

ANTHONY G. BROWN
Attorney General

CANDACE MCLAREN LANHAM
Chief of Staff

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Fax No.

Writer's Direct Dial No.
410-576-6986
kwilponewelborn@oag.state.md.us

January 27, 2023

To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 118 – Ground Leases – Notices and Billing – Forms and Requirements
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports House Bill 118 sponsored by Delegate Holmes as it provides important procedural protections for ground rent tenants prior to the initiation of a possession action. Specifically, House Bill 118 requires the State Department of Assessment and Taxation to create a uniform notice of delinquency that ground rent holders are required to send tenants at their last known address and the premise address no less than 60 and 30 days prior to pursuing an action for possession of the premises. Moreover, ground rent holders may not require ground rent tenants to reimburse them the cost of these delinquency notices and mailings. Finally, House Bill 118 prohibits unregistered ground rent holders from requiring ground rent tenants to maintain more than three (3) years of ground rents in escrow, which is the maximum amount of unregistered and unpaid ground rents ground rent holders are permitted to collect.

The procedural protections provided by House Bill 118 ensure that ground rent tenants are provided the opportunity to pay and cure any alleged ground rent delinquency prior to the harsh penalty of the repossession of the premises. As such, House Bill 118 provides a fair balancing of ground rent tenants' possession of the premises while ensuring ground rent holders are permitted to collect owed ground rents.

The Division requests that the Environment and Transportation Committee give House Bill 93 a favorable report.

cc: The Honorable Marvin E. Holmes
Members, Environment and Transportation Committee