

Article - Real Property

§11-138.

(a) In this section, “rental facility” means property containing 10 or more dwelling units intended to be leased to persons who occupy the dwellings as their residences.

(b) (1) A county or an incorporated municipality may provide, by local law or ordinance, that a rental facility may not be granted to a purchaser for the purpose of subjecting it to a condominium regime unless the county, incorporated municipality or housing agency has first been offered in writing the right to purchase the rental facility on substantially the same terms and conditions offered by the owner to the purchaser. The local law or ordinance shall designate the title and mailing address of the person to whom the offer to the county, incorporated municipality or housing agency shall be delivered.

(2) The offer shall contain a contingency entitling the county, incorporated municipality or housing agency, to secure financing within 180 days from the date of the offer.

(3) Unless written acceptance of the offer is sooner delivered to the owner by the county, incorporated municipality or housing agency, the offer shall terminate, without further act, 60 days after it is delivered to the county, incorporated municipality or housing agency. If the offer terminates, the owner may grant the rental facility to any person for any purpose on terms and conditions not more favorable to a buyer than those offered by the owner to the county, incorporated municipality or housing agency.

(4) If the county, incorporated municipality, or housing agency purchases the rental facility, it shall retain or provide for the retention of:

(i) The property as a rental facility for at least 3 years from the date of acquisition; or

(ii) At least 20 percent of the units in the facility as rental units for 15 years from the date of acquisition for households that do not exceed the applicable income eligibility figure under § 11-137(n) of this title for the county or incorporated municipality in which the rental facility is located.

(c) A local law or ordinance adopted under subsection (b) of this section may provide that the owner of a rental facility is exempt from the provisions of this section if the purchaser of the rental facility enters into an agreement with the county, incorporated municipality, or housing agency to retain the property as a rental facility for a period not to exceed 3 years after the date of acquisition of the property.

(d) The provisions of any local law or ordinance adopted under this section shall not apply to any of the following transfers of a rental facility:

(1) Any transfer made pursuant to the terms of a bona fide mortgage or deed of trust agreement;

(2) Any transfer to a mortgagee in lieu of foreclosure or any transfer pursuant to any other proceedings, arrangement or deed in lieu of foreclosure;

(3) Any transfer made pursuant to a judicial sale or other judicial proceeding brought to secure payment of a debt or for the purpose of securing the performance of an obligation;

(4) Any transfer of the interest of one co-tenant to another co-tenant by operation of law or otherwise;

(5) Any transfer made by will or descent or by intestate distribution;

(6) Any transfer made to any municipal, county or State government or to any agencies, instrumentalities or political subdivisions thereof;

(7) Any transfer to a spouse, son or daughter;

(8) Any transfer made pursuant to the liquidation of a partnership or corporation; or

(9) Any transfer into a partnership or corporation wholly owned by the person(s) so contributing.

(e) Any county, incorporated municipality or housing agency, by execution and delivery by the appropriate official to the grantor of an instrument in recordable form, may waive its right to purchase a particular rental facility under this section.

(f) Within 30 days of the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.