

Department of Legislative Services  
Maryland General Assembly  
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 502 (Senator Della)  
Judicial Proceedings

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

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This bill limits the total amount of expenses for which a plaintiff or holder of a ground rent (typically a landlord under a ground lease) is entitled to reimbursement for expenses incurred in the preparation and filing of an ejectment action to five times the lesser of: (1) the ground rent due; or (2) the three years back rent that the landlord may recover.

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**Fiscal Summary**

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** A holder of a ground rent that is at least six months in arrears is entitled to reimbursement for actual expenses, up to \$500, incurred in the collection of the past due ground rent and in complying with the notice requirements for an ejectment case brought against the tenant, including title abstract and examination fees, judgment report fees, photocopying and postage fees, and attorney's fees.

Upon filing an action for ejectment, the plaintiff or holder of a ground rent is entitled to reimbursement for reasonable expenses incurred in the preparation and filing of the ejectment action, including: (1) filing fees and court costs; (2) expenses incurred in the

service of process or otherwise providing notice; (3) additional title abstract and examination fees, up to \$300; (4) reasonable attorney's fees, up to \$700; and (5) taxes, including interest and penalties, that have been paid by the plaintiff or holder.

In a suit, action, or proceeding by a landlord or the transferee of the reversionary interest in leased property with an initial term of 99 years and subject to payment of annual ground rent to recover back rent, the landlord, or the transferee of the reversion in the leased property, is entitled to demand or recover up to three-years back rent.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 13, 2006  
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