



HB0091/123428/1

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

17 JAN 22  
09:59:45

BY: Delegate Holmes  
(To be offered in the Environment and Transportation Committee)

AMENDMENTS TO HOUSE BILL 91  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Irredeemable”; in the same line, after “Requirements” insert “for Irredeemable Ground Rents and Unlawful Collection Procedures”; in line 7, after “time;” insert “prohibiting a ground lease holder from collecting or attempting to collect a certain payment related to ground rent under certain circumstances; establishing procedures for the Department related to unlawful collections of ground rent;”; and after line 13, insert:

“BY adding to  
Article - Real Property  
Section 8-809.1  
Annotated Code of Maryland  
(2015 Replacement Volume and 2021 Supplement)”.

AMENDMENT NO. 2

On page 4, after line 33, insert:

“8-809.1.

(A) IN THIS SECTION, “DEPARTMENT” MEANS THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.

(B) (1) A GROUND LEASE HOLDER MAY NOT COLLECT OR ATTEMPT TO COLLECT ANY INSTALLMENT PAYMENT, LATE FEE, INTEREST, COLLECTION COST, OR OTHER EXPENSE RELATED TO GROUND RENT THAT:

(Over)

(I) IS NOT REGISTERED WITH THE DEPARTMENT; OR

(II) IS IN VIOLATION OF A PROVISION OF THIS TITLE OR ANY OTHER LAW.

(2) IF THE DEPARTMENT DETERMINES IN ACCORDANCE WITH THIS SECTION THAT A GROUND LEASE HOLDER HAS VIOLATED PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT MAY STRIKE FROM ITS RECORDS ANY GROUND LEASE REGISTRATION OR AMENDMENT ASSOCIATED WITH THE COLLECTION OR ATTEMPTED COLLECTION SUBMITTED BY THE GROUND LEASE HOLDER UNDER SUBTITLE 7 OF THIS TITLE.

(3) IF THE DEPARTMENT STRIKES A GROUND LEASE REGISTRATION FROM ITS RECORDS IN ACCORDANCE WITH THIS SECTION, THE GROUND LEASE SHALL BE TREATED AS NOT REGISTERED UNDER § 8-707 OF THIS TITLE.

(4) IF THE DEPARTMENT STRIKES A GROUND LEASE AMENDMENT FROM ITS RECORDS IN ACCORDANCE WITH THIS SECTION, THE GROUND LEASE SHALL BE TREATED AS NOT AMENDED UNDER § 8-707 OF THIS TITLE.

(5) THE DEPARTMENT SHALL POST A NOTICE ON ITS WEBSITE AND ALL GROUND RENT FORMS THAT IS IN SUBSTANTIALLY THE FOLLOWING FORM:

“NOTICE REQUIRED BY LAW: A GROUND LEASE HOLDER MAY NOT COLLECT OR ATTEMPT TO COLLECT GROUND RENT THAT IS NOT REGISTERED ON THE DEPARTMENT’S GROUND RENT REGISTRY.”.

(C) (1) A LEASEHOLD TENANT OR AN AGENT OF A LEASEHOLD TENANT

WHO BELIEVES THAT A GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION MAY SUBMIT TO THE DEPARTMENT AN AFFIDAVIT AND ANY SUPPORTING DOCUMENTS STATING THE FACTUAL BASIS FOR THAT BELIEF AND ANY DOCUMENTS EVIDENCING A COLLECTION OR ATTEMPTED COLLECTION EFFORT.

(2) IF THE DEPARTMENT RECEIVES A SUBMISSION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE DEPARTMENT SHALL SEND A NOTICE TO THE GROUND LEASE HOLDER THAT:

(I) INCLUDES A COPY OF THE AFFIDAVIT AND ANY SUPPORTING DOCUMENTS SUBMITTED BY THE LEASEHOLD TENANT OR AGENT OF THE LEASEHOLD TENANT;

(II) STATES THAT THE DEPARTMENT HAS RECEIVED AN ALLEGATION THAT THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION; AND

(III) ADVISES THAT ANY GROUND LEASE REGISTRATION OR AMENDMENT SUBMITTED TO THE DEPARTMENT BY THE GROUND LEASE HOLDER MAY BE STRICKEN FROM THE DEPARTMENT'S RECORDS UNLESS, WITHIN 45 DAYS AFTER THE DATE ON THE NOTICE, THE GROUND LEASE HOLDER SUBMITS TO THE DEPARTMENT A COUNTERAFFIDAVIT AND ANY SUPPORTING DOCUMENTS THAT:

