

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 471 (Senator McFadden)
Judicial Proceedings

Ground Rents - Actions for Ejectment - Reasonable Efforts to Locate Tenant

This bill provides that if a landlord of a ground lease (a ground rent holder) seeks to serve process under Maryland Rule 2-122 because the whereabouts of the tenant are unknown, the landlord must show by affidavit that the efforts to locate the tenant included a diligent person search using a recognized national skip-trace database.

Fiscal Summary

State Effect: The bill would not materially affect governmental finances or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: For property subject to a ground lease, a landlord may bring an action for possession of the property 45 days after sending a bill for the ground rent by certified mail return receipt requested, to the tenant's last known address when: (1) at least six months ground rent is in arrears; and (2) the landlord has the right to reenter for nonpayment of the rent. If the tenant cannot be personally served or there is no tenant in actual possession of the property, service may be made by posting notice as prescribed under the Maryland Rules. Personal services or posting in accordance with the Maryland Rules stands in the place of a demand and reentry.

Under Maryland Rule 2-122, in an *in rem* or *quasi in rem* action (an action involving property), when the plaintiff has shown by affidavit that the whereabouts of the defendant are unknown and that reasonable efforts in good faith have been made to locate the defendant, the court may order service by mailing of a notice to the defendant's last known address and by: (1) posting the notice by the sheriff at the courthouse door or on a bulletin board within the immediate vicinity; (2) publishing the notice at least once a week for three successive weeks in one or more newspapers of general circulation where the action is pending; or (3) posting the notice by the sheriff in a conspicuous place on the land in an action in which the rights relating to the land, including leasehold interests, are involved.

Background: A recent newspaper story reported about a ground rent holder (a landlord of a property subject to a ground lease) successfully ejecting a tenant for failure to pay the ground rent. In that case, service was reportedly made by mailing the notice to the last known address of one of the named tenants and by posting the notice on the subject property. The tenants maintained that they had never received service and were unaware of the case against them.

Skip tracers are services that track down people who have moved. The skip-trace databases contain identifying information that often includes Social Security numbers, a series of current and former addresses, and unlisted phone numbers.

Additional Information

Prior Introductions: None.

Cross File: HB 683 (Delegate C. Davis) – Environmental Matters.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

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ncs/jr

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