

# HOUSE BILL 1034

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HB 84/07 – ENV

9lr2651

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By: **Delegate Conaway**

Introduced and read first time: February 13, 2009

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Contract for Sale – Notice of Option to Redeem Ground Rent**

3 FOR the purpose of requiring certain contracts for sale of real property subject to a  
4 redeemable ground rent to include notice of the option of redeeming the ground  
5 rent for a certain sum; and generally relating to contracts for sale of real  
6 property.

7 BY adding to

8 Article – Real Property

9 Section 14–117(m)

10 Annotated Code of Maryland

11 (2003 Replacement Volume and 2008 Supplement)

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

14 **Article – Real Property**

15 14–117.

16 **(M) (1) THIS SUBSECTION DOES NOT APPLY TO JURISDICTIONS OF**  
17 **THE STATE IN WHICH, BASED ON INFORMATION FROM THE 2000 DECENNIAL**  
18 **CENSUS:**

19 **(I) LESS THAN 60% OF THE POPULATION LIVES IN**  
20 **OWNER–OCCUPIED DWELLINGS; AND**

21 **(II) THE MEDIAN INCOME IS LESS THAN \$40,000 PER YEAR.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   (2)    **A CONTRACT FOR THE SALE OF REAL PROPERTY SUBJECT TO**  
2 **A REDEEMABLE GROUND RENT SHALL CONTAIN A PROVISION NOTIFYING THE**  
3 **BUYER OF THE OPTION OF REDEEMING THE GROUND RENT, IN ACCORDANCE**  
4 **WITH § 8-110 OF THIS ARTICLE, FOR:**

5                               (I)    **A SUM EQUAL TO THE ANNUAL RENT RESERVED**  
6 **MULTIPLIED BY:**

7                                       1.    **25, WHICH IS CAPITALIZATION AT 4%, IF THE**  
8 **LEASE WAS EXECUTED FROM APRIL 8, 1884, TO APRIL 5, 1888, BOTH**  
9 **INCLUSIVE;**

10                                      2.    **8.33, WHICH IS CAPITALIZATION AT 12%, IF THE**  
11 **LEASE WAS OR IS CREATED AFTER JULY 1, 1982; OR**

12                                      3.    **16.66, WHICH IS CAPITALIZATION AT 6%, IF THE**  
13 **LEASE WAS CREATED AT ANY OTHER TIME;**

14                                      (II)   **A LESSER SUM IF SPECIFIED IN THE LEASE; OR**

15                                      (III)   **A SUM TO WHICH THE GROUND RENT LANDLORD AND**  
16 **BUYER MAY AGREE AT THE TIME OF REDEMPTION.**

17                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2009.