

SENATE BILL 759

N1

2lr2114
CF 2lr3177

By: **Senators Hayes, McCray, Sydnor, Carter, and Washington**

Introduced and read first time: February 7, 2022

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Ground Rent Redemption Fund – Establishment**

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

6 BY repealing and reenacting, without amendments,
7 Article – Real Property
8 Section 8–801(a), (b), and (d)
9 Annotated Code of Maryland
10 (2015 Replacement Volume and 2021 Supplement)

11 BY adding to
12 Article – Real Property
13 Section 8–813
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2021 Supplement)

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

18 **Article – Real Property**

19 8–801.

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

21 (b) “Ground lease” means a residential lease or sublease for a term of years
22 renewable forever subject to the payment of a periodic ground rent.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (d) "Ground rent" means a rent issuing out of, or collectible in connection with,
2 the reversionary interest under a ground lease.

3 **8-813.**

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

6 (2) "DEPARTMENT" MEANS THE DEPARTMENT OF HOUSING AND
7 COMMUNITY DEVELOPMENT.

8 (3) "FUND" MEANS THE GROUND RENT REDEMPTION FUND.

9 (4) "GROUND RENT" DOES NOT INCLUDE IRREDEEMABLE GROUND
10 RENT UNDER § 8-805 OF THIS SUBTITLE.

11 (B) THERE IS A GROUND RENT REDEMPTION FUND.

12 (C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO INDIVIDUALS
13 FOR THE REDEMPTION OF GROUND RENT IN THE STATE.

14 (D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

15 (E) AN INDIVIDUAL MAY APPLY TO THE DEPARTMENT TO RECEIVE GRANTS
16 NECESSARY TO REDEEM GROUND RENT IN ACCORDANCE WITH THIS SUBSECTION.

17 (F) THE DEPARTMENT SHALL ESTABLISH APPLICATION PROCEDURES AND
18 ELIGIBILITY CRITERIA FOR GRANTS FROM THE FUND, INCLUDING MEANS-BASED
19 CRITERIA FOR THE AUTOMATIC ELIGIBILITY OF CERTAIN INDIVIDUALS TO RECEIVE
20 GRANTS.

21 (G) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
22 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

23 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
24 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

25 (H) THE FUND CONSISTS OF:

26 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;
27 AND

28 (2) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
29 THE BENEFIT OF THE FUND.

1 **(I) IN FISCAL YEAR 2024, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL**
2 **BUDGET BILL AN APPROPRIATION OF \$20,000,000 TO THE FUND.**

3 **(J) THE FUND MAY BE USED ONLY FOR THE REDEMPTION OF GROUND RENT**
4 **IN ACCORDANCE WITH THIS SECTION.**

5 **(K) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
6 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

7 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
8 **THE GENERAL FUND OF THE STATE.**

9 **(L) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
10 **WITH THE STATE BUDGET.**

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