

§4973. Notification of intent to sell

Any person, firm or organization that owns or has a controlling interest in any low-income rental housing may not sell, transfer title, prepay a mortgage or take other action in regard to the property that would result in the termination of any income eligibility restrictions, rent restrictions or financial assistance designed to make a rental unit affordable to low-income or moderate-income people without providing notice, as outlined in subsection 1, to the tenants of that property, the Maine State Housing Authority and, if the property is located in the area of operation of a municipal housing authority, the municipal housing authority, as provided in this section. [PL 2023, c. 218, §4 (AMD).]

1. Notice. The notice must be made to the tenants, the Maine State Housing Authority and the municipal housing authority, if any, at least 90 days prior to the owner entering into a contract for the sale or transfer or taking any action in regard to the property described in this section. Failure to provide notice as required by this subsection does not reduce the 90-day period within which the Maine State Housing Authority or the municipal housing authority, if any, may submit, in writing, the intention to pursue the option described in subsection 2. [PL 2023, c. 218, §4 (AMD).]

2. Option. The Maine State Housing Authority or the municipal housing authority, if any, has the option to purchase the property at its current appraised value, as determined by appraisers for the owner and the holder that has stated the intention to exercise the option to purchase. The municipal housing authority must have opportunity to exercise the option to purchase. The holder has the option throughout the 90-day period. Failure to exercise the option to purchase within 90 days constitutes a waiver of that option by the holder. By stating in writing its intention to pursue its option during the 90-day period, the holder has an additional 90 days, beginning on the date the appraised value is determined by the appraisers for the owner and the holder, to buy or to produce a buyer for the property. This additional 90-day period may be extended by mutual agreement between the holder and the owner of the property. The 90-day period and any agreed upon extension beginning on the date the appraised value is determined is automatically extended for any additional time required to obtain governmental approvals of any sale or transfer transaction and an additional 60 days after receipt of approval. The holder has the right to assign its option to a nonprofit corporation upon such terms as the holder may determine, including, but not limited to, requiring the assignee to agree to additional income eligibility restrictions and rental restrictions for a duration as determined by the holder.

A. Nothing in this section prevents an owner of the property from deciding not to sell, transfer or take other action described in this section. The withdrawal or revocation, or failure to close on a sale pursuant to the option within the time provided in this subsection, extinguishes any option held by the holder or an assignee. [PL 2023, c. 218, §4 (AMD).]
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3. Exceptions. The holder may not possess any option when a bona fide buyer, by contract with the seller, agrees to maintain the property as low-income housing without any termination or other modification to the income eligibility restrictions or rental restrictions or financial assistance applicable to the property. The notice provisions of this section apply to this subchapter. [PL 2023, c. 218, §4 (AMD).]

SECTION HISTORY

PL 1989, c. 48, §§12,31 (NEW). PL 1993, c. 175, §11 (AMD). PL 2017, c. 234, §36 (AMD). PL 2023, c. 218, §4 (AMD).

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