

(Senate Bill 182)

AN ACT concerning

Real Property - Ground Rent Disclosure

FOR the purpose of requiring certain disclosures ~~by the seller at the time of settlement on real property subject to a ground rent~~ in a contract for sale of real property subject to a ground rent; and specifying a particular effective date for this Act.

BY adding to

Article - Real Property
Section 14-117
Annotated Code of Maryland
(1974 Volume and 1979 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Real Property

14-117.

(A) ~~IN THIS SECTION, "LEASEHOLDER" MEANS A PERSON WHO HOLDS PROPERTY SUBJECT TO A GROUND RENT.~~

~~(B) AT THE TIME OF SETTLEMENT ON PROPERTY THAT IS SUBJECT TO A GROUND RENT, THE SELLER SHALL NOTIFY THE LEASEHOLDER~~

~~(1) OF THE GROUND RENT INTEREST, AND~~

~~(2) THAT THE EFFECT OF NONPAYMENT OF THE GROUND RENT IS~~ A CONTRACT FOR THE SALE OF REAL PROPERTY SUBJECT TO A GROUND RENT SHALL CONTAIN THE FOLLOWING:

(1) NOTICE OF THE EXISTENCE OF THE GROUND RENT;

AND

(2) NOTICE THAT IF THE GROUND RENT IS NOT TIMELY PAID THE EFFECT MAY BE

(I) THAT THE HOLDER REVERSIONARY OWNER OF THE GROUND RENT MAY BRING AN ACTION OF EJECTMENT AGAINST THE LEASEHOLDER GROUND RENT TENANT UNDER § 8-402(C) OF THIS ARTICLE; AND

(II) AS A RESULT OF THE EJECTMENT ACTION, THE HOLDER REVERSIONARY OWNER OF THE GROUND RENT MAY OWN THE PROPERTY FREE--AND--CLEAR IN FEE, DISCHARGED FROM THE LEASE.