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Chairman Kumar Barve
Chair, Environment & Transportation Committee
Room 251 House Office Building
Annapolis, MD 21401

February 4, 2020

Re: **HB 241 – Support**

Dear Chairman Barve and Members of the Environment & Transportation Committee:

On behalf of the Maryland Land Title Association (MLTA), I am writing in support for HB 241 which would prevent a ground rent holder from attempting to collect from a homeowner, past due ground rent accruing during a time when the ground rent had not been registered with the Maryland State Department of Assessments and Taxation (SDAT) as is required under existing law.

Maryland law requires that each ground rent owner register their ground rent at SDAT. Although a failure to register prevents a ground rent owner from filing suit to collect or repossess the home, current law does not address a common situation, where the ground rent owner has failed to register and a seller and purchaser cannot identify and/or locate the ground rent owner prior to the real estate closing in order to facilitate payment of the ground rent. When this situation occurs, the title insurance agent has no option other than to escrow the statutory maximum of three years' back rent and statutory attorneys' fees. This is because, under present law, once the ground rent owner does register, the ground rent owner is then entitled to collect the past due rent from the new homeowner and (or from the past owner, if an escrow has been established). This process is often confusing to consumers and is time consuming and expensive for title agents and title attorneys who must draft escrow agreements, hold the escrowed funds and ultimately pay over the funds to the proper party upon termination of the escrow.

HB 241 would prevent a ground rent owner who had failed to register their ground rent, from coming forward years later to collect ground rent accruing during the period in which the ground rent owner failed to comply with Maryland's registration law. For the reasons stated above, the MLTA supports HB 241 and urges a favorable committee report.

If you have any questions or require anything additional from us, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Mark Glazer".

Mark Glazer
Executive Director, MLTA