1. SET FORTH THE GROUND LEASE HOLDER'S BELIEF THAT THE COLLECTION OR ATTEMPTED COLLECTION DESCRIBED IN THE AFFIDAVIT AND SUPPORTING DOCUMENTS SUBMITTED BY THE LEASEHOLD TENANT OR AGENT OF THE LEASEHOLD TENANT DID NOT VIOLATE SUBSECTION (B)(1) OF THIS SECTION; AND

(Over)

**2. PROVIDE THE FACTUAL BASIS FOR THAT BELIEF.**

**(3) THE NOTICE REQUIRED UNDER THIS SUBSECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY FIRST-CLASS MAIL TO THE GROUND LEASE HOLDER AT THE ADDRESS PROVIDED IN THE HOLDER'S GROUND LEASE REGISTRATION OR AMENDMENT OR AT ANY OTHER ADDRESS KNOWN TO THE DEPARTMENT.**

**(D) (1) THE DEPARTMENT SHALL MAKE AVAILABLE FORMS THAT MUST BE USED FOR AFFIDAVITS SUBMITTED IN ACCORDANCE WITH SUBSECTION (C)(1) AND (2)(III) OF THIS SECTION.**

**(2) THE FORMS SHALL REQUIRE THAT THE AFFIDAVITS BE SWORN TO UNDER PENALTY OF PERJURY.**

**(E) (1) THE DEPARTMENT MAY STRIKE FROM ITS RECORDS ANY GROUND LEASE REGISTRATION OR AMENDMENT SUBMITTED BY A GROUND LEASE HOLDER IF:**

**(I) AFTER THE EXPIRATION OF THE 45-DAY PERIOD SPECIFIED IN THE NOTICE REQUIRED UNDER SUBSECTION (C)(2) OF THIS SECTION, THE DEPARTMENT HAS NOT RECEIVED A COUNTERAFFIDAVIT FROM THE GROUND LEASE HOLDER; AND**

**(II) THE DEPARTMENT REASONABLY BELIEVES THAT THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION.**

**(2) IF THE DEPARTMENT STRIKES A GROUND LEASE**

REGISTRATION OR AMENDMENT FROM ITS RECORDS UNDER THIS SUBSECTION, THE DEPARTMENT SHALL PROMPTLY SEND NOTICE OF THE STRIKING TO THE GROUND LEASE HOLDER AND ANY PERSON WHO SUBMITTED AN AFFIDAVIT UNDER SUBSECTION (C)(1) OF THIS SECTION.

(3) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY FIRST-CLASS MAIL.

(F) (1) IF THE DEPARTMENT RECEIVES A COUNTERAFFIDAVIT IN RESPONSE TO A NOTICE SENT UNDER SUBSECTION (C)(2) OF THIS SECTION, THE DEPARTMENT SHALL REVIEW ALL SUBMITTED AFFIDAVITS AND SUPPORTING DOCUMENTS TO DETERMINE WHETHER THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION.

(2) IF, AFTER REVIEWING THE AFFIDAVITS AND SUPPORTING DOCUMENTS, THE DEPARTMENT REASONABLY BELIEVES THAT THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION, THE DEPARTMENT SHALL SEND TO ALL PERSONS WHO SUBMITTED AFFIDAVITS A FINAL NOTICE STATING THAT:

(i) THE DEPARTMENT REASONABLY BELIEVES THAT THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION; AND

(ii) THE DEPARTMENT MAY STRIKE ANY GROUND RENT REGISTRATION OR AMENDMENT SUBMITTED BY THE GROUND LEASE HOLDER UNLESS, WITHIN 45 DAYS AFTER THE DATE ON THE FINAL NOTICE, THE GROUND LEASE HOLDER FILES AN ACTION FOR JUDICIAL DETERMINATION OF WHETHER

(Over)

THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION.

(3) IF, AFTER REVIEWING THE AFFIDAVITS AND SUPPORTING DOCUMENTS, THE DEPARTMENT REASONABLY BELIEVES THAT THE GROUND LEASE HOLDER DID NOT VIOLATE SUBSECTION (B)(1) OF THIS SECTION, THE DEPARTMENT SHALL SEND TO ALL PERSONS WHO SUBMITTED AFFIDAVITS A FINAL NOTICE STATING THAT:

(i) THE DEPARTMENT REASONABLY BELIEVES THAT THE GROUND LEASE HOLDER DID NOT VIOLATE SUBSECTION (B)(1) OF THIS SECTION; AND

(ii) THE DEPARTMENT WILL TAKE NO FURTHER ACTION UNLESS, WITHIN 45 DAYS AFTER THE DATE ON THE FINAL NOTICE, THE LEASEHOLD TENANT FILES AN ACTION FOR JUDICIAL DETERMINATION OF WHETHER THE GROUND LEASE HOLDER VIOLATED SUBSECTION (B)(1) OF THIS SECTION.

