HOUSE DOCKET, NO. 1925 FILED ON: 1/15/2025

HOUSE . . . . . No. 1544

The Commonwealth of Massachusetts

PRESENTED BY:

Jay D. Livingstone and Rob Consalvo

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to guarantee a tenant's first right of refusal.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Jay D. Livingstone	*8th Suffolk*	*1/15/2025*
Rob Consalvo	*14th Suffolk*	*1/15/2025*
Natalie M. Blais	*1st Franklin*	*2/4/2025*
William F. MacGregor	*10th Suffolk*	*2/4/2025*
Lindsay N. Sabadosa	*1st Hampshire*	*2/4/2025*
Christopher Richard Flanagan	*1st Barnstable*	*2/4/2025*
Steven Owens	*29th Middlesex*	*2/4/2025*
Samantha Montaño	*15th Suffolk*	*2/4/2025*
Christine P. Barber	*34th Middlesex*	*2/4/2025*
Mike Connolly	*26th Middlesex*	*2/4/2025*
James C. Arena-DeRosa	*8th Middlesex*	*2/12/2025*
Brian M. Ashe	*2nd Hampden*	*6/12/2025*
Manny Cruz	*7th Essex*	*3/10/2025*
Marjorie C. Decker	*25th Middlesex*	*9/10/2025*
Patricia A. Duffy	*5th Hampden*	*5/20/2025*
James B. Eldridge	*Middlesex and Worcester*	*2/7/2025*
Carmine Lawrence Gentile	*13th Middlesex*	*2/4/2025*
Carlos González	*10th Hampden*	*2/19/2025*

James K. Hawkins	*2nd Bristol*	*2/7/2025*
Natalie M. Higgins	*4th Worcester*	*3/16/2025*
Russell E. Holmes	*6th Suffolk*	*4/7/2025*
Tara T. Hong	*18th Middlesex*	*4/7/2025*
David Henry Argosky LeBoeuf	*17th Worcester*	*2/10/2025*
Jason M. Lewis	*Fifth Middlesex*	*2/12/2025*
Adrian C. Madaro	*1st Suffolk*	*3/17/2025*
John Francis Moran	*9th Suffolk*	*5/14/2025*
Rebecca L. Rausch	*Norfolk, Worcester and Middlesex*	*4/3/2025*
Amy Mah Sangiolo	*11th Middlesex*	*5/12/2025*
Greg Schwartz	*12th Middlesex*	*4/15/2025*
Danillo A. Sena	*37th Middlesex*	*2/4/2025*
Joshua Tarsky	*13th Norfolk*	*10/9/2025*
Erika Uyterhoeven	*27th Middlesex*	*2/6/2025*
Tommy Vitolo	*15th Norfolk*	*4/22/2025*
Christopher J. Worrell	*5th Suffolk*	*3/5/2025*
Hannah Bowen	*6th Essex*	*10/1/2025*

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HOUSE . . . . . No. 1544

By Representatives Livingstone of Boston and Consalvo of Boston, a petition (accompanied by bill, House, No. 1544) of Jay D. Livingstone, Rob Consalvo and others relative to tenant's first right of refusal. Housing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to guarantee a tenant's first right of refusal.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. Chapter 184 of the General Laws as appearing in the 2020 Official Edition is hereby amended by adding after section 21, the following new section:

Section 21A: Municipal Local Option for a Tenant's Opportunity to Purchase

(a) For the purposes of this section, the following words shall, notwithstanding any general or special law to the contrary, or unless the context clearly requires otherwise, have the following meanings:

"Affiliate" an entity owned or controlled by an Owner or under common control with the Owner.

"Auction" or "Public Auction", the sale of a Housing Accommodation, under power of sale in a Mortgage Loan, by public bidding.

"Borrower", a mortgagor of a Mortgage Loan.

"Deed in Lieu," a deed for the collateral property, that the Mortgagee accepts from the Borrower in exchange for the release of the Borrower's obligation under the Mortgage Loan.

"Executive Office", Executive Office of Housing and Livable Communities, or its successor agency.

"Designee", a nonprofit or for-profit entity, a public housing authority, or a controlled nonprofit or for-profit Affiliate of such entity; provided that the parent organization has requisite experience in developing, owning and/or operating residential real estate and with the financial capacity to secure the financing of the purchase transaction; provided that any purchase by a Designee under this section shall be for the purpose of the use of the property as Long-Term Affordable Housing set out in a recorded restriction.

"Foreclosure," a proceeding to terminate a Borrower's interest in property instituted by the Mortgagee.

