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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