



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

DATE: February 4, 2020

BILL NUMBER: HB 149

COMMITTEE: Environment and Transportation

BILL TITLE: Real Property – Ground Leases – Required Notifications – Private Transaction Redemptions

SDAT POSITION: Support

The State Department of Assessments and Taxation (SDAT) supports HB 149, a bill that would eliminate the requirement that the ground lease holder notify the Department of a change in the name or address of the leasehold tenant. Additionally, if the ground rent is redeemed in a private transaction, the ground leasehold tenant or interested party may provide notification to the Department of the private redemption if the lease holder has failed to notify SDAT pursuant to law.

Currently, the Department is already notified of changes to the name or address of a leasehold tenant in a variety of ways through Tax Property Articles § 2-210, 2-211, 2-213, and Real Property Article § 3-104. Removing this requirement will eliminate redundancies in the collection of information by the Department.

Occasionally, a ground rent is redeemed by a leasehold tenant in a private transaction with the lease holder, who then fails to notify the Department and cannot be reached. This situation prevents the Department from updating its records and leaves the leasehold tenant unable to accurately demonstrate that the leasehold tenant's real property is free-and-clear of any ground lease. Amending the statute to allow the leasehold tenant or interested party to provide the deed as proof of redemption will relieve the leasehold tenant of the burden of tracking down the lease holder and persuading the lease holder to follow through on the duties set forth in law regarding notification to the Department.

For these reasons, we strongly urge a favorable report by the Committee for House Bill 149.

Office of the Director

300 W. Preston St., Room 605, Baltimore, MD 21201

www.dat.maryland.gov

410-767-1184 (phone) 1-800-552-7724 (MD Relay)
410-333-5873 (fax) 1-888-246-5941 (toll free)