

(ii) To the Advance Option and Purchase Fund established under § 5-904(b) of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1996.

Approved May 23, 1996.

CHAPTER 660

(House Bill 1336)

AN ACT concerning

Condominiums - Creation of Ground Rents Creation of Leasehold Estates

FOR the purpose of clarifying Maryland condominium law to expressly permit a developer or other person to grant a leasehold estate in an individual residential unit and retain the reversionary fee simple estate; providing for the effective date of this Act; providing for the application of this Act; and generally relating to leasehold estates for individual condominium units.

BY repealing and reenacting, with amendments,

Article - Real Property

Section 11-102(a)

Annotated Code of Maryland

(1996 Replacement Volume)

Preamble

~~WHEREAS, Maryland condominium law does not expressly provide that individual condominium units may be subjected to a perpetual ground rent (or charge) applicable only to that unit; and~~

~~WHEREAS, By retaining the prohibition against subjecting an entire condominium regime to a single perpetual ground rent (or charge), the integrity of condominium regimes continues to be protected; and~~

~~WHEREAS, The type of ground rent (or charge) recognized by this legislation is not to be treated any differently under law than other ground rents (or charges); and~~

~~WHEREAS, Sale of an individual condominium unit subject to a perpetual ground rent (or charge) reduces the capital and financing costs associated with a sale, making it easier for Maryland citizens to realize home ownership; now, therefore,~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: