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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.