

BY VIRTUE OF SUCH OWNERSHIP OR MEMBERSHIP, ARE ENTITLED TO ENTER INTO AN OCCUPANCY AGREEMENT FOR A PARTICULAR RESIDENTIAL UNIT. THIS TAX SHALL NOT BE APPLICABLE TO TRANSFERS MADE PURSUANT TO THE PURCHASE OF A BUILDING BY OR ON BEHALF OF A BONAFIDE TENANTS ASSOCIATION. THE TAX SHALL BE PAID BY THE INITIAL TRANSFEROR OF THE RESIDENTIAL UNIT AND SHALL BE IN ADDITION TO THE TAX PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION.

[(4)] (5) One percent of the value of the consideration for any other transfer.

(b) No transfer of any interest in such property shall be taxed hereunder where the transfer is to any nonprofit hospital or nonprofit religious or charitable organization, association or corporation, nor to any municipal, county or State government, or instrumentalities, agencies or political subdivisions thereof; provided, that no exemption shall be granted hereunder to a transfer under paragraph (a)(1) of this section unless the transferor is a nonprofit hospital or nonprofit religious or charitable organization, association or corporation, or a municipal, county or State government, or instrumentality, agency or political subdivision thereof. The county council may provide for any additional exemptions from the provisions of this section.

(c) No tax levied pursuant to this section shall apply to transfers pursuant to contracts or agreements entered into prior to the effective date of such tax.

(d) The county council is further empowered and authorized to fix a penalty not in excess of one thousand dollars or imprisonment not exceeding six months, or both such fine and imprisonment, for violation of the provisions of any resolution or ordinance of the county council adopted pursuant to this section.

~~SECTION 2. AND BE IT FURTHER ENACTED, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:~~

~~Article --- Corporations and Associations~~

5-6A-09.

~~THIS SUBTITLE MAY NOT BE CONSTRUED TO RESTRICT THE AUTHORITY OF MONTGOMERY COUNTY TO REGULATE THE CONVERSION OF RESIDENTIAL RENTAL PROPERTY TO A SYSTEM OF COOPERATIVE HOUSING CORPORATION OWNERSHIP UNDER WHICH TITLE TO A MULTI-UNIT RESIDENTIAL FACILITY IS HELD BY A CORPORATION, THE SHAREHOLDERS OR MEMBERS OF WHICH, BY VIRTUE OF SUCH OWNERSHIP OR MEMBERSHIP, ARE ENTITLED TO ENTER INTO AN OCCUPANCY AGREEMENT FOR A PARTICULAR RESIDENTIAL UNIT.~~