
By: **Senator Della**

Introduced and read first time: February 3, 2006

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Ground Rents - Limitation on Total Expenses Recoverable**
3 **in Ejectment Action**

4 FOR the purpose of limiting the total amount a certain plaintiff or holder of a ground
5 rent may recover as reimbursement for certain expenses in a ground rent
6 ejectment action; limiting the reimbursement to a certain multiple of the lesser
7 of the amount of ground rent due on the property or the amount the landlord
8 may recover in a certain action; and generally relating to ground rents.

9 BY repealing and reenacting, without amendments,
10 Article - Real Property
11 Section 8-111.1 and 8-402.3(a)
12 Annotated Code of Maryland
13 (2003 Replacement Volume and 2005 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Real Property
16 Section 8-402.3(b)
17 Annotated Code of Maryland
18 (2003 Replacement Volume and 2005 Supplement)

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

21 **Article - Real Property**

22 8-111.1.

23 (a) This section applies to all residential leases or subleases in effect on or
24 after October 1, 1999, which have an initial term of 99 years and which create a
25 leasehold estate, or subleasehold estate, subject to the payment of an annual ground
26 rent.

27 (b) In any suit, action, or proceeding by a landlord, or the transferee of the
28 reversion in leased property, to recover back rent, the landlord, or the transferee of

1 the reversion in leased property is entitled to demand or recover not more than 3
2 years back rent.

3 (c) In addition to rent payable under subsection (b) of this section, a landlord
4 may not receive reimbursement for any additional costs or expenses related to
5 collection of the back rent unless the notice requirements of §§ 8-402.2 and 8-402.3 of
6 this title are met.

7 8-402.3.

8 (a) In this section, "ground rent" means a residential lease or sublease in
9 effect on or after October 1, 2003, that has an initial term of 99 years renewable
10 forever and creates a leasehold estate subject to the payment of semiannual
11 installments of an annual lease amount.

12 (b) (1) A holder of a ground rent that is at least 6 months in arrears is
13 entitled to reimbursement for actual expenses not exceeding \$500 incurred in the
14 collection of that past due ground rent and in complying with the notice requirements
15 under § 8-402.2(a) of this subtitle, including:

16 (i) Title abstract and examination fees;

17 (ii) Judgment report fees;

18 (iii) Photocopying and postage fees; and

19 (iv) Attorney's fees.

20 (2) (I) [Upon] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
21 ON filing an action for ejectment, the plaintiff or holder of a ground rent is entitled to
22 reimbursement for reasonable expenses incurred in the preparation and filing of the
23 ejectment action, including:

24 [(i)] 1. Filing fees and court costs;

25 [(ii)] 2. Expenses incurred in the service of process or otherwise
26 providing notice;

27 [(iii)] 3. Title abstract and examination fees not included under
28 paragraph (1) of this subsection, not exceeding \$300;

29 [(iv)] 4. Reasonable attorney's fees not exceeding \$700; and

30 [(v)] 5. Taxes, including interest and penalties, that have been
31 paid by the plaintiff or holder of a ground rent.

32 (II) THE TOTAL AMOUNT OF EXPENSES FOR WHICH A PLAINTIFF OR
33 HOLDER OF A GROUND RENT IS ENTITLED TO REIMBURSEMENT UNDER
34 SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY NOT EXCEED FIVE TIMES THE LESSER
35 OF THE GROUND RENT DUE OR THE AMOUNT THAT THE LANDLORD MAY RECOVER
36 UNDER § 8-111.1 OF THIS TITLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2006.