"Housing Accommodation," a building or buildings, structure or structures, or part thereof, rented or offered for rent for living or dwelling purposes, including, without limitation, houses, apartments, condominium units, cooperative units and other multi-family residential dwellings; provided, however, that a Housing Accommodation shall not include a group residence, homeless shelter, lodging house, orphanage, temporary dwelling structure or transitional housing; and provided, further that a Housing Accommodation shall not include 1-4 unit Borrower-occupied Housing Accommodation if the Borrower is domiciled in the Housing Accommodation at the initiation of the Short-sale, Deed in Lieu, or Foreclosure process.

“Immediate Family Member”, the parent, offspring, sibling, or spouse of the Owner, or a trust in which the beneficiaries immediately after the creation are the Owner and the parent, child, sibling and/or spouse of the Owner.

“Long-Term Affordable Housing”, for rental housing: housing where forty percent of the housing units are affordable to households with incomes at or below sixty percent of the Area Median Income as established by the U.S. Department of Housing and Urban Development (AMI), and where these restrictions shall be in effect for at least thirty years and recorded in a deed restriction; for homeownership housing: housing where all units are both (a) set at prices affordable to, and (b) limited to purchase by, buyers whose incomes are at or below 100 percent of the AMI, and at least fifty percent of the units are both (a) set at prices affordable to, and (b) limited to purchase by, buyers with incomes at or below eighty percent of the AMI, and where these restrictions shall be in effect for at least thirty years and recorded in a deed restriction.

"Member", a natural person who is a member of a Tenant Association.

"Minimum Tenant Participation”, the minimum percentage of Tenant-occupied housing units that must participate as Members of the Tenant Association, which shall be 51 per cent of the Tenant-occupied housing units. The Minimum Tenant Participation percentage shall be calculated (rounded up) based on the number of Tenant-occupied housing units in a property, rather than the number of individual Tenants. If there is more than 1 Tenant residing in a unit, any of the Tenants in the unit may participate as Members of the Tenant Association for the unit to be counted towards the participating percentage of units. The Minimum Tenant Participation will be presumed to have been achieved for a period of 1 year after it is initially established.

"Mortgage Loan," a loan secured wholly or partially by a mortgage on a Housing Accommodation.

"Mortgagee," an entity to whom property is mortgaged, the mortgage creditor or lender including, but not limited to, mortgage servicers, lenders in a mortgage agreement and any agent, servant or employee of the Mortgagee or any successor in interest or assignee of the Mortgagee's rights, interests or obligations under the mortgage agreement.

"Owner", a person, firm, partnership, corporation, trust, organization, limited liability company or other entity, or its successors or assigns, that holds title to real property.

"Purchaser", a party who has entered into a purchase contract with an Owner and who will, upon performance of the purchase contract, become the new Owner of the property.

"Purchase Contract", a binding written agreement whereby an Owner agrees to sell property including, without limitation, a purchase and sale agreement, contract of sale, purchase option or other similar instrument.

"Sale", an act by which an Owner conveys, transfers or disposes of property by deed or otherwise, whether through a single transaction or a series of transactions, within a 3 year period; provided, that a disposition of housing by an Owner to an Affiliate of such Owner shall not constitute a Sale.

"Short-Sale," a Sale approved by the Mortgagee to a bona fide Purchaser at a price that is less than the Borrower's existing debt on the Housing Accommodation.

"Successor", the entity through which a Tenant Association may take title to the residential property, including any of the following: (i) a non-profit or for-profit entity

controlled by the Tenant Association; or (ii) a limited equity cooperative organized under Chapter 157B or non-profit corporation organized under Chapter 180, in either case controlled by the Tenants of the property; or (iii) a joint venture between any of the entities in (i) or (ii) and another party (including non-profit and for-profit entities) with: (a) the requisite experience in acquiring, developing and owning residential property, and (b) the financial capacity to secure financing of the purchase transaction; any such joint venture shall be for the purpose of the use of the property as Long-Term Affordable Housing set out in a recorded restriction.

"Tenant", a person entitled to possession or occupancy of a rental unit within residential housing, including a subtenant, lessee and sublessee.

"Tenant Association", an organization with a membership limited to present Tenants of a property that: (i) is registered with, or if no registry exists has provided a letter stating its formation to, the municipality that has adopted an ordinance consistent with this section; or (ii) is a non-profit organization incorporated under chapter 180; provided that an organization shall not be a Tenant Association if there is evidence that it was organized by the Owner.

"Third-Party Offer", an offer to purchase the mortgaged property for valuable consideration by an arm's length Purchaser; provided, that a Third-Party Offer shall not include an offer by the Borrower or the Tenants.