(4) THE FINAL NOTICE UNDER THIS SUBSECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY FIRST-CLASS MAIL.

(G) (1) A PERSON WHO IS SENT A FINAL NOTICE UNDER SUBSECTION (F) OF THIS SECTION AND DISAGREES WITH THE DEPARTMENT'S DETERMINATION MAY FILE AN ACTION FOR JUDICIAL DETERMINATION OF WHETHER THE GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION:

(i) IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE

PERSON RESIDES; OR

(ii) IF THE PERSON DOES NOT RESIDE IN MARYLAND, IN THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PROPERTY THAT IS THE SUBJECT OF THE ALLEGEDLY UNLAWFUL COLLECTION OR ATTEMPTED COLLECTION IS LOCATED.

(2) AN ACTION UNDER THIS SUBSECTION SHALL BE FILED WITHIN THE 45-DAY PERIOD DESCRIBED IN THE FINAL NOTICE REQUIRED UNDER SUBSECTION (F) OF THIS SECTION.

(3) THE PARTIES TO A PROCEEDING UNDER THIS SUBSECTION SHALL INCLUDE EACH PERSON WHO WAS SENT A FINAL NOTICE UNDER SUBSECTION (F) OF THIS SECTION.

(4) THE DEPARTMENT MAY NOT BE JOINED AS A PARTY TO A PROCEEDING UNDER THIS SUBSECTION.

(5) SERVICE OF PROCESS FOR A PROCEEDING UNDER THIS SUBSECTION SHALL BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AT THE LAST KNOWN ADDRESS OF EACH PARTY TO BE SERVED.

(6) (i) A PERSON WHO FILES AN ACTION UNDER THIS SUBSECTION SHALL MAIL A COPY OF THE COMPLAINT TO THE DEPARTMENT WITHIN THE 45-DAY PERIOD DESCRIBED IN THE FINAL NOTICE REQUIRED UNDER SUBSECTION (F) OF THIS SECTION.

(ii) IF THE DEPARTMENT DOES NOT RECEIVE A COPY OF A COMPLAINT FILED UNDER THIS SUBSECTION WITHIN THE 45-DAY PERIOD

DESCRIBED IN THE FINAL NOTICE REQUIRED UNDER SUBSECTION (F) OF THIS SECTION, THE DEPARTMENT SHALL TAKE ACTION IN ACCORDANCE WITH ITS FINAL DETERMINATION.

(H) (1) IF A COURT DETERMINES THAT A GROUND LEASE HOLDER HAS VIOLATED SUBSECTION (B)(1) OF THIS SECTION:

(I) THE COURT SHALL ENTER AN ORDER REQUIRING THE DEPARTMENT TO STRIKE FROM ITS RECORDS ANY OR ALL GROUND LEASE REGISTRATIONS OR AMENDMENTS SUBMITTED BY THE GROUND LEASE HOLDER UNDER SUBTITLE 7 OF THIS TITLE;

(II) THE PREVAILING PARTY SHALL PROVIDE A COPY OF THE ORDER TO THE DEPARTMENT; AND

(III) ON RECEIPT OF THE ORDER, THE DEPARTMENT SHALL PROMPTLY:

1. STRIKE THE REGISTRATION OR AMENDMENT OF THE GROUND LEASE OR LEASES; AND

2. ENTER A NOTATION ON THE DEPARTMENT'S RECORDS INDICATING THAT THE GROUND LEASE REGISTRATION OR AMENDMENT WAS STRICKEN IN ACCORDANCE WITH A COURT ORDER.

(2) IF A COURT DETERMINES THAT A GROUND LEASE HOLDER HAS NOT VIOLATED SUBSECTION (B)(1) OF THIS SECTION:

(I) THE COURT SHALL ENTER AN ORDER FINDING THAT THE



COLLECTION OR ATTEMPTED COLLECTION COMPLAINED OF BY THE LEASEHOLD  
TENANT WAS NOT UNLAWFUL;

(II) THE PREVAILING PARTY SHALL PROVIDE A COPY OF THE  
ORDER TO THE DEPARTMENT; AND

(III) ON RECEIPT OF THE COURT ORDER, THE DEPARTMENT  
SHALL TAKE NO ACTION TO STRIKE THE GROUND LEASE REGISTRATION.

(I) THE DEPARTMENT MAY NOT CHARGE A FEE TO CARRY OUT ITS  
OBLIGATIONS UNDER THIS SECTION, INCLUDING THE COST OF SENDING ANY  
NOTICES REQUIRED UNDER THIS SECTION.

(J) THE DEPARTMENT MAY ADOPT REGULATIONS TO CARRY OUT THIS  
SECTION.”.