, strike in their entirety lines 1 through 3, inclusive; and in line 5, strike “(K)” and substitute “(J)”.

On page 10, strike in their entirety lines 17 through 19, inclusive; and in line 20, strike “(O)” and substitute “(N)”.

On page 11, in line 5, strike “(P)” and substitute “(O)”.

AMENDMENT NO. 9

On page 9, in line 5, strike “OWNER” and substitute “LEASEHOLD TENANT OR ANY MORTGAGEE”; in line 6, strike “AGAINST WHICH A LIEN IS INTENDED TO BE IMPOSED”; in lines 6 and 7, strike “PAST DUE GROUND RENT” and substitute “AMOUNT OF THE LIEN UNDER SUBSECTION (K)(1)(II) OF THIS SECTION”; in line 8, strike “PARTY SEEKING TO CREATE THE LIEN” and substitute “GROUND LEASE HOLDER”; and strike in their entirety lines 11 through 31, inclusive.

AMENDMENT NO. 10

On page 10, in line 1, strike “(4)” and substitute “(2)”; and in line 2, strike “STATEMENT OF LIEN IS FILED” and substitute “GROUND LEASE WAS CREATED”.

AMENDMENT NO. 11

On page 11, in lines 1 and 7, in each instance, strike “THE GREATER OF”; in lines 1 and 8, in each instance, strike “OR” and substitute “AND”; in line 2, strike

“CALCULATED”; and in the same line, strike “§ ~~8-110(B)(2)(I)~~” and substitute “§ 8-110(B)(2)”.