



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

February 15, 2023

The Honorable William C. Smith, Jr., Chair
Senate Judicial Proceeding Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

**RE: Testimony of Maryland Legal Aid in Support of Senate Bill
193 – Ground Leases – Collection of Rent, Interest, Fees, and Other
Expenses – Registration Requirements.**

Dear Chair Smith and Members of the Committee:

In response to the testimony provided at the hearing held on February 9, 2023, Maryland Legal Aid (MLA) would like to offer additional support in favor of Senate Bill 193. MLA is Maryland's largest non-profit law firm, that provides free legal services to thousands of indigent Maryland residents. MLA assists individuals and families in every Maryland county and we know how impactful this legislation would be to the residents in this state who own homes with a ground rent. MLA submits this written testimony to this Committee at the request of Senator Sydnor. We once again ask that this Committee grant SB 193 a favorable report.

Over the past twenty years there have been significant changes to the sections of the Real Property Article that govern ground rents. However, the State Department of Taxation and Assessments (SDAT) does not have the authority to take action if an unregistered ground rent holder attempts to collect ground rent. Further, there is no clearly defined process for a property owner to follow if they face collection attempts by an unregistered ground rent holder. Maryland Legal Aid has advised and represented homeowners for decades on ground rent issues and on occasion the collection stems from an unregistered ground rent. There is no easy path for our clients to follow if the ground rent is not registered. SB 193 closes this serious legal loophole by empowering SDAT to take action if there is a complaint regarding an unregistered ground rent and helping all parties in the process through clearly established requirements. SB 193 further sets out a balanced process that a party can follow if there is a dispute that leads to an action in the Circuit Court.

The changes to the ground rent statute proposed in SB 193 are necessary to ensure compliance with Maryland's laws concerning ground rent and to ensure a fair and transparent process to a complex and often misunderstood area of real property. MLA urges the Committee to give this bill a favorable report.

Respectfully Submitted,

/s/Louise M. Carwell
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