

Article - Corporations and Associations

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§5-6B-08.

(a) (1) A county or an incorporated municipality may provide, by local law or ordinance, that a residential rental facility may not be granted to a purchaser for the purpose of conversion unless the county, incorporated municipality, or housing agency has first been offered in writing the right to purchase the rental facility on substantially the same terms and conditions offered by the owner to the purchaser. The local law or ordinance shall designate the title and mailing address of the person to whom the offer to the county, incorporated municipality, or housing agency shall be delivered.

(2) The offer shall contain a contingency entitling the county, incorporated municipality, or housing agency, to secure financing within 180 days from the date of the offer, provided that the county, incorporated municipality, or housing agency shall use its best efforts to secure financing as soon as possible.

(3) Unless written acceptance of the offer is first delivered to the owner by the county, incorporated municipality, or housing agency, the offer shall terminate, without further act, 60 days after it is delivered to the county, incorporated municipality, or housing agency. If the offer terminates, the owner may grant the residential rental facility to any person for any purpose on terms and conditions not more favorable to a buyer than those offered by the owner to the county, incorporated municipality, or housing agency.

(4) If the county, incorporated municipality, or housing agency purchases the residential rental facility, it shall retain or provide for the retention of the property as a residential rental facility for at least 3 years from the date of acquisition.

(b) A local law or ordinance adopted under subsection (a) of this section may provide that the owner of a residential rental facility is exempt from the provisions of this section if the purchaser of the rental facility enters into an agreement with the county, incorporated municipality, or housing agency to retain the property as a residential rental facility for a period not to exceed 3 years after the date of acquisition of the property.

(c) The provisions of any local law or ordinance adopted under this section shall not apply to the following transfers of a residential rental facility:

(1) A transfer as a result of a foreclosure made under the terms of a mortgage or deed of trust;

(2) A transfer to a mortgagee in lieu of foreclosure or a transfer under other proceedings, arrangement or deed in lieu of foreclosure;

(3) A transfer made under a judicial sale or other judicial proceeding brought to secure payment of a debt or for the purpose of securing the performance of an obligation;

(4) A transfer of the interest of one co-tenant to another co-tenant by operation of law or otherwise;

(5) A transfer made by will or descent or by intestate distribution;

(6) A transfer made to a municipal or county government, to the State government, or to an agency, instrumentality, or political subdivision of government;

(7) A transfer to a spouse, son, or daughter;

(8) A transfer made under the liquidation of a partnership or corporation; or

(9) A transfer into a partnership or corporation wholly owned by the person(s) so contributing.

(d) A county, incorporated municipality, or housing agency, by execution and delivery by the appropriate official to the grantor of an instrument in recordable form, may waive its right to purchase a particular residential rental facility under this section.

(e) Within 30 days after the enactment of a law or ordinance under this section, the county or incorporated municipality shall forward a copy of the law or ordinance to the Secretary of State.

(f) If a deed for a residential rental facility contains an affidavit by the grantor that the provisions of this section have been fulfilled, then the grantee in that deed takes title to the residential rental facility free and clear of all claims and rights of a county, incorporated municipality, or housing agency arising under this section.

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