

HOUSE BILL 833

N1

8lr0714

By: **Montgomery County Delegation**

Introduced and read first time: February 6, 2008

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Condominium Conversions – Tenant Vote**

3 **MC 815–08**

4 FOR the purpose of prohibiting an owner or lessee of certain property in Montgomery
5 County from subjecting the property to a condominium regime if Montgomery
6 County or a municipal corporation in Montgomery County recognizes and
7 declares that a rental housing emergency exists and requires a certain vote to
8 be held; authorizing Montgomery County or a municipal corporation in
9 Montgomery County to require a certain vote; authorizing Montgomery County
10 or a municipal corporation in Montgomery County to adopt regulations to carry
11 out a certain voting requirement; and generally relating to the establishment of
12 a requirement that a certain vote be held before subjecting a rental facility in
13 Montgomery County to a condominium regime.

14 BY repealing and reenacting, with amendments,
15 Article – Real Property
16 Section 11–102 and 11–140
17 Annotated Code of Maryland
18 (2003 Replacement Volume and 2007 Supplement)

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

21 **Article – Real Property**

22 11–102.

23 (a) (1) The fee simple owner or lessee under a lease that exceeds 60 years
24 of any property in the State may subject the property to a condominium regime by
25 recording among the land records of the county where the property is located, a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 declaration, bylaws, and condominium plat that comply with the requirements
2 specified in this title.

3 (2) (i) Notwithstanding the provisions of paragraph (1) of this
4 subsection, a leasehold estate may not be subjected to a condominium regime if it is
5 used for residential purposes unless the State, a county that has adopted charter home
6 rule under Article XI–A of the Maryland Constitution, a municipal corporation, or,
7 subject to the provisions of subparagraph (ii) of this paragraph, the Washington
8 Metropolitan Area Transit Authority is the owner of the reversionary fee simple
9 estate.

10 (ii) The Washington Metropolitan Area Transit Authority may
11 establish a leasehold estate for a condominium regime that is used for residential
12 purposes under subparagraph (i) of this paragraph if, when the initial term of the
13 lease expires, there is a provision in the lease that allows the lessee to automatically
14 renew the lease for another term.

15 (3) Notwithstanding paragraph (2) of this subsection or any
16 declaration, rule, or bylaw, a developer or any other person may not be prohibited from
17 granting a leasehold estate in an individual unit used for residential purposes.

18 **(4) NOTWITHSTANDING PARAGRAPHS (1) AND (2) OF THIS**
19 **SUBSECTION, IF MONTGOMERY COUNTY OR A MUNICIPAL CORPORATION IN**
20 **MONTGOMERY COUNTY, BY LEGISLATIVE FINDING, RECOGNIZES AND**
21 **DECLARES THAT A RENTAL HOUSING EMERGENCY EXISTS IN ALL OR PART OF**
22 **ITS JURISDICTION, AN OWNER OR LESSEE DESCRIBED IN PARAGRAPHS (1) AND**
23 **(2) OF THIS SUBSECTION MAY NOT SUBJECT A RENTAL FACILITY IN**
24 **MONTGOMERY COUNTY TO A CONDOMINIUM REGIME IF MONTGOMERY COUNTY**
25 **OR A MUNICIPAL CORPORATION IN MONTGOMERY COUNTY REQUIRES A VOTE**
26 **TO BE HELD UNDER § 11–140(C) OF THIS TITLE.**

27 (b) If any property lying partly in one county and partly in any other county
28 is subjected to a condominium regime, the declaration, bylaws, and condominium plat
29 shall be recorded in all counties where any portion of the property is located.
30 Subsequent instruments affecting the title to a unit which is physically located
31 entirely within a single county shall be recorded only in that county, notwithstanding
32 the fact that the common elements are not physically located entirely within that
33 county.

34 (c) All instruments affecting title to units shall be recorded and taxed as in
35 other real property transactions. However, no State or local tax may be imposed by
36 reason of the execution or recordation of the declaration, bylaws, condominium plat, or
37 any statement of condominium lien recorded pursuant to the provisions of § 11–110 of
38 this title.

39 (d) The declaration, bylaws, and condominium plat shall be indexed in the
40 grantor index under the name of the developer and under the name of the

1 condominium. Subsequent amendments shall be indexed under the name of the
2 condominium.

3 11–140.

4 (a) The intent of the General Assembly of Maryland is to facilitate the
5 orderly development of condominiums in Maryland. The General Assembly recognizes,
6 however, that the conversion of rental dwellings to condominiums can have an adverse
7 impact on the availability of rental units, resulting in the displacement of tenants.

8 (b) A county or incorporated municipality may, by legislative finding,
9 recognize and declare that a rental housing emergency exists in all or part of its
10 jurisdiction and has been caused by the conversion of rental housing to condominiums.
11 The jurisdiction shall consider and make findings as to:

- 12 (1) The nature and incidence of condominium conversions;
- 13 (2) The resulting hardship to and displacement of tenants; and
- 14 (3) The scarcity of rental housing.

15 (c) Upon finding and declaration of a rental housing emergency caused by
16 the conversion of rental housing to condominiums, a county or an incorporated
17 municipality may by the enactment of laws, ordinances, and regulations, take the
18 following actions to meet the emergency:

19 (1) Grant to a designated family as defined in § 11–137 of this title a
20 right to an extended lease for a period in addition to that period provided for in §
21 11–137 of this title. The right to an extended lease may not, in any event, result in a
22 requirement that a developer set aside for an extended lease more than 20 percent of
23 the total number of units.

24 (2) Otherwise extend any of the provisions of § 11–137 of this title
25 except that:

26 (i) More than 20 percent of the total number of units may not
27 be required to be set aside; and

28 (ii) The term of an extended lease for any family made a
29 designated family by a county or an incorporated municipality may not exceed 3 years.

30 (3) Require that the notice required to be given under § 11–102.1 of
31 this title be altered to disclose the effects of any actions taken under this section.

32 (4) **IN MONTGOMERY COUNTY:**

1 **(I) REQUIRE A VOTE BY THE TENANTS OF A RENTAL**
2 **FACILITY TO APPROVE OR REJECT A PROPOSAL TO SUBJECT THE RENTAL**
3 **FACILITY TO A CONDOMINIUM REGIME; AND**

4 **(II) ADOPT REGULATIONS TO CARRY OUT THE VOTING**
5 **REQUIREMENT UNDER ITEM (I) OF THIS PARAGRAPH.**

6 (d) Within 10 days of the enactment of a law, ordinance, or regulation under
7 this section, a county or incorporated municipality shall forward a copy of the law,
8 ordinance or regulation to the Secretary of State.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2008.