
To: Members of The House Environment and Transpiration Committee

From: William A. O'Connell, Real Property Section Legislative Chair

Date: March 3, 2020

Subject: House Bill 1182 - Real Property - Redemption or Extinguishment of Ground Rents

Position: Support with Amendment

The Maryland State Bar Association (MSBA) Real Property Section **supports with amendment House Bill 1182 - Real Property - Redemption or Extinguishment of Ground Rents**. The bill is necessary because the existing reference to the vesting of fee simple title makes it difficult in practice to redeem a ground rent when the holder is unknown, and the property is subject to sub-ground rent leases on the same property whose holders are also unknown.

Currently, HB-1182 provides in relevant part:

- The redemption or extinguishment of the ground rent is effective to conclusively [vest a fee simple title in the leasehold tenant, free and clear of any and] MERGE THE REVERSION INTO THE TITLE, AND ELIMINATE all right, title, or interest of the ground lease holder, any lien of a creditor of the ground lease holder, and any person claiming by, through, or under the ground lease holder when the leasehold tenant records the certificate in the land records of the county in which the property is located.

Baltimore City proposes to amend the bill in the following manner:

- The redemption or extinguishment of the ground rent is effective to conclusively [vest a fee simple title in the leasehold tenant, free and clear of any and] DIVEST THE REVERSION FROM THE GROUND LEASE HOLDER AND VEST SAID REVERSION IN THE LEASEHOLD TENANT AND ELIMINATE all right, title, or interest of the ground lease holder, any lien of a creditor of the ground lease holder, and any person claiming by, through, or under the ground lease holder when the leasehold tenant records the certificate in the land records of the county in which the property is located.



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We believe the proposed amendments are consistent with existing law and achieve the desired result. For these reasons we **support HB 1186 with the City's proposed amendment** and request that you issue a **favorable** report as amended.

Should you have any questions, please contact The MSBA's Legislative Office at (410)-269-6464 / (410)-685-7878 ext: 3066 or at Richard@MSBA.org and Parker@MSBA.org

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