

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL NO. 780

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Abandoned Property Subject to”; in the same line, strike “Rent” and substitute “Rents on Abandoned Property”; in the same line, after “Sales” insert “- Donations”; in line 4, after “of” insert “99”; in line 6, after “property;” insert “providing that certain ground rents may be donated to Baltimore City or a certain entity;”; in the same line, strike “tax sales of” and substitute “certain ground rents on”; in lines 7 and 8, strike “that is subject to a ground rent or lease for a term of years renewable forever”; and after line 8 insert:

“BY repealing and reenacting, with amendments,

Article - Real Property

Section 8-110

Annotated Code of Maryland

(1996 Replacement Volume and 2001 Supplement)”.

AMENDMENT NO. 2

On page 1, in line 25, strike “years” and substitute “99 YEARS”.

On page 2, in line 3, strike “DESCRIBED IN” and substitute “SOLD UNDER”; in line 4, after “SUBTITLE” insert “WITH A MINIMUM BID LESS THAN THE LIEN AMOUNT”; and in the same line, after the second “OF” insert “99”.

AMENDMENT NO. 3

On page 1, after line 20, insert:

“Article - Real Property

8-110.

(Over)

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

(2) This section does not apply to irredeemable leases executed before April 9, 1884.

(3) This section does not apply to leases of the ground or site upon which dwellings or mobile homes are erected or placed in a mobile home development or mobile home park.

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

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

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

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

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

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

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

(c) If the lease is executed on or after July 1, 1971, the reversion is redeemable at the expiration of 3 years from the date of the lease. If the lease is executed on or after July 1, 1982 or

between July 1, 1969 and July 1, 1971, the reversion is redeemable at the expiration of 5 years from the date of the lease. If the lease is executed before July 1, 1969, the reversion is redeemable at any time.

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

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

(F) (1) BEFORE THE ENTRY OF A JUDGMENT FORECLOSING AN OWNER'S RIGHT OF REDEMPTION, A REVERSION IN A GROUND RENT OR LEASE FOR 99 YEARS RENEWABLE FOREVER HELD ON ABANDONED PROPERTY IN BALTIMORE CITY, AS DEFINED IN § 14-817 OF THE TAX - PROPERTY ARTICLE, MAY BE DONATED TO BALTIMORE CITY OR, AT THE OPTION OF BALTIMORE CITY, TO AN ENTITY DESIGNATED BY BALTIMORE CITY.

(2) VALUATION OF THE DONATION OF A REVERSIONARY INTEREST PURSUANT TO THIS SUBSECTION SHALL BE IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION."