

Sydnor_SB 193 Testimony Fav.pdf

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Position: FAV

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Judicial Proceedings Committee
Executive Nominations Committee

Joint Committees

Administrative, Executive, and
Legislative Review

Children, Youth, and Families

Senate Chair
Legislative Ethics

Chair
Baltimore County Senate Delegation

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony Regarding SB 193
Ground Leases – Collection of Rent, Interest, Fees, and Other Expenses –
Registration Requirements
Before the Judicial Proceedings Committee
February 9, 2023

Good afternoon Chairman Smith, members of the Judicial Proceedings Committee,

Senate Bill 193 addresses a critical issue for those who pay residential ground rent. It provides a mechanism for the Department of Assessments and Taxation (“SDAT”) to remove or strike an erroneous document from the Ground Rent Registry. Currently, SDAT does not have the statutory authority to strike documents from the registry if there is an error.

Senate Bill 193 clarifies that if a ground rent is unenforceable, no attempt can be made to collect any payment, or expenses related to the ground lease. Senate Bill 193 also clarifies that a pending application to register a previously unregistered ground rent is not enforceable until the application is approved.

In sum, SB 193 adds important consumer protections for homeowners who have residential ground rents. For these reasons, I ask you to vote favorably in support of SB 193.

SB0193.docx (1).pdf

Uploaded by: Director Michael Higgs

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HEARING DATE: February 9, 2023

BILL: SB0193

TITLE: Ground Leases - Collection of Rent, Interest, Fees, and Other Expenses -
Registration Requirements

SDAT POSITION: SUPPORT

SB0193 creates a mechanism for the Department to strike documents from the Ground Rent Registry. Currently, the Department does not have the statutory authority to strike documents from the registry, even in situations where all parties agree that there is an error on a document.

Furthermore, there are many unregistered and, therefore, unenforceable ground rents. SB0193 clearly states that if a ground rent is unenforceable, no attempt can be made to collect any payment, late fee, interest, collection costs, or other expenses related to the ground lease.

Finally, SB0193 clarifies that a pending application to register a previously unregistered ground rent is not enforceable until the application is approved.

These important changes will add consumer protections for homeowners who have residential ground rents.

For these reasons, SDAT urges a favorable vote on SB0193.

SB 193_Consumer Protection Division_Fav_2023.pdf

Uploaded by: Kira Wilpone-Welborn

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February 8, 2023

To: The Honorable William C. Smith
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 193 – Ground Leases - Collection of Rent, Interest, Fees, and Other Expenses
- Registration Requirements (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports Senate Bill 193 sponsored by Senators Sydnor and Hayes as it clarifies when a ground lease is considered registered for the purposes of collecting or attempting to collect ground rents from ground rent tenants. Moreover, Senate Bill 193 creates a dispute resolution procedure for ground rent tenants to challenge the illegal demand and collection of unregistered ground rents. Senate Bill 193 also explicitly addresses the collection of fees associated with ground rents. Although the statutory ban on the collection of the ground rent would make the listed associated fees similarly uncollectable, it appears that some unregistered ground rent owners have nonetheless illegally sought to claim these associated fees because they were not explicitly addressed by the statute.

Senate Bill 193 proposes commonsense clarifications to the ground rent statute that protect both ground rent tenants and ground rent holders. The Division requests that the Judicial Proceedings Committee give Senate Bill 193 a favorable report.

cc: The Honorable Charles E. Sydnor, III
The Honorable Antonio Hayes
Members, Judicial Proceedings Committee

SB193 Testimony .pdf

Uploaded by: Timothy Chance

Position: FAV

MARYLAND SENATE JUDICIAL PROCEEDINGS COMMITTEE
TESTIMONY OF MARYLAND VOLUNTEER LAWYERS SERVICE
IN SUPPORT OF SB193: GROUND LEASES - COLLECTION OF RENT, INTEREST, FEES, AND OTHER
EXPENSES - REGISTRATION REQUIREMENTS

THURSDAY, FEBRUARY 9, 2023

Chair Smith and distinguished members of the Committee, thank you for the opportunity to testify in support of Senate Bill 193.

My name is Timothy Chance, and I am the Tangled Title Attorney at the Maryland Volunteer Lawyers Service (MVLS). MVLS is the oldest and largest provider of pro bono civil legal services to low-income Marylanders. MVLS was founded in 1981 by a group of concerned Maryland lawyers, legal services providers and leadership of the Maryland State Bar Association. Since then, our statewide panel of over 1,700 volunteers has provided free legal services to over 100,000 Marylanders in a wide range of civil legal matters. In FY22, MVLS volunteers and staff lawyers provided legal services to 3,458 people across the state. As part of our Advance Planning Project and My Home, My Deed, My Legacy Project, we encounter numerous clients facing housing instability due to tangled titles, tax sale foreclosure and ground rent. For the reasons explained below, we respectfully request a favorable report on House Bill 0092.

The Advanced Planning Project is an outreach effort designed to stabilize neighborhoods, preserve family assets and reduce the number of Baltimore City properties with deed and title entanglements that prevent homes from being in productive use. As part of the My Home, My Deed, My Legacy Project, MVLS provides homeowner clinics to help Baltimore City residents stabilize their homes, through estate planning discussions which can include ground rent redemption. Ground rents can lead directly to housing instability for MVLS clients through inequitable ejectment actions by ground rent holders. Additionally, due to the concentration of ground rents in Baltimore City, Black homeowners disproportionately bear the brunt of ground rents' disruptive outcomes.

MVLS provides a comprehensive estate planning approach that includes ground rent redemption to protect home occupancy and ownership. Uncooperative or unresponsive ground rent holders place homeowners with ground rents at a unjustifiably increased risk of losing the home. MVLS is committed to removing all barriers so that all Marylanders can participate in the judicial system and increased protections for ground rent tenants would be another tool to make the housing system more equitable. Below is an example of how ground rent redemption has led to increased housing stability for a MVLS client.

Yolanda came to MVLS in 2022 with concerns about several legal issues related to her income and her home. After paying ground rent for many years, she determined she would like to pursue the ground rent redemption process but needed assistance getting through the somewhat confusing process. She now owns her home free of any yearly ground rent payments. She also wanted help with her estate planning documents. MVLS attorneys reviewed her advance medical directive to make sure it was in keeping with her wishes and helped her draft and register her will. MVLS also connected her with our low-income tax clinic program which advised her as to whether she needed to be filing income taxes each year.

MVLS supports Senate Bill 193 because it would remove a huge barrier standing in the way of Maryland families' ability to sustain homeownership thereby making investment in Maryland more favorable.

Chair Smith and members of the Committee, thank you again for the opportunity to testify.

SB 193_ realtors_fav.pdf

Uploaded by: William Castelli

Position: FAV



Senate Bill 193 – Ground Leases – Collection of Rent, Interest, Fees, and Other Expenses – Registration Requirements

Position: Favorable

The Maryland REALTORS® is one of the largest trade associations in Maryland with over 30,000 real estate licensees. The REALTORS® support SB 193 gives the State Department of Assessments and Taxation (SDAT) a process for correcting ground rent registrations when those registrations are improperly noted in the system.

The REALTORS® support this change to make sure the ground rent information listed in SDAT's on line property records database is accurate for both the ground rent holder and the leasehold tenants who rely on the information in order to make their rental payments. Unfortunately, the current statute doesn't allow SDAT to make some of these important corrections and SB 193 will correct that rather than the parties having to resolve this on their own or through the legal system.

The REALTORS® recommend a favorable report.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**