"Third-party Purchaser", a Purchaser that is not the Tenant Association at the property, or its Designee, Successor, or an Affiliate.

(b) A city or town may adopt this section in the manner provided in section 4 of chapter 4. The acceptance of this local option by a municipality shall take effect no later than 180 days after such adoption. A city or town may at any time revoke the acceptance of this section in the

manner provided in section 4 of chapter 4. The revocation shall not affect agreements relative to Tenants' rights to purchase that have already been asserted, that is, when a Tenant Association, its Successor, Designee or Assignee, have submitted an offer to the Owner, or executed the proposed purchase contract or other agreement acceptable to both parties, prior to the revocation.

(c) A city or town's ordinance or bylaw accepting this Section may contain provisions that establish:

(1) additional tenancy protections for Tenant households that do not participate in the Tenant Association;

(2) additional penalties, municipal enforcement authority, and enforcement mechanisms, in addition to recorded restrictions, for enforcing the ordinance and provisions of this section, and/or rules and regulations implementing this section;

(3) mandated use of a standard purchase contract, prepared or approved by the municipality and consistent with this Section, for Owners to provide to the Tenant Association, its Designee or Successor, under paragraph (d)(4);

(4) for housing transferred under this section, additional affordability restrictions on the total percentage of affordable units, the level of affordability, and/or the length of time such restrictions shall be in place; and/or

(5) creating confidentiality agreement forms for Owners to use to protect against the public disclosure of information provided pursuant to subsection (d)(5)(ii).

(d) In any city or town that adopts the provisions of this section:

(1) (i) an Owner of a residential building shall notify the municipality and each Tenant household, in writing by hand delivery and United States' mail, of the Owner's intention to sell the property, with copy of the municipality's prepared summary of the ordinance adopted hereunder, which shall include a reference to the lists in (ii).

(ii) The municipality shall maintain a list of qualified affordable housing developers and of qualified technical assistance providers for residents and provide these lists to the residents.

(2) A Tenant Association with the Minimum Tenant Participation may select a Successor entity or a Designee to act on its behalf as purchaser of the property and shall give the Owner and the municipality notice of its selection.

(3) (i) An Owner of a residential building, unless the Owner is exempt from this Section and it is the Owner’s burden to provide proof of qualification for an exemption, shall provide to the Tenant Association with Minimum Tenant Participation (if such association exists) or its Successor or Designee, an opportunity to purchase the property pursuant to the time periods contained in this Section, but no Owner shall be under any obligation under this subsection (d)(3) to enter into an agreement to sell such property to the Tenant Association, its Successor or Designee.

(ii) A Tenant Association with the Minimum Tenant Participation, or its Successor or Designee, may, within 30 days after receipt of the Owner's intention to sell, submit an offer to the Owner to purchase the property. Failure to submit an offer within thirty days shall constitute an irrevocable waiver of the Tenants' rights under this paragraph (3). An Owner also may accept an offer and execute a purchase contract with a third party during this thirty-day period, subject to paragraphs (4) to (7), inclusive.

(4) Upon execution of any purchase contract with a third party, within 7 days, the Owner shall, unless the Owner can prove they are exempt from this Section, submit: a copy of the executed contract and proof that the deposit toward the purchase has been paid by the third party along with a proposed purchase contract for execution by Tenant Association or its Successor, or Designee (collectively, "the Purchase Documents"), and if no Tenant Association or Successor or Designee exists, the Owner shall provide, within 7 days of execution of the third party contract, the Purchase Documents to the municipality and provide a summary of the Purchase Documents (including purchase price, amount and schedule of deposits, length of due diligence/ deposit refundability period, and closing date) to each Tenant household, by hand delivery and United States' mail.

If (i) at least 30 days has passed from the Tenant households' receipt of notice of the Owner's intention to sell (provided for in (d)(1)) and their receipt of the summary of the Purchase Documents, and if a Tenant Association, with or without Minimum Tenant Participation, or its Successor or Designee does not exist, then the Owner may immediately proceed with the purchase contract with the third party;

if (ii) less than 30 days have passed and no Tenant Association with Minimum Tenant Participation has been formed, the Tenants shall have 45 days after the receipt of the summary of the Purchase Documents, to form a Tenant Association with Minimum Tenant Participation, select a Designee or Successor it they choose, and have the Tenant Association or its Successor or its Designee execute the proposed purchase contract or such other agreement as is acceptable to both parties; and

(iii) in all other cases, if the Tenant Association, or its Successor or, its Designee, elect to purchase the property, the Tenant Association, or its Successor, or its Designee, shall within 21 days after the receipt of the third-party purchase contract and the proposed purchase contract, execute the proposed purchase contract or such other agreement as is acceptable to both parties.

