



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

February 15, 2023

The Honorable William C. Smith, Jr., Chair
Senate Judicial Proceeding Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

**RE: Testimony of Maryland Legal Aid in Support of Senate Bill
194 – Ground Leases – Notices and Billing – Forms and
Requirements**

Dear Chair Smith and Members of the Committee:

In response to the testimony provided at the hearing held on February 9, 2023, Maryland Legal Aid (MLA) would like to offer additional support in favor of Senate Bill 194. MLA is Maryland's largest non-profit law firm, that provides free legal services to thousands of indigent Maryland residents. MLA assists individuals and families in every Maryland county and we know how impactful this legislation would be to the residents in this state who own property with ground rents. MLA submits this written testimony to this Committee at the request of Senator Sydnor. We once again ask that this Committee grant SB 194 a favorable report and urge its ultimate passage.

Maryland Legal Aid has decades of experience advising and representing clients who face ground rent collection cases. Ground rent is a special type of real property collection action that is often confusing for the property owner and some lenders to understand. Whenever possible, MLA counsels client paying a ground rent, to move forward in the redemption process to avoid unnecessary costs. MLA offices have encountered cases where ground rents are not registered yet a party has sought to collect money from the owner of the structure. Our offices have also encountered many cases where the property owner does not receive notice of collection or notice that the ground rent was transferred and the costs spiral.

SB 194 addresses several procedural points that interfere with the registration, collection and redemption of ground rent. The proposed legislation limits the years of rent that a tenant must set aside if the ground rent is not registered. Notice of rent due must be sent to both the property

and the address listed where the owner of the structure receives tax bills, and the costs of notices will not fall on the property owner. The changes to the ground rent statute proposed in SB 194 are necessary to balance interests of all parties, create a fair and transparent process and add fair measures to a complex and often misunderstood area of the law. MLA urges the Committee to give this bill a favorable report.

Respectfully Submitted,

/s/Louise M. Carwell
Senior Attorney for Consumer Law
Maryland Legal Aid, Inc.
500 E. Lexington Street
Baltimore, Maryland 21202
(410) 951-7786