

Article - Real Property

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§8–809.

(a) (1) A ground lease holder may not collect a yearly or half-yearly installment payment of a ground rent due under the ground lease unless:

(i) The ground lease is registered with the Department under Subtitle 7 of this title; and

(ii) At least 60 days before the payment is due, the ground lease holder mails a bill, in the form required under subsection (b) of this section, to the last known address of the leasehold tenant and to the premises address of the property subject to the ground lease listed in the records of the Department.

(2) If a leasehold tenant's last known mailing address and the premises address listed in the records of the Department are identical, the ground lease holder shall mail one copy of the bill to the address by first-class mail and one copy of the bill to the address by certified mail, return receipt requested.

(3) If a leasehold tenant's last known mailing address and premises address listed in the records of the Department are different, the ground lease holder shall mail one copy of the bill by first-class mail and one copy of the bill by certified mail, return receipt requested, to each address, respectively.

(4) A ground lease holder may not require the leasehold tenant to reimburse the ground lease holder for costs incurred to provide a bill under this subsection.

(b) (1) The Department shall develop and make available on its website the form a ground lease holder must use to provide to a leasehold tenant the bill required under subsection (a)(1)(ii) of this section.

(2) The form shall include a 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:

The ground lease holder is required to register the ground lease with the State Department of Assessments and Taxation and is prohibited from collecting ground rent payments unless the ground lease is registered. If the ground lease is registered, as the owner of this property, you are obligated to pay the ground rent to the ground lease holder. To determine whether the ground lease is registered, you may check the website of the State Department of Assessments and Taxation. 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, if the ground lease holder files an action in court to collect the past due ground rent, you may be required to pay the ground lease holder for fees and costs associated with the collection of the past due ground rent. In addition, the ground lease holder may also file an action in court to take possession of the property, which may result in your being responsible for additional fees and costs and 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, and there are limits on how much a ground lease holder may be reimbursed for fees and costs. 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. Unless you and the ground lease holder agree to a lesser amount, the amount to redeem your ground lease is _____. If you wish to redeem 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.”.

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