

BY: Environmental Matters Committee

AMENDMENTS TO HOUSE BILL 1125  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “of Option to Redeem” and substitute “Regarding a”; strike beginning with “requiring” in line 3 down through “sum;” in line 5 and substitute “altering the notice requirements contained in a contract for the sale of real property that is subject to a certain ground rent to include a certain notice regarding the ground lease and the rights and responsibilities of the leasehold tenant under the ground lease; defining certain terms; providing for the application of certain provisions of this Act;”; in line 7, strike “without” and substitute “with”; and strike in their entirety lines 12 through 16, inclusive.

AMENDMENT NO. 2

On page 2, in line 1, after “(a)” insert:

**“(1) (I) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

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

**(III) 1. “GROUND LEASE HOLDER” MEANS THE HOLDER OF THE REVERSIONARY INTEREST UNDER A GROUND LEASE.**

**2. “GROUND LEASE HOLDER” INCLUDES AN AGENT OF THE GROUND LEASE HOLDER.**

(Over)

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

(V) "LEASEHOLD INTEREST" MEANS THE TENANCY IN REAL PROPERTY CREATED UNDER A GROUND LEASE.

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

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

(II) THIS SECTION DOES NOT APPLY TO PROPERTY:

1. LEASED FOR BUSINESS, COMMERCIAL, MANUFACTURING, MERCANTILE, OR INDUSTRIAL PURPOSES, OR ANY OTHER PURPOSE THAT IS NOT PRIMARILY RESIDENTIAL;

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

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

(3)";

strike beginning with the colon in line 2 down through “lease” in line 9 and substitute “NOTICE IN BOLDFACE TYPE, AT LEAST AS LARGE AS 14 POINT, IN SUBSTANTIALLY THE FOLLOWING FORM:

**“NOTICE REQUIRED BY MARYLAND LAW  
REGARDING YOUR GROUND RENT**

**THIS PROPERTY (ADDRESS) IS SUBJECT TO A GROUND LEASE. THE ANNUAL PAYMENT ON THE GROUND LEASE (“GROUND RENT”) IS \$ (DOLLAR AMOUNT), PAYABLE IN YEARLY OR HALF-YEARLY INSTALLMENTS ON (DATE OR DATES).**

**THE NEXT GROUND RENT PAYMENT IS DUE (DAY, MONTH, YEAR) IN THE AMOUNT OF \$ (DOLLAR AMOUNT).**

**THE PAYMENT OF THE GROUND RENT SHOULD BE SENT TO:**

**(NAME OF GROUND LEASE HOLDER)**

**(ADDRESS)**

**(PHONE NUMBER)**

**NOTE REGARDING YOUR RIGHTS AND RESPONSIBILITIES UNDER  
MARYLAND LAW:**

**AS THE OWNER OF THIS PROPERTY, YOU ARE OBLIGATED TO PAY THE GROUND RENT TO THE GROUND LEASE HOLDER. IT IS ALSO YOUR RESPONSIBILITY TO NOTIFY THE GROUND LEASE HOLDER IF YOU CHANGE YOUR ADDRESS OR TRANSFER OWNERSHIP OF THE PROPERTY.**

**IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU ARE STILL RESPONSIBLE FOR PAYING THE GROUND RENT. IN ADDITION, THE GROUND LEASE HOLDER MAY TAKE ACTION TO COLLECT THE PAST DUE GROUND RENT WHICH MAY**

(Over)

RESULT ULTIMATELY IN YOUR LOSS OF THE PROPERTY. PLEASE NOTE THAT UNDER MARYLAND LAW, A GROUND LEASE HOLDER MAY DEMAND NOT MORE THAN 3 YEARS OF PAST DUE GROUND RENT. IF YOU FAIL TO PAY THE GROUND RENT ON TIME, YOU SHOULD CONTACT A LAWYER FOR ADVICE.

AS THE OWNER OF THIS PROPERTY, 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. IF THE IDENTITY OF THE GROUND LEASE HOLDER IS UNKNOWN, THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION PROVIDES A PROCESS TO REDEEM THE GROUND LEASE THAT MAY RESULT IN YOUR OBTAINING ABSOLUTE OWNERSHIP OF THE PROPERTY. IF YOU WOULD LIKE TO OBTAIN ABSOLUTE OWNERSHIP OF THIS PROPERTY, YOU SHOULD CONTACT A LAWYER FOR ADVICE.”;

and strike in their entirety lines 10 through 24, inclusive.

AMENDMENT NO. 3

On page 2, in line 26, strike “October” and substitute “July”.