

Expedited Bill No. 18-07
Concerning: Tenant Displacement –
Sale of Mobile Home Park – Right of
First Refusal
Revised: 07-08-07 Draft No. 1
Introduced: July 19, 2007
Enacted: July 31, 2007
Executive: August 8, 2007
Effective: August 8, 2007
Sunset Date: None
Ch. 11, Laws of Mont. Co. 2007

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Praisner and Councilmember Knapp

AN EXPEDITED ACT to:

- (1) require the owner of a mobile home park to give the County, the Housing Opportunities Commission, and a tenant organization an opportunity to buy the mobile home park before it is sold to another person; and
- (2) generally amend the law relating to tenant displacement and the sale of rental housing.

By amending
Montgomery County Code
Chapter 53A, Tenant Displacement
Section 53A-5

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:

Sec. 1. Section 53A-5 is amended as follows:

53A-5. Sales not requiring right of first refusal.

(a) Agreement not to convert.

(1) An owner may sell rental housing without providing any right of first refusal under Section 53A-4 if the Department approves a written agreement that:

(A) prohibits the buyer from converting the rental housing for at least 5 years after the sale;

(B) the Department received from the prospective buyer at least 30 days before the sale; and

(C) except as provided in paragraph (2)(B), requires the buyer to follow the voluntary rent increase guidelines published annually under Section 29-53 during:

(i) the first 3 years of the agreement, for all tenants who resided in the rental housing when the Department approved the agreement; and

(ii) the last 2 years, for each of these tenants who qualifies as a low- or moderate-income tenant under Department regulations.

(2) The Department may:

(A) approve or reject an agreement with the buyer under this subsection only after considering the:

(i) physical condition of the rental housing, including any rehabilitation necessary to correct dangerous defects;

(ii) tenants' ability to afford rent increases; and

(iii) need to preserve low- and moderate-income rental housing in the County;

28 (B) allow the buyer to increase rents above the limits in
29 paragraph (1)(C) only when the Department decides that
30 a greater increase is justified by:

31 (i) unforeseen circumstances beyond the buyer's
32 control; or

33 (ii) rehabilitation or renovation to the rental housing.

34 (3) The Department annually must verify the buyer's compliance
35 with the rent increase limits required by this subsection.

36 (b) Other exceptions. An owner also does not have to provide a right of
37 first refusal for a sale:

38 (1) under the terms of a bona fide mortgage or deed of trust;

39 (2) to a mortgagee in lieu of foreclosure;

40 (3) under a court order;

41 (4) from one co-tenant to another co-tenant by operation of law;

42 (5) under a will or intestate distribution;

43 (6) to the State or a local government; or

44 (7) of a minority title interest]; or

45 (8) of a mobile home park].

46 **Sec. 2. Expedited Effective Date.**

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

50 *Approved:*

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Marilyn J. Praisner *August 1, 2007*

Marilyn Praisner, President County Council Date

53 *Approved:*

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Isiah Leggett *August 8, 2007*

Isiah Leggett, County Executive Date

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

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Linda M. Lauer *August 9, 2007*

Linda M. Lauer, Clerk of the Council Date