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By: **Delegate Marriott (By Request - Baltimore City Administration)**

Introduced and read first time: February 16, 2005

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Baltimore City - Redemption of Ground Rents - Abandoned or Distressed**  
3 **Property**

4 FOR the purpose of requiring a tenant seeking to redeem a ground rent on certain  
5 abandoned or distressed property subject to condemnation in Baltimore City to  
6 pay certain back rent and provide a certain affidavit to the State Department of  
7 Assessments and Taxation under certain circumstances; authorizing a landlord  
8 of certain property in Baltimore City whose ground rent has been redeemed to  
9 file a certain claim with a certain Baltimore City unit of government to collect  
10 certain amounts under certain circumstances; making stylistic changes; and  
11 generally relating to the redemption of ground rents in Baltimore City.

12 BY repealing and reenacting, without amendments,  
13 The Public Local Laws of Baltimore City  
14 Section 21-17(a)  
15 Article 4 - Public Local Laws of Maryland  
16 (1979 Edition and 1997 Supplement, and 2000 Supplement, as amended)  
17 (As enacted by Chapter 429 of the Acts of the General Assembly of 2003)

18 BY repealing and reenacting, with amendments,  
19 Article - Real Property  
20 Section 8-110(g)  
21 Annotated Code of Maryland  
22 (2003 Replacement Volume and 2004 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article 4 - Baltimore City**

26 21-17.

27 (a) (1) In this section the following words have the meanings indicated.

- 1                   (2)     "Abandoned property" means:
- 2                   (i)       an unoccupied structure or vacant lot on which taxes are in  
3 arrears for at least 2 years;
- 4                   (ii)       a building:
- 5                             1.       that is unoccupied by owner or tenant;
- 6                             2.       that is unfit for habitation;
- 7                             3.       that has deteriorated to the point where:
- 8                                 A.       the building is structurally unsound; or
- 9                                 B.       the cost of rehabilitation significantly exceeds the post  
10 rehabilitation market value; and
- 11                            4.       regarding which the owner has been issued a violation  
12 notice from the City requiring the owner to:
- 13                                 A.       rehabilitate the building to conform to minimum code  
14 habitability requirements; or
- 15                                 B.       demolish the building for health and safety reasons;
- 16                   (iii)      a vacant lot on which a building has been demolished; or
- 17                   (iv)      any building in a block of row houses where the block:
- 18                             1.       as a whole contains 70% abandoned property as defined  
19 under subparagraph (i), (ii), or (iii) of this paragraph; and
- 20                             2.       is determined by the City to require a whole-block remedy,  
21 provided that any tenant or owner-occupant has been offered assistance in  
22 accordance with subsection (1) of this section.
- 23                   (3)     "Distressed property" means a parcel of real property that is subject  
24 to a tax lien or liens with a lien or liens to value ratio equal to or greater than 15%, as  
25 determined by the Baltimore City Department of Housing and Community  
26 Development, and that:
- 27                   (i)       contains a dwelling unit or other structure that:
- 28                             1.       has deteriorated to the extent that the dwelling unit or  
29 other structure constitutes a serious and growing menace to the public health, safety,  
30 and welfare; and
- 31                             2.       is subject, under the building code of Baltimore City or the  
32 housing code of Baltimore City, to an expired violation notice and order to correct the  
33 deteriorated conditions; or

1 (ii) is subject to a lien or liens in an amount greater than \$1000 for  
2 work done by the Baltimore City Department of Housing and Community  
3 Development.

4 **Article - Real Property**

5 8-110.

6 (g) (1) (i) A tenant who has given the landlord notice in accordance with  
7 subsection (b) of this section may apply to the State Department of Assessments and  
8 Taxation to redeem a ground rent as provided in this subsection.

9 (ii) When the Mayor and City Council of Baltimore City [condemn]  
10 CONDEMNS property that is subject to an irredeemable ground rent, the City shall  
11 become the tenant of the ground rent and, after giving the landlord notice in  
12 accordance with subsection (b) of this section, may apply to the State Department of  
13 Assessments and Taxation to extinguish the ground rent as provided in this  
14 subsection.

15 (2) The tenant shall provide to the State Department of Assessments and  
16 Taxation:

17 (i) Documentation satisfactory to the Department of the lease and  
18 the notice given to the landlord; and

19 (ii) Payment of a \$20 fee, and any expediting fee required under §  
20 1-203 of the Corporations and Associations Article.

