

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.