

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

S

1

SENATE BILL 521

Short Title: Repeal Rule in Dumpor's Case. (Public)

Sponsors: Senator Clodfelter.

Referred to: Judiciary I.

April 6, 2011

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT A RESTRICTION ON THE TRANSFER OF REAL
3 PROPERTY OR A TENANT'S INTEREST IN A LEASE APPLIES TO A SUBSEQUENT
4 TRANSFER OF THE REAL PROPERTY OR INTEREST IN THE LEASE UNLESS THE
5 GRANTOR OR LANDLORD EXPRESSLY PROVIDES OTHERWISE.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Chapter 39 of the General Statutes is amended by adding a new
8 section to read as follows:

9 **"§ 39-6.8. Subsequent transfers of real property; effect of grantor's consent to or waiver**
10 **of restrictions on prior transfers.**

11 A restriction on the transfer of land or an interest in land contained in a deed, lease, or other
12 written conveyance applies to a subsequent transfer of the land or interest in the land
13 notwithstanding the grantor's consent to a prior transfer or the grantor's waiver of a standard or
14 condition for a prior transfer. However, the provisions of this section shall not apply if one of
15 the following conditions is met:

- 16 (1) The deed, lease, or other written conveyance expressly provides that the
17 restriction on transfer is limited to the original grantee, trustee, beneficiary,
18 tenant, or other person to whom the land or interest in land was conveyed.
19 (2) The grantor expressly states in writing that the consent or waiver applies to a
20 subsequent transfer."

21 SECTION 2. Chapter 42 of the General Statutes is amended by adding a new
22 section to read as follows:

23 **"§ 42-14.4. Subsequent transfers of tenant's interest; effect of landlord's consent to or**
24 **waiver of restrictions on prior transfers.**

25 A restriction on the transfer of a tenant's interest in a lease applies to a subsequent transfer
26 by a tenant or subtenant notwithstanding the landlord's consent to a prior transfer or the
27 landlord's waiver of a standard or condition for a prior transfer. However, the provisions of this
28 section shall not apply if one of the following conditions is met:

- 29 (1) The lease expressly provides that the restriction on transfer is limited to the
30 original tenant.
31 (2) The landlord expressly states in writing that the consent or waiver applies to
32 a subsequent transfer."

33 SECTION 3. This act becomes effective October 1, 2011, and applies to all
34 subsequent transfers of real property or interests in a lease that occur on or after that date.

