

SENATE BILL 635

N1
HB 1350/06 – ENV

71r2928
CF HB 95

By: **Senator Raskin**
Introduced and read first time: February 2, 2007
Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 7, 2007

CHAPTER _____

1 AN ACT concerning

2 **Condominiums – Conversion of Rental Facilities – Notice Requirements**

3 FOR the purpose of providing that, ~~in a conversion of rental facilities to~~
4 ~~condominiums, if a tenant who is entitled to receive a purchase offer does not~~
5 ~~receive the purchase offer at the same time as the tenant receives the notice of~~
6 ~~conversion, then a certain time period of continued residency~~ if a certain offer of
7 the right to purchase rental property being converted to a condominium is not
8 given to a tenant concurrently with the required notice of intent to create a
9 condominium, the period in which the tenant is entitled to remain in the
10 tenant's residence does not begin until the tenant receives the purchase offer;
11 requiring that a certain the written notice of conversion given to a certain
12 tenant include certain language relating to the time frame a period during
13 which the tenant may remain in a in the tenant's residence if a purchase offer is
14 not included with a the notice of conversion; providing that a purchase offer
15 shall be considered to have been given to a tenant if delivered or mailed in a
16 certain manner; and generally relating to notice requirements for the
17 conversion of rental facilities to condominiums.

18 BY repealing and reenacting, with amendments,
19 Article – Real Property
20 Section 11–102.1(a), (b), and (f) and 11–136(a)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (b) The notice **AND THE PURCHASE OFFER** shall be considered to have been
2 given to each tenant if delivered by hand to the tenant or mailed, certified mail, return
3 receipt requested, postage prepaid, to the tenant’s last-known address.

4 (f) The notice referred to in subsection (a) of this section shall be sufficient
5 for the purposes of this section if it is in substantially the following form. As to rental
6 facilities containing less than 10 units, “Section 2” of the notice is not required to be
7 given.

8 “NOTICE OF INTENTION TO CREATE A CONDOMINIUM

9 (Date)

10 This is to inform you that the rental facility known as
11 may be converted to a condominium regime in accordance with the Maryland
12 Condominium Act. You may be required to move out of your residence after 180 days
13 have passed from the date of this notice, or in other words, after (Date).

14 Section 1

15 Rights that apply to all tenants

16 If you are a tenant in this rental facility and you have not already given notice
17 that you intend to move, you have the following rights, provided you have previously
18 paid your rent and continue to pay your rent and abide by the other conditions of your
19 lease.

20 (1) You may remain in your residence on the same rent, terms, and conditions of
21 your existing lease until either the end of your lease term or until (Date)
22 (the end of the 180-day period), whichever is later. If your lease term ends during the
23 180-day period, it will be extended on the same rent, terms, and conditions until
24 (Date) (the end of the 180-day period). In addition, certain households
25 may be entitled to extend their leases beyond the 180 days as described in Section 2.

26 (2) You have the right to purchase your residence before it can be sold publicly.
27 A purchase offer describing your right to purchase is included with this notice. **IF A
28 PURCHASE OFFER IS NOT INCLUDED WITH THIS NOTICE, THE 180-DAY PERIOD
29 THAT YOU MAY REMAIN IN YOUR RESIDENCE DOES NOT BEGIN UNTIL YOU
30 RECEIVE THE PURCHASE OFFER.**

31 (3) If you do not choose to purchase your unit, and the annual income for all
32 present members of your household did not exceed (the applicable income

1 eligibility figure or figures for the appropriate area) for 20...., you are entitled to
 2 receive \$375 when you move out of your residence. You are also entitled to be
 3 reimbursed for moving expenses as defined in the Maryland Condominium Act over
 4 \$375 up to \$750 which are actually and reasonably incurred. If the annual income for
 5 all present members of your household did exceed (the applicable income
 6 eligibility figure or figures for the appropriate area) for 20...., you are entitled to be
 7 reimbursed up to \$750 for moving expenses as defined in the Maryland Condominium
 8 Act actually and reasonably incurred. To receive reimbursement for moving expenses,
 9 you must make a written request, accompanied by reasonable evidence of your
 10 expenses, within 30 days after you move. You are entitled to be reimbursed within 30
 11 days after your request has been received.

12 (4) If you want to move out of your residence before the end of the 180-day
 13 period or the end of your lease, you may cancel your lease without penalty by giving at
 14 least 30 days prior written notice. However, once you give notice of when you intend to
 15 move, you will not have the right to remain in your residence beyond that date.

