

Expedited Bill No. 29-05
Concerning: Condominiums --
Conversion of Rental Housing
Revised: 12/13/05 Draft No. 9
Introduced: October 11, 2005
Expires: April 11, 2007
Enacted: December 13, 2005
Executive: December 21, 2005
Effective: December 21, 2005
Sunset Date: None
Ch. 34, Laws of Mont. Co. 2005

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Praisner, Leventhal, and Subin

AN EXPEDITED ACT to:

- (1) modify the priority rules governing ~~[[eligibility for]]~~ allocation of certain extended ~~[[tenancies]]~~ leases when certain rental housing is converted to condominiums;
- (2) clarify that a person who leases a rental housing unit but does not reside in the unit may execute an extended lease on behalf of certain eligible households under certain circumstances;
- (3) make certain legislative findings;
- (4) define certain terms;
- (5) provide that this Act does not apply to a rental facility for which the owner has given certain notice before a certain date;
- ~~[[2]]~~ (6) make certain technical and stylistic changes; and
- ~~[[3]]~~ (7) 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 of
4 a rental housing emergency caused by conversions of rental housing to
5 condominiums, this [section] Section is enacted [pursuant to] under
6 authority [contained in] granted by §11-140 of the Real Property
7 Article.

8 (b) Definitions. In this [section] Section the following words have the
9 meanings indicated.

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

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

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

22 [[2) “Handicapped citizen” has the meaning stated in §11-137 of the
23 Real Property Article.]]

24 (3) [[“Senior citizen” has the meaning stated in §11-137 of the Real
25 Property Article.]] “Handicapped citizen”, “household”, and
26 “senior citizen” have the meanings stated in §11-137 of the Real
27 Property Article.

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- (c) *Life tenancies.* A household that includes a senior citizen or handicapped citizen is entitled to an extended lease for a period of no less than the lifetime of the senior citizen or handicapped citizen if the:
- (1) household meets the annual income limit established in subsection ~~[(g)]~~ (h); and
 - (2) senior citizen or handicapped citizen has been a member of the household for [a period of] at least 12 months [preceding] before the [giving of] notice required by §11-102.1 of the Real Property Article is given.
- (d) *Three-year tenancies.* The following [tenant] households~~],~~ in the following order of priority, [shall be~~]]~~ are eligible for a 3-year extended ~~[[leases of three (3) years [as a “designated family,” pursuant to the provisions of §11-140 of the Real Property Article], subject to the [tenant] households eligible for life tenancies under [section 11A-5(a),] subsection (c) and [limited to] the [twenty (20) set aside] 20% limit established in [§11-137] §11-140 of the Real Property Article]]~~ lease:
- (1) A household that includes a senior citizen or disabled individual and meets the annual income limit [established] in subsection ~~[(g)]~~ (h), regardless of [the length of time that] how long the senior citizen or disabled individual has been a member of the household.
 - [(2) A household that includes a senior citizen or disabled individual, regardless of whether the household meets the income limit established in subsection (g) or the length of time that the senior citizen or disabled individual has been a member of the household.]

55 ~~[(3)]~~ (2) Any other household that meets the annual income limit
56 [established] in subsection ~~[(g)]~~ (h).

57 (3) A household that includes a senior citizen or disabled individual,
58 regardless of whether the household meets the annual income
59 limit in subsection ~~[(g)]~~ (h) or how long the senior citizen or
60 disabled individual has been a member of the household.

61 (e) Lessee.

62 (1) If the lessee of a rental unit does not occupy the unit when the
63 notice required by §11-102.1 of the Real Property Article is
64 given, and the unit is occupied by a household that is eligible for
65 a 3-year extended lease under subsection (d), the lessee may
66 execute a 3-year extended lease on behalf of the eligible
67 household.

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

74 ~~[(e)]~~ (f) Priority.

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

79 (A) to households eligible for a life tenancy under subsection
80 (c);

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

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

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

87 (2) [In the event] If allocating extended leases to all [[members of a
 88 [class designated herein] household category designated under
 89 subsection (c) and subsection (d)(1), (2), and (3) cannot be
 90 accommodated within]] households in any of the 4 categories
 91 listed in paragraph (1) would exceed the [twenty (20)] [[20
 92 percent]] [limitation contained in state law] 20% limit established
 93 [[under]] in §11-140 of the Real Property Article, priority within
 94 the [class shall be established by seniority in continuous
 95 residency in the rental facility; further allocations of opportunities
 96 for extended tenancies beyond seniority, and continuous
 97 residency may be made by executive regulation] category must
 98 be based on household annual income, with the lowest income
 99 household receiving the highest priority and the highest income
 100 household receiving the lowest priority.

101 [[(f)]] (g) Extended tenancies. Extended tenancies under this section are
 102 subject to termination rights contained in [§11-137(f)] §11-137(h) of the
 103 Real Property Article.

104 [[(g)]] (h) Income Limit. The household annual income limit under this section
 105 is 80% of the median household income of the metropolitan statistical
 106 area in which the County is located, as determined by the Secretary of
 107 State under [§11-140] §11-137(n) of the Real Property Article.

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

111 ~~[(h)]~~ (j) *Regulations.* The [county executive, by executive regulations
 112 adopted] County Executive may adopt regulations under method (3) [of
 113 section 2A-15 of this Code, may provide for implementation of] to
 114 implement this [section] Section, including [promulgation and
 115 enforcement of] regulations that establish:

- 116 (1) recordation requirements for owners of condominium units
 117 subject to life tenancies under this [section] Section; and
 118 (2) prohibitions against [changes of] changing business or leasing
 119 practices to circumvent the [giving of extended tenancies under]
 120 application of this [section] Section.

121 **Sec. 2. Legislative Findings.**

122 The County Council reaffirms the findings set forth in Section 11A-1 of the
 123 County Code. Specifically, the County Council finds that a rental housing
 124 emergency exists in the County that is caused in part by the conversion of rental
 125 housing to condominiums. The County Council's findings are based on its
 126 understanding of the nature and incidence of condominium conversion that have
 127 occurred or are expected to occur in the County, the hardship experienced by tenants
 128 who are displaced when rental housing is converted to condominiums, and the
 129 scarcity of rental housing in the County.

130 **Sec. 3. Applicability.**

131 This Act does not apply to a rental facility for which the owner has given
 132 notice of intent to convert to the tenants and Secretary of State, as required by §11-
 133 102.1 of the Real Property Article, before December 6, 2005.

134 **Sec. ~~[[2]]~~ (4). Expedited Effective Date.**

