

GROUND RENTS, CREATION PROHIBITED
Act of Jun. 24, 1885, P.L. 161, No. 128
AN ACT

Cl. 68

To prohibit the creation of irredeemable ground rents and to prevent ground rents from becoming irredeemable and non-extinguishable.

WHEREAS, The policy of this Commonwealth has always been to encourage the free transmission of real estate and to remove restrictions on alienations;

Therefore,

Section 1. Irredeemable and non-extinguishable ground rents prohibited

From and after the passage of this act no irredeemable or non-extinguishable ground rent shall be charged upon, or be reserved out of or for any land within this commonwealth. Nor shall any omission to provide for the redemption of any ground rent, or rent charged, nor any option, agreement, contract, covenant or condition contained in any deed hereafter to be made, charging or reserving ground rent, be in any wise construed or interpreted to make such ground rent irredeemable, or prevent the extinguishment thereof; nor shall any ground rent or rent charge, hereafter to be charged or reserved as aforesaid, be construed or interpreted to be or become irredeemable or non-extinguishable, by reason of any failure to pay the sum of money, mentioned in the deed to be paid for the extinguishment of the rent, within the time fixed by the deed, nor shall the period for the extinguishment of any such rent be postponed longer than twenty-one years, or a life, or lives in being. And it shall be lawful for the owner or owners of the real estate, upon or out of which any such rent shall hereafter be charged or reserved, to pay at the time fixed by the deed, or by this act, or at any time thereafter, the full amount of the principal of said rent, with all arrearages of the said rent to the time of such payment: Provided however, That in case there shall not be any principal sum fixed for the extinguishment of the ground rent, in the deed charging or reserving the same, then said ground rent may be redeemed or extinguished by the payment of such sum, as will produce a yearly interest, equal in amount to the said annual rent, at the legal rate of interest in force at the time of the reservation of the said ground rent, together with all the arrearages of rent to the time of payment. Which said payment shall be a complete discharge of such real estate from the said rent and the principal thereof, and the encumbrance thereof, and the same shall thereafter cease and be forever extinguished, and the covenant for the payment of said rent shall thereupon become void, and such owner or owners of said real estate shall, thereupon, be entitled to receive at the cost of such owner or owners a sufficient release and discharge of such rent so extinguished as aforesaid. (1885, June 24, P.L. 161, Sec. 1.)