The time periods set forth in this subsection may be extended by agreement between the Owner and the Tenant Association, its Successor or its Designee. Except as otherwise specified in subsection (5), the terms and conditions of the proposed purchase contract offered to the Tenant Association, Successor, or its Designee, shall be the same as those of the executed third-party purchase contract. The Tenant Association or its Successor or Designee must include reasonable evidence of Minimum Tenant Participation with its proposed purchase contract.

(5) Any purchase contract offered to, or proposed by, the Tenant Association, its Successor or its Designee shall provide at least the following terms:

(i) the earnest money deposit shall not exceed the lesser of:

(A) the deposit in the third-party purchase contract;

(B) 5 per cent of the Sale price; or

(C) $250,000; provided, however, that the Owner and the Tenant Association, or its Successor, or its Designee, may agree to modify the terms of the earnest money deposit; provided, further, that the earnest money deposit shall be held under commercially-reasonable terms by an escrow agent selected jointly by the Owner and the Tenant Association, its Successor or its Designee;

(ii) the Owner must provide the following information, documentation, and permissions, within 20 days of the date of the purchase contract of the Tenant Association, its Designee or Successor: the current rent roll by unit size without tenant names or other identifying information; the expiration date of every lease (if there is a lease); documentation of all operating expenses for the prior two years, including utilities, insurance premiums, bills for repairs, and capital improvements; permission to inspect all common and maintenance service areas of the property, including roof, boiler room, electrical and telecommunications rooms; permission to conduct inspections and tests for the presence of lead paint and asbestos; and permission to do tests for regulated environmental toxins on unbuilt areas of the property, if required by the lender of the Tenant Association, or its Designee or Successor;

(iii) the contract will contain all reasonable contingencies, including financing, marketability of title, and appraisal contingencies;

(iv) the earnest money deposit shall be refundable for not less than 60 days from the date of execution of the purchase contract or such greater period as provided for in the third-party purchase contract (due diligence period); provided, however, that if the Owner unreasonably delays the buyer's ability to conduct due diligence during the 60 day period, the earnest money deposit shall continue to be refundable for an additional period of one day for every day beyond the required 20 days that the Owner has not complied with the provisions of subsection (5) (ii) above. After the expiration of the specified time period, the earnest money deposit shall become non-refundable but shall continue to be a deposit toward the full purchase price.

(v) real estate broker commissions or fees that are associated with the third-party purchase transaction shall be payable upon the closing of the purchase.

(6) Closing date: The Tenant Association or its Successor, or Designee, shall have 60 days for a property of 1 to 5 units, 75 days for a property of 6 to 20 units, and 120 days for a property of 21 or more units, from execution of the purchase contract to perform all due diligence, secure financing for and close on the purchase of the building; provided, however, that if the Owner unreasonably delays the buyer's ability to conduct due diligence, the closing date shall be extended for an additional period of one day for every day beyond the required 20 days that the Owner has not complied with the provisions of subsection (d) (5) (ii) above. Failure to exercise the purchase option by the closing date shall constitute a waiver of the purchase option by the Tenant Association, its Successor, or its Designee. The closing date may be extended by agreement of both parties.

(7) If the Tenant Association, its Designee or Successor, do not exercise their purchase option the Owner may proceed with the sale to the third-party. If the closing date in the third-party contract is extended, for each such extension, the Owner shall provide the municipality and the Tenant Association, Designee or Successor a notarized amendment to the purchase contract extending the date of the closing. Within 7 days of the termination of the third-party purchase contract the Owner shall notify the municipality and the Tenant Association, its Designee or its Successor of the termination. Said notice shall trigger the provisions of paragraphs (d)(1) through (d)(7) of this Section.

(8) In any instance where the Tenant Association, its Designee or Successor, is not a successful purchaser, an Owner shall provide evidence of compliance with this Section by filing a affidavit of compliance signed under the penalty of perjury with the municipality, the Executive Office, and the official records of the county where the property is located within seven days of the Sale.

(9) The Tenant Association, Successor, or its Designee shall ensure that their purchase of the property will not result in the displacement of any Tenant households existing at the time of purchase based solely on their choice not to participate in the purchase of the property.

