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HEARING DATE: January 31, 2023

BILL: HB0118

TITLE: Ground Leases – Notices and Billing – Forms and Requirements

SDAT POSITION: SUPPORT

HB0118 codifies the intent of the General Assembly that *it is in the public interest for ground rents to be redeemed*. This bill would shift SDAT's Ground Rent Departments' mission from being a neutral record keeper to actively assisting homeowners with redeeming their ground rent.

Ground rent bills are private transactions between the ground lease-holder and the ground lease-tenant. HB0118 makes several changes to the Ground Rent billing system.

First, this bill ensures that Ground Rent bills are mailed to the same address where a property's tax bills are mailed.

Second, this bill requires that ground lease-holders use the sample notices that are on the Department's web page.

Further, there are many unregistered and therefore unenforceable ground rents. When a ground rent becomes registered or has been delinquent, only three years of outstanding ground rent can be collected. This bill ensures that only three years of ground rent can be held in escrow.

These important changes will add consumer protections for homeowners who have residential ground rents.

For these reasons, SDAT urges a favorable vote on HB0118.