

HOUSE BILL 872

N1

5lr3253
CF SB 606

By: **Delegate Stewart**

Introduced and read first time: January 30, 2025

Assigned to: Environment and Transportation

Committee Report: Favorable

House action: Adopted

Read second time: February 23, 2025

CHAPTER _____

1 AN ACT concerning

2 **Residential Real Property – Tenants’ Right of First Refusal**

3 FOR the purpose of clarifying the circumstances under which liability for the failure to
4 comply with certain requirements relating to a tenant’s right of first refusal to
5 purchase a residential property is restricted to the owner of the property and does
6 not attach to the property; and generally relating to tenants’ right of first refusal to
7 purchase residential property.

8 BY repealing and reenacting, without amendments,
9 Article – Real Property
10 Section 8–119(d)(1) through (4)
11 Annotated Code of Maryland
12 (2023 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Real Property
15 Section 8–119(h)(1)
16 Annotated Code of Maryland
17 (2023 Replacement Volume and 2024 Supplement)

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

20 **Article – Real Property**

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 8–119.

2 (d) (1) (i) Before a voluntary transfer of title to a residential rental
3 property may occur, any tenant or group of tenants of the property, as applicable, shall
4 have the right of first refusal to purchase the property in accordance with the requirements
5 of this subsection.

6 (ii) The right of a third party to purchase any residential rental
7 property to which the requirements of this section apply is subject to the exercise of the
8 right of first refusal by a tenant or group of tenants.

9 (2) A tenant has a right of first refusal to purchase residential rental
10 property if:

11 (i) The owner intends to accept an offer from a third party to
12 purchase the property for an amount that is at least 10% lower than the lowest price offered
13 to the tenant in any previous notice, offer, or counteroffer under subsection (c) of this
14 section; or

15 (ii) The owner, without having offered the property for sale to the
16 public or any third party, receives an offer to purchase the property from a third party.

17 (3) (i) If the owner receives an offer to purchase the property from a
18 third party as described in paragraph (2) of this subsection, the owner may not accept the
19 offer until:

20 1. The owner provides written notice to the tenant of the
21 tenant's right of first refusal; and

22 2. The tenant has an opportunity to exercise the right of first
23 refusal within 30 days after receipt of the notice specified in paragraph (4)(i) of this
24 subsection.

25 (ii) The written notice of the right of first refusal to the tenant shall:

26 1. Be in the form specified in regulations by the Secretary;

27 2. Be delivered by:

28 A. First class mail with a certificate of mailing; or

29 B. A delivery service providing delivery tracking and
30 confirmation;

31 3. Contain the same sales price as the third-party offer to
32 purchase;

1 4. State, in a conspicuous manner, that the notice is a
2 solicitation of an offer to purchase and is not intended as and may not be construed as a
3 binding contract of sale; and

4 5. State any information regarding deadlines for the tenant
5 to submit an offer to purchase.

6 (iii) The owner shall send a copy of the notice to the Office of Tenant
7 and Landlord Affairs in accordance with regulations established by the Secretary.

8 (4) (i) Within 30 days after receipt of the notice under paragraph (3) of
9 this subsection, the tenant may deliver to the owner a written offer to purchase the
10 property.

11 (ii) If a tenant delivers an offer to purchase at the same sales price
12 as the offer from the third party, the owner shall accept the offer from the tenant and notify
13 the Office of Tenant and Landlord Affairs.

14 (iii) If more than one tenant or group of tenants delivers a timely offer
15 to purchase the property, the owner may select the more favorable offer without liability to
16 any other tenant.

17 (h) (1) Following closing on a contract of sale between an owner and a [tenant]
18 **THIRD PARTY**, liability for failure to comply with this section is restricted to the owner and
19 may not attach to the residential rental property that is the subject of the contract.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.