SENATE BILL 759

By: Senators Hayes, McCray, Sydnor, Carter, and Washington
Introduced and read first time: February 7, 2022
Assigned to: Judicial Proceedings

A BILL ENTITLED

AN ACT concerning

Real Property – Ground Rent Redemption Fund – Establishment

FOR the purpose of establishing the Ground Rent Redemption Fund as a special, nonlapsing fund to provide grants to individuals for the redemption of ground rents; and generally relating to the redemption of ground rents.

BY repealing and reenacting, without amendments,
Article – Real Property
Section 8–801(a), (b), and (d)
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

BY adding to
Article – Real Property
Section 8–813
Annotated Code of Maryland
(2015 Replacement Volume and 2021 Supplement)

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

Article – Real Property

8–801.

(a) In this subtitle the following words have the meanings indicated.

(b) “Ground lease” means a residential lease or sublease for a term of years renewable forever subject to the payment of a periodic ground rent.
(d) “Ground rent” means a rent issuing out of, or collectible in connection with, the reversionary interest under a ground lease.

8–813.

(A) (1) In this section the following words have the meanings indicated.

(2) “Department” means the Department of Housing and Community Development.

(3) “Fund” means the Ground Rent Redemption Fund.

(4) “Ground rent” does not include irredeemable ground rent under § 8–805 of this subtitle.

(B) There is a Ground Rent Redemption Fund.

(C) The purpose of the Fund is to provide grants to individuals for the redemption of ground rent in the State.

(D) The Department shall administer the Fund.

(E) An individual may apply to the Department to receive grants necessary to redeem ground rent in accordance with this subsection.

(F) The Department shall establish application procedures and eligibility criteria for grants from the Fund, including means–based criteria for the automatic eligibility of certain individuals to receive grants.

(G) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(H) The Fund consists of:

(1) Money appropriated in the State budget to the Fund;

and

(2) Any other money from any other source accepted for the benefit of the Fund.
(I) In fiscal year 2024, the Governor shall include in the annual budget bill an appropriation of $20,000,000 to the Fund.

(j) The Fund may be used only for the redemption of ground rent in accordance with this section.

(k) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the General Fund of the State.

(l) Expenditures from the Fund may be made only in accordance with the State budget.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.