

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 623
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Senator Gladden” and substitute “Senators Gladden and Stone”; strike beginning with “requiring” in line 4 down through “redeem;” in line 9 and substitute “requiring the transferee of a ground lease to notify the leasehold tenant of the transfer within a certain period of time after the transfer; requiring the notification to include certain information and to be sent to a certain address;”; strike beginning with “requiring” in line 11 down through “committees;” in line 14 and substitute “defining certain terms; providing for the application of certain provisions of this Act;”; in line 14, strike “encouraging”; and in line 23, strike “8–110.1” and substitute “14–116.1”.

AMENDMENT NO. 2

On pages 7 through 9, strike in their entirety the lines beginning with line 30 on page 7 through line 5 on page 9, inclusive, and substitute:

“14–116.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “GROUND LEASE” MEANS A RESIDENTIAL LEASE OR SUBLEASE FOR A TERM OF YEARS RENEWABLE FOREVER SUBJECT TO THE PAYMENT OF A PERIODIC GROUND RENT.

(3) (I) “GROUND LEASE HOLDER” MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(Over)

(II) "GROUND LEASE HOLDER" INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.

(4) "GROUND RENT" MEANS A RENT ISSUING OUT OF, OR COLLECTIBLE IN CONNECTION WITH, THE REVERSIONARY INTEREST UNDER A GROUND LEASE.

(5) "LEASEHOLD TENANT" MEANS THE HOLDER OF THE LEASEHOLD INTEREST UNDER A GROUND LEASE.

(6) "REDEEMABLE GROUND RENT" MEANS A GROUND RENT THAT MAY BE REDEEMED IN ACCORDANCE WITH § 8-110 OF THIS ARTICLE.

(B) (1) THIS SECTION APPLIES TO RESIDENTIAL PROPERTY THAT IS OR WAS USED, INTENDED TO BE USED, OR AUTHORIZED TO BE USED FOR FOUR OR FEWER DWELLING UNITS.

(2) THIS SECTION DOES NOT APPLY TO PROPERTY:

(I) LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

(II) IMPROVED OR TO BE IMPROVED BY ANY APARTMENT, CONDOMINIUM, COOPERATIVE, OR OTHER BUILDING FOR MULTIFAMILY USE OF GREATER THAN FOUR DWELLING UNITS; OR

(III) LEASED FOR DWELLINGS OR MOBILE HOMES THAT ARE ERECTED OR PLACED IN A MOBILE HOME DEVELOPMENT OR MOBILE HOME PARK.

(C) WITHIN 30 DAYS AFTER ANY TRANSFER OF A GROUND LEASE, THE TRANSFEREE SHALL NOTIFY THE LEASEHOLD TENANT OF THE TRANSFER.

(D) (1) THE NOTIFICATION SHALL INCLUDE THE NAME AND ADDRESS OF THE NEW GROUND LEASE HOLDER AND THE DATE OF THE TRANSFER.

(2) IF THE PROPERTY IS SUBJECT TO A REDEEMABLE GROUND RENT, THE NOTIFICATION SHALL ALSO INCLUDE THE FOLLOWING NOTICE:

“AS THE OWNER OF THE PROPERTY SUBJECT TO THIS GROUND LEASE, YOU ARE ENTITLED TO REDEEM, OR PURCHASE, THE GROUND LEASE FROM THE GROUND LEASE HOLDER AND OBTAIN ABSOLUTE OWNERSHIP OF THE PROPERTY. THE REDEMPTION AMOUNT IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT. FOR INFORMATION ON REDEEMING THE GROUND LEASE, CONTACT THE GROUND LEASE HOLDER.”

(E) A GROUND LEASE HOLDER SHALL SEND NOTICE UNDER THIS SECTION TO THE LAST KNOWN ADDRESS OF THE LEASEHOLD TENANT.”

AMENDMENT NO. 3

On page 9, after line 6, insert:

“(A) THIS SECTION DOES NOT APPLY TO A:

(1) HOME EQUITY LINE OF CREDIT;

(2) LOAN SECURED BY AN INDEMNITY DEED OF TRUST; OR

(Over)

(3) COMMERCIAL LOAN.

(B)”;

in line 10, strike “OF” and substitute “**THAT**”; in line 11, after “**THE**” insert “**BORROWER HAS THE**”; in line 12, strike “AND”; and strike beginning with “CALCULATED” in line 13 down through “ARTICLE” in line 14 and substitute “**IS FIXED BY LAW BUT MAY ALSO BE NEGOTIATED WITH THE GROUND LEASE HOLDER FOR A DIFFERENT AMOUNT;**”

(3) IT MAY BE POSSIBLE TO INCLUDE THE AMOUNT OF THE REDEMPTION IN THIS LOAN;

(4) FOR INFORMATION ON REDEEMING THE GROUND RENT, THE BORROWER SHOULD CONTACT THE GROUND LEASE HOLDER; AND

(5) FOR INFORMATION ON INCLUDING THE AMOUNT OF THE REDEMPTION IN THIS LOAN, THE BORROWER SHOULD CONTACT THE LENDER OR CREDIT GRANTOR MAKING THIS LOAN”.

AMENDMENT NO. 4

On page 9, strike in their entirety lines 15 through 22, inclusive; and in line 23, strike “3.” and substitute “**2.**”.