

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 624
HOUSE BILL 658

AN ACT TO PROTECT RENTERS OF APARTMENT BUILDINGS BEING
CONVERTED TO CONDOMINIUMS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 47A of the General Statutes is hereby amended by designating the existing provision as Article 1 and by adding a new Article to read as follows:

"ARTICLE 2.

"Renters in Conversion Buildings Protected.

"§ 47A-33. **Definitions.** – The definitions set out in G.S. 47A-3 also apply to this Article. As used in this Article, unless the context requires otherwise, the term:

- (1) 'Conversion building' means a building that at any time before creation of the condominium was occupied wholly or partially by persons other than purchasers and persons who occupy with the consent of purchasers.
- (2) 'Declarant' means any person or group of persons acting in concert who, as part of a common promotional plan, offers to dispose of his or its interest in a unit not previously disposed of.
- (3) 'Dispose' or 'disposition' means a voluntary transfer to a purchaser of any legal or equitable interest in a unit, but does not include the transfer or release of a security interest.
- (4) 'Offering' means any advertisement, inducement, solicitation, or attempt to encourage any person to acquire any interest in a unit, other than as security for an obligation.
- (5) 'Residential purposes' means use for dwelling or recreational purposes, or both.

"§ 47A-34. **Offering statement.**—An offering statement must contain or fully and accurately disclose:

- (1) The name and principal address of the declarant;
- (2) A general description of the condominium including, to the extent possible, a listing of any improvements and amenities that declarant anticipates including in the condominium, and declarant's schedule of completion of construction on buildings;
- (3) The terms and significant limitations of any warranties provided by the declarant; and

- (4) Any other information made available to the general public in connection with the offering.

"§ 47A-35. Time to vacate; Right of first refusal to purchase. – (a) A declarant of a condominium containing conversion buildings, and any person in the business of selling real estate for his own account who intends to offer units in such a condominium, shall provide each of the residential tenants and any residential subtenant in possession of a portion of a conversion building notice of the conversion as well as an offering statement as provided in G.S. 47A-34 no later than 90 days before the tenant or subtenant are required to vacate. The notice shall set forth generally the rights of tenants and subtenants under this section and section (b) of G.S. 47A-35. This notice shall be hand-delivered to the unit or mailed by prepaid United States mail to the tenant and subtenant at the address of the unit or any other mailing address provided by a tenant. No tenant or subtenant may be required to vacate upon less than 90 days' notice, except by reason of nonpayment of rent, waste, conduct that disturbs other tenants' peaceful enjoyment of the premises or breach of lease giving rise to the right of repossession of the unit by the declarant, and the terms of the tenancy may not be altered during that period. Failure to give notice as required by this section is a defense to an action for possession.

(b) For 30 days after the delivery of the notice described in subsection (a), the person required to give the notice shall offer to convey each unit or proposed unit occupied for residential use to the tenant who leases that unit. The tenant can accept an offer under this section by entering into an agreement to purchase within the 30-day period. The tenant shall be allowed a 30-day period after acceptance in which to complete a purchase transaction. This subsection does not apply to any unit in a conversion building if that unit will be restricted exclusively to nonresidential use or the boundaries of the converted unit do not substantially conform to the dimensions of the residential unit before conversion.

(c) If a declarant, in violation of subsection (b), conveys a unit to a purchaser, recordation of the deed conveying the unit extinguishes any right a tenant may have under subsection (b) to purchase that unit, but does not affect any other right of a tenant.

"§ 47A-36. Applicability. – This Article applies to condominiums of five or more units created on or after January 1, 1984."

Sec. 2. Article 1 of Chapter 47A of the General Statutes, as designated by this act, is amended by deleting the word "Chapter" each time it appears and inserting in lieu thereof the word "Article".

Sec. 3. This act shall become effective January 1, 1984.

In the General Assembly read three times and ratified, this the 27th day of June, 1983.