

Expedited Bill No. 1-07
Concerning: Condominiums
Conversion of Rental Housing
Extended Tenancies
Revised: 4-17-07 Draft No. 3
Introduced: January 16, 2007
Enacted: April 24, 2007
Executive: April 30, 2007
Effective: April 30, 2007
Sunset Date: None
Ch. 4, Laws of Mont. Co. 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President Praisner

AN EXPEDITED ACT to:

- (1) clarify the types of disabled individuals who are eligible for certain extended tenancies when certain rental housing is converted to condominiums; and
- (2) **[[**modify the income limits for certain extended tenancies; and
- (3)]] generally amend the law governing conversion of rental housing to condominiums.

By amending

Montgomery County Code
Chapter 11A, Condominiums
Section 11A-5, Extended Leases

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 11A-5 is amended as follows:**

2 **11A-5. Extended Leases.**

3 (a) *Authority.* In accordance with the legislative findings and declaration
4 of a rental housing emergency caused by conversions of rental
5 housing to condominiums, this Section is enacted under authority
6 granted by § 11-140 of the Real Property Article.

7 (b) *Definitions.* In this Section the following words have the meanings
8 indicated.

9 (1) (A) Except as provided in subparagraph (B), “annual
10 income” has the meaning stated in §11-137 of the Real
11 Property Article.

12 (B) In subsections (d) and (f), “annual income” does not
13 include income received by an individual who is
14 employed by a non-profit entity for the purpose of
15 monitoring, supervising, or caring for disabled
16 individuals who reside in the same household as part of
17 the program operated by the non-profit entity.

18 (2) “Disabled individual” means an individual who has a [physical
19 or mental impairment that substantially limits one or more of
20 the individual’s major life activities] disability.

21 (3) [“Handicapped citizen,”] “Disability,” “household,” and “senior
22 citizen” have the meanings stated in § 11-137 of the Real
23 Property Article.

24 (c) *Life tenancies.* A household that includes a senior citizen or
25 [handicapped citizen] disabled individual is entitled to an extended
26 lease for a period of no less than the lifetime of the senior citizen or

27 [handicapped citizen] disabled individual if the household meets the
28 annual income limit established in subsection (h); and the senior
29 citizen or [handicapped citizen] disabled individual has been a
30 member of the household for at least 12 months before the notice
31 required by § 11-102.1 of the Real Property Article is given.

32 (d) *Three-year tenancies.* The following households are eligible for a 3-
33 year extended lease:

34 (1) A household that includes a senior citizen or disabled individual
35 and meets the annual income limit in subsection (h), regardless
36 of how long the senior citizen or disabled individual has been a
37 member of the household.

38 (2) Any other household that meets the annual income limit in
39 subsection (h).

40 (3) A household that includes a senior citizen or disabled
41 individual, regardless of whether the household meets the
42 annual income limit in subsection (h) or how long the senior
43 citizen or disabled individual has been a member of the
44 household.

45 (e) *Lessee.*

46 (1) If the lessee of a rental unit does not occupy the unit when the
47 notice required by § 11-102.1 of the Real Property Article is
48 given, and the unit is occupied by a household that is eligible
49 for a 3-year extended lease under subsection (d), the lessee may
50 execute a 3-year extended lease on behalf of the eligible
51 household.

52 (2) A lessee that executes a 3-year extended lease as provided in
53 paragraph (1) may retain the lease until the end of the specified
54 3-year period even if there is a change in the membership of the
55 household that occupies the unit, so long as the household that
56 occupies the unit at any particular time meets the eligibility
57 criteria for a 3-year extended lease under subsection (d).

58 (f) *Priority.*

59 (1) If the total number of households eligible for an extended lease
60 exceeds the 20% limit established in § 11-140 of the Real
61 Property Article, the available units must be allocated in the
62 following order of priority:

63 (A) to households eligible for a life tenancy under subsection
64 (c);

65 (B) to households eligible for a 3-year lease under subsection
66 (d)(1);

67 (C) to households eligible for a 3-year lease under subsection
68 (d)(2); and

69 (D) to households eligible for a 3-year lease under subsection
70 (d)(3).

71 (2) If allocating extended leases to all households in any of the 4
72 categories listed in paragraph (1) would exceed the 20% limit
73 established in § 11-140 of the Real Property Article, priority
74 within the category must be based on household annual income,
75 with the lowest income household receiving the highest priority
76 and the highest income household receiving the lowest priority.

77 (g) *Extended tenancies.* Extended tenancies under this section are subject
78 to termination rights contained in § 11-137(h) of the Real Property
79 Article.

80 (h) *Income Limit.* The household annual income [limit] ~~[[limits]]~~ limit
81 under this section [is 80% of the median household income of the
82 metropolitan statistical area in which the County is located, as
83 determined by the Secretary of State under § 11-137(n) of the Real
84 Property Article] ~~[[are the uncapped low income limits adjusted for~~
85 family size calculated by the U.S. Department of Housing and Urban
86 Development for assisted housing programs, as identified by the
87 Secretary of State under §11-137(n) of the Real Property Article]] is
88 80% of the median household income of the metropolitan statistical
89 area in which the County is located, as determined by the Secretary of
90 State under § 11-137(n) of the Real Property Article.

91 (i) A notice of intent to create a condominium required by § 11-102.1 of
92 the Real Property Article must include notice of the rights created by
93 this Section.

94 (j) *Regulations.* The County Executive may adopt regulations under
95 method (3) to implement this Section, including regulations that
96 establish: recordation requirements for owners of condominium units
97 subject to life tenancies under this Section and prohibitions against
98 changing business or leasing practices to circumvent the this Section.

99 **Sec. 2. Expedited Effective Date.**

100 The Council declares that this legislation is necessary for the immediate
101 protection of the public interest. This Act takes effect on the date on which it
102 becomes law.

103 *Approved:*

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Marilyn J. Praisner
Marilyn J. Praisner, President, County Council

4/25/07
Date

106 *Approved:*

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108

Isiah Leggett
Isiah Leggett, County Executive

4/30/07
Date

109 *This is a correct copy of Council action.*

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111

Linda M. Lauer
Linda M. Lauer, Clerk of the Council

5/3/07
Date