16 Section 2

17 Right to 3-year lease extension or 3-month rent payment 18 for certain individuals with disabilities and senior citizens

19 The developer who converts this rental facility to a condominium must offer
 20 extended leases to qualified households for up to 20 percent of the units in the rental
 21 facility. Households which receive extended leases will have the right to continue
 22 renting their residences for at least 3 years from the date of this notice. A household
 23 may cancel an extended lease by giving 3 months' written notice if more than 1 year
 24 remains on the lease, and 1 month's written notice if less than 1 year remains on the
 25 lease.

26 Rents under these extended leases may only be increased once a year and are
 27 limited by increases in the cost of living index. Read the enclosed lease to learn the
 28 additional rights and responsibilities of tenants under extended leases.

29 In determining whether your household qualifies for an extended lease, the
 30 following definitions apply:

31 (1) (i) "Disability" means:

32 1. A physical or mental impairment that substantially limits one or
 33 more of an individual's major life activities; or

1 2. A record of having a physical or mental impairment that
2 substantially limits one or more of an individual’s major life activities.

3 (ii) “Disability” does not include the current illegal use of or addiction to:

4 1. A controlled dangerous substance as defined in § 5–101 of the
5 Criminal Law Article; or

6 2. A controlled substance as defined in 21 U.S.C. § 802.

7 (2) “Senior citizen” means a person who is at least 62 years old on the date of
8 this notice.

9 (3) “Annual income” means the total income from all sources for all present
10 members of your household for the income tax year immediately preceding the year in
11 which this notice is issued but shall not include unreimbursed medical expenses if the
12 tenant provides reasonable evidence of the unreimbursed medical expenses or
13 consents in writing to authorize disclosure of relevant information regarding medical
14 expense reimbursement at the time of applying for an extended lease. “Total income”
15 means the same as “gross income” as defined in § 9–104(a)(7) of the Tax – Property
16 Article.

17 (4) “Unreimbursed medical expenses” means the cost of medical expenses not
18 otherwise paid for by insurance or some other third party, including medical and
19 hospital insurance premiums, co–payments, and deductibles; Medicare A and B
20 premiums; prescription medications; dental care; vision care; and nursing care
21 provided at home or in a nursing home or home for the aged.

22 To qualify for an extended lease you must meet all of the following criteria:

23 (1) A member of the household must be an individual with a disability or a
24 senior citizen and must be living in your unit as of the date of this notice and must
25 have been a member of your household for at least 12 months preceding the date of
26 this notice; and

27 (2) Annual income for all present members of your household must not have
28 exceeded (the applicable income eligibility figure or figures for the
29 appropriate area) for 20.....; and

30 (3) You must be current in your rental payments and otherwise in good standing
31 under your existing lease.

1”

2 11-136.

3 (a) (1) An owner required to give notice under § 11-102.1 of this title shall
4 offer in writing to each tenant entitled to receive that notice the right to purchase that
5 portion of the property occupied by the tenant as his residence. The offer shall be at a
6 price and on terms and conditions at least as favorable as the price, terms, and
7 conditions offered for that portion of the property to any other person during the 180
8 day period following the giving of the notice required by § 11-102.1 of this title.
9 Settlement cannot be required any earlier than 120 days after the offer is accepted by
10 the tenant.

11 (2) The offer to each tenant shall be made concurrently with the giving
12 of the notice required by § 11-102.1 of this title, shall be a part of that notice, and
13 shall state at least the following:

14 (i) That the offer will terminate upon the earlier to occur of
15 termination of the lease by the tenant or 60 days after delivery;

16 (ii) That acceptance of the offer by a tenant who meets the
17 criteria for an extended lease under § 11-137(b) of this title is contingent upon the
18 tenant not receiving an extended lease;

19 (iii) That settlement cannot be required any earlier than 120
20 days after acceptance by the tenant; and

21 (iv) That the household is entitled to reimbursement for moving
22 expenses as provided in subsection (h) of this section. Delivery of a notice in the form
23 specified in § 11-102.1(f) of this title meets the requirements of this subparagraph.

24 **(3) IF THE OFFER TO THE TENANT UNDER THIS SUBSECTION IS**
25 **NOT INCLUDED WITH THE NOTICE REQUIRED BY § 11-102.1 OF THIS TITLE, THE**
26 **180-DAY PERIOD DURING WHICH THE TENANT IS ENTITLED TO REMAIN IN THE**
27 **TENANT’S RESIDENCE DOES NOT BEGIN UNTIL THE TENANT RECEIVES THE**
28 **OFFER.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2007.