
By: Senator Madden

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 8, 1996

Rule 32(a) suspended

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Redemption of Reversions - Mobile Home Developments**

3 FOR the purpose of providing that the right of a tenant to redeem a reversion does not
4 apply to a tenant who leases the ground upon which a dwelling is erected in a
5 mobile home development in the State; and generally relating to mobile home
6 developments and the redemption of reversions.

7 BY repealing and reenacting, with amendments,

8 Article - Real Property

9 Section 8-110

10 Annotated Code of Maryland

11 (1996 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Real Property**

15 8-110.

16 (a) (1) This section does not apply to leases of property leased for business,
17 commercial, manufacturing, mercantile, or industrial purposes or any other purpose
18 which is not primarily residential, where the term of the lease, including all renewals
19 provided for, does not exceed 99 years. A lease of the entire property improved or to be
20 improved by any apartment, condominium, cooperative, or other building for
21 multiple-family use on the property constitutes a business and not a residential purpose.
22 The term "multiple-family use" does not apply to any duplex or single-family structure
23 converted to a multiple-dwelling unit.

24 (2) This section does not apply to irredeemable leases executed before April

25 9, 1884.

26 (3) THIS SECTION DOES NOT APPLY TO LEASES OF THE GROUND UPON

27 WHICH DWELLINGS ARE ERECTED IN A MOBILE HOME DEVELOPMENT IN THE

28 STATE.

2

1 (b) Except for apartment and cooperative leases, any reversion reserved in a lease
2 for longer than 15 years is redeemable, at the option of the tenant, after a notice of one
3 month to the landlord:

4 (1) For a sum equal to the annual rent reserved multiplied by:

5 (i) 25, which is capitalization at 4 percent, if the lease was executed
6 from April 8, 1884 to April 5, 1888, both inclusive;

7 (ii) 8.33, which is capitalization at 12 percent, if the lease was or is
8 created after July 1, 1982; or

9 (iii) 16.66, which is capitalization at 6 percent, if the lease was created
10 at any other time;

11 (2) For a lesser sum if specified in the lease; or

12 (3) For a sum to which the parties may agree at the time of redemption.

13 (c) If the lease is executed on or after July 1, 1971, the reversion is redeemable at
14 the expiration of 3 years from the date of the lease. If the lease is executed on or after
15 July 1, 1982 or between July 1, 1969 and July 1, 1971, the reversion is redeemable at the
16 expiration of 5 years from the date of the lease. If the lease is executed before July 1,
17 1969, the reversion is redeemable at any time.

18 (d) If a tenant has power to redeem the reversion from a trustee or other person
19 who does not have a power of sale, the reversion nevertheless may be redeemed in
20 accordance with the procedures prescribed in the Maryland Rules.

21 (e) Notwithstanding subsections (b) and (c) of this section, any regulatory changes
22 made by a federal agency, instrumentality, or subsidiary, including the Department of
23 Housing and Urban Development, the Federal Housing Administration, the Government
24 National Mortgage Association, the Federal National Mortgage Association, and the
25 Veterans' Administration, shall be applicable to redemption of reversions of leases for
26 longer than 15 years.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1996.