



**Testimony HB 92**  
**House Environment and Transportation Committee**  
**January 31, 2023**  
**Position: FAVORABLE**

Dear Chairman Barve and Members of the House Environment and Transportation Committee

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 180 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 92 - Requiring that ground leases or amendments that be posted on the State Department of Assessments and Taxation website or not be considered registered and prohibiting a ground lease holder from collecting or attempting to collect rent, late fees, interest, collection costs, and other expenses related to a ground lease unless the ground lease is registered with the Department; etc.

Baltimore has been called the "Home Ownership Capital" of the country, John C. Schmidt wrote for The Baltimore Sun in 1963. There were several factors that made it easy for even people of limited means to buy houses in the city. One was the wide availability of rowhouses, less expensive to purchase and maintain than a traditional house. Another was the practice of ground rents, a relic from the 1600s.

Tens of thousands of Baltimore homeowners must pay rent twice a year on the land under their houses. If they fall behind on the payments, the ground rent holders can sue to seize the houses-- and have done so nearly 4,000 times in the past six years, sometimes over back rent as little as \$24,. The arcane system of ground rents has been used by some investors to seize homes or extract large fees from people who often are ignorant of the loosely regulated process.

No other private debt collectors in Maryland can obtain rewards so disproportionate to what they are owed. In contrast with a foreclosure, the holder of an overdue ground rent can seize a home, sell it and keep every cent of the proceeds. To prevent a seizure, homeowners almost always have to pay fees that dwarf the amount of rent they owe. This has had a disproportionate impact on black communities throughout the state of Maryland

We ask for a favorable report on HB92.

Submitted by Claudia Wilson Randall, Executive Director