

Chapter 525

(Senate Bill 606)

AN ACT concerning

Residential Real Property – Tenants’ Right of First Refusal

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

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

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

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

Article – Real Property

8–119.

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

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

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

(i) The owner intends to accept an offer from a third party to purchase the property for an amount that is at least 10% lower than the lowest price offered

to the tenant in any previous notice, offer, or counteroffer under subsection (c) of this section; or

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

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

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

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

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

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

2. Be delivered by:

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

B. A delivery service providing delivery tracking and confirmation;

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

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

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

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

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

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

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

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

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

Approved by the Governor, May 13, 2025.