21 (3) (i) On receipt of the items stated in paragraph (2) of this  
22 subsection, the Department shall post notice on its website that application has been  
23 made to redeem or extinguish the ground rent.

24 (ii) The notice shall remain posted for at least 90 days.

25 (4) [No] EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION,  
26 NO earlier than 90 days after the application has been posted as provided in  
27 paragraph (3) of this subsection, a tenant seeking to redeem a ground rent shall  
28 provide to the Department:

29 (i) Payment of the redemption amount and up to 3 years' back rent  
30 to the extent required under this section and § 8-111.1 of this subtitle, in a form  
31 satisfactory to the Department; and

32 (ii) An affidavit made by the tenant, in the form adopted by the  
33 Department, certifying that:

34 1. The tenant has not received a bill for ground rent due or  
35 other communication from the landlord regarding the ground rent during the 3 years  
36 immediately before the filing of the documentation required for the issuance of a  
37 redemption certificate under this subsection; or



1 order to collect all, or any portion of, where applicable, the redemption amount and 3  
2 years' back rent to the extent required under this section and § 8-111.1 of this  
3 subtitle, without interest, by providing to the Department:

4 (i) Documentation satisfactory to the Department of the claimant's  
5 interest; and

6 (ii) Payment of a \$20 fee, and any expediting fee required under §  
7 1-203 of the Corporations and Associations Article.

8 (10) (I) A landlord whose ground rent has been extinguished may file a  
9 claim with the Baltimore City Director of Finance to collect an amount equal to the  
10 annual rent reserved multiplied by 16.66, which is capitalization at 6 percent, by  
11 providing to the Director:

12 [(i)] 1. Proof of payment to the landlord by the Department of  
13 back rent under paragraph (9) of this subsection; and

14 [(ii)] 2. Payment of a \$20 fee.

15 (II) A LANDLORD OF ABANDONED OR DISTRESSED PROPERTY  
16 CONDEMNED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY WHOSE  
17 GROUND RENT HAS BEEN REDEEMED MAY FILE A CLAIM WITH THE BALTIMORE CITY  
18 DIRECTOR OF FINANCE TO COLLECT THE REDEMPTION AMOUNT, BY PROVIDING TO  
19 THE DIRECTOR:

20 1. PROOF OF PAYMENT TO THE LANDLORD BY THE  
21 DEPARTMENT OF BACK RENT UNDER PARAGRAPH (9) OF THIS SUBSECTION; AND

22 2. PAYMENT OF A \$20 FEE.

23 (11) (i) In the event of a dispute regarding the extinguishment amount  
24 as calculated under paragraph [(10)] (10)(I) of this subsection, the landlord may  
25 refuse payment from the Baltimore City Director of Finance and file an appeal  
26 regarding the valuation in the Circuit Court of Baltimore City.

27 (ii) In an appeal, the landlord is entitled to receive the fair market  
28 value of the landlord's interest in the property at the time of the extinguishment.

29 (12) In the event of a dispute regarding the payment by the Department  
30 to any person of all or any portion of the collected redemption amount and up to 3  
31 years' back rent to the extent required by this section and § 8-111.1 of this subtitle,  
32 the Department may:

33 (i) File an interpleader action in the circuit court of the county  
34 where the property is located; or

35 (ii) Reimburse the landlord from the fund established in § 1-203.3  
36 of the Corporations and Associations Article.

1                   (13)    The Department is not liable for any sum received by the Department  
2 that exceeds the sum of:

3                           (i)        The redemption amount; and

4                           (ii)       Up to 3 years' back rent to the extent required by this section  
5 and § 8-111.1 of this subtitle.

6                   (14)    The Department shall credit all fees and funds collected under this  
7 subsection to the fund established under § 1-203.3 of the Corporations and  
8 Associations Article. Redemption and extinguishment amounts received shall be held  
9 in a ground rent redemption and ground rent extinguishment account in that fund.

10                   (15)    The Department shall maintain a list of properties for which ground  
11 rents have been redeemed or extinguished under this subsection.

12                   (16)    The Department shall adopt regulations to carry out the provisions of  
13 this subsection.

14                   (17)    Any redemption or extinguishment funds not collected by a landlord  
15 under this subsection within 20 years after the date of the payment to the  
16 Department by the tenant shall escheat to the State. The Department shall annually  
17 transfer any funds that remain uncollected after 20 years to the State General Fund  
18 at the end of each fiscal year.

19       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2005.