



# **121st MAINE LEGISLATURE**

# FIRST REGULAR SESSION-2003

**Legislative Document** 

No. 760

H.P. 565

House of Representatives, February 18, 2003

## An Act To Protect the Rights of Leaseholders and Ensure Their Continued Access to Land

Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. Mac Jarland

MILLICENT M. MacFARLAND Clerk

Presented by Representative CLARK of Millinocket. Cosponsored by Senator STANLEY of Penobscot and Representatives: CARR of Lincoln, DUPREY of Medway, GOODWIN of Pembroke, JACKSON of Fort Kent, SHERMAN of Hodgdon.

_	Be it enacted by the People of the State of Maine as follows:
2 4 6	Sec. 1. 14 MRSA c. 710-D. as enacted by PL 2001, c. 612, §1 and c. 653, §1, is repealed and the following enacted in its place:
8	CHAPTER 710-D
	BUILDINGS ON LEASED LOTS
10	§6047. Application
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14	<u>1. Parties to agreement: purposes of agreement. This chapter applies to agreements between:</u>
16	A. A person, referred to in this chapter as "the lessor," who owns land in territory under jurisdiction of the Maine
18	Land Use Regulation Commission; and
20	B. A person, referred to in this chapter as "the lessee," who intends to construct or to occupy a building or
22	<u>buildings owned by that person on leased land in territory</u> under jurisdiction of the Maine Land Use Regulation
24	<u>Commission for recreational or residential purposes on a</u> <u>seasonal or year-round basis or to operate a business</u>
26 28	consisting of a commercial sporting camp, campground or retail store.
30	<b>2. Application.</b> Unless otherwise specified, sections 6048 and 6049 apply to agreements entered into or renewed on or after
32	July 25, 2002.
34	§6048. Written lease and description required
	An agreement described in section 6047 must be made in the
36	form of a written lease and must include at least a general description of the boundaries of the land to be leased.
38	§6049. Required notice
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42	1. Required notice of change in terms. A lessor must give a lessee at least 30 days' notice of a change in the terms of a lease.
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46	2. Required notice of termination. Unless the lease is terminated for cause, a lessor must give notice to a lessee of the intent to terminate the lease at least one year prior to the
48	effective date of the termination. All terms of the lease remain in effect following the notice, except that:
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- A. Termination provisions of the lease to the extent
  2 inconsistent with this section are void, beginning on the date the notice is provided;
- B. The lessee may terminate the lease earlier than the
  effective date provided in the notice; and
- 8 <u>C. If the lessee violates the lease during the period</u> between the giving of the notice and the termination date 10 provided in the notice, this section no longer applies and the lessee has only the rights provided in the lease.
- For purposes of this subsection, "cause" means violation by a 14 lessee of a term of a lease.

### 16 §6050. Right of first refusal

18 A lessee of premises on which a structure owned by the lessee exists has the right of first refusal with regard to the 20 leased premises if the lessor intends to sell or to offer to sell the leased premises as a separate parcel. Each lease subject to 22 this chapter must make provision for a method of determining the sale price of the leased premises upon exercise of the right 24 provided in this section. The lessor must give the lessee at least 90 days to accept the offer to purchase the lot. 26

- If title to the land on which a lease exists is transferred to a different owner after September 30, 2003, the lessee at the time of transfer has the right of first refusal with regard to subsequent leases of the land.
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#### **SUMMARY**

This bill allows a lessee the right of first refusal to 36 continue leasing a parcel of land when the land is transferred to a different owner and the new owner intends to continue leasing 38 the land.

This bill also corrects a conflict created by Public Law
 2001, chapter 612 and chapter 653, which enacted substantively
 similar provisions using the same section numbers.