(10) Any property acquired under this subsection, that is not subject to a Long-Term Affordable Housing requirement, shall be for the purpose of use of the property as: (i) Long-Term Affordable Housing set out in a recorded restriction; (ii) cooperative housing subject to a covenant, satisfactory to the municipality in form and substance and having a term of not less than twenty years, that a majority of residential units be occupied by Tenant-stockholders as their primary residence; or (iii) condominium units subject to a covenant, satisfactory to the municipality in form and substance and having a term of not less than twenty years, that a majority of units be occupied by unit Owners as their primary residence. For purposes of (ii) and (iii) of this requirement, Owner-occupied or Tenant-stockholder occupied includes (i) a person in military service on active duty who intends to occupy the residential unit when not on active duty, and (ii) a disabled occupant where the Owner/Tenant-stockholder is their parent or legal guardian.

(11) This subsection (d) shall not apply to the following:

(i) property that is the subject of a government taking by eminent domain or a negotiated purchase in lieu of eminent domain;

(ii) a proposed below-market Sale to an organization organized under Section 501(c)(3) of the Internal Revenue Code where the property shall be used or developed as Long-Term Affordable Housing;

(iii) any Sale of publicly-assisted housing, as defined in section 1 of chapter 40T;

(iv) rental units in any hospital, skilled nursing facility, or health facility;

(v) rental units in a nonprofit facility that has the primary purpose of providing short term treatment, assistance, or therapy for alcohol, drug, or other substance abuse; provided, that such housing is incident to the recovery program, and where the client has been informed in writing of the temporary or transitional nature of the housing;

(vi) rental units in a nonprofit facility that provides a structured living environment that has the primary purpose of helping homeless persons obtain the skills necessary for independent living in a permanent housing and where occupancy is restricted to a limited and specific period of time of not more than 24 months and where the client has been informed in writing of the temporary or transitional nature of the housing at its inception;

(vii) public housing units owned or managed by or with a ground lease from the local housing authority;

(viii) any residential property where: (a) the Owner can show that the Owner is a natural person(s) who, together and separately, own, either directly and/or as a member of a limited liability company ("LLC") and/or a beneficiary of a trust, fewer than 10 residential rental units in the municipality; or (b) the Owner is an LLC or a trust and the Owner can show that each of the members of the LLC or beneficiaries of the trust are natural persons who, together and separately, own, directly and/or as members of an LLC and/or as beneficiaries of a trust, fewer than 10 residential rental units in the municipality.

(ix) any unit that is held in trust on behalf of a disabled individual who permanently occupies the unit, or a unit that is permanently occupied by a disabled parent, sibling, child, or grandparent of the Owner of that unit;

(x) any property that is owned by a college or university that is occupied exclusively by students;

(xi) any Sale to an Immediate Family Member of the Owner for a total purchase price at or below the current assessed value of the property;

(xii) a transfer by devise, descent, or operation of law upon the death of a natural person;

(xiii) a Sale of a newly constructed property for which the initial certificate of occupancy was issued no earlier than three years prior to the date of the purchase contract between a buyer and the party to which the certificate of occupancy was issued;

(xiv) a property of one to four units, where the owner actually maintains and occupies one of the units as his/her residence;

(xv) any residential property where the Owner directly or indirectly through an Affiliate owns only one unit in the property; or

(xvi) any property with more than 50 residential units, where the median rent of the property is at least 150% of the median rent of the municipality as determined by the most recent American Community Survey of the Census Bureau.

(12) The Executive Office shall provide municipalities with sample purchase contracts incorporating the requirements of this Section that an Owner can provide to a Tenant Association, its Designee or Successor.

(e) Short-Sales. In any city or town that adopts the provisions of this Section:

(1) An Owner, other than the Owner of a 1- 4 unit Owner-occupied property, shall give notice to each Tenant household of a Housing Accommodation of the intention to sell the Housing Accommodation by way of Short-Sale to avoid Foreclosure. Such notice shall be mailed by regular and certified mail, with a simultaneous copy to the attorney general, and the municipality adopting this section within 2 business days of the Owner's submission of a request or application to the Mortgagee for permission to sell the Housing Accommodation by way of Short-Sale or to accept a Deed in Lieu. This notice shall also include a notice of the rights provided by this section.

(2) No Mortgagee may accept any Third-Party Offers or deem the Owner's application for Short-Sale submitted for review unless and until: the Mortgagee receives documentation in a form approved by the attorney general demonstrating that the Tenants of the Housing Accommodation have been informed of the Owner's intent to seek a Short-Sale or Deed in Lieu and the Tenants have had the opportunity to express their interest in exercising a right of first refusal within 60 days or the opportunity to assigned their right of first refusal, or the Tenants have waived those rights. If Tenants have not affirmatively expressed their interest in exercising a right of first refusal or in assigning that right within 60 days, or have not affirmatively waived that right within 60 days, the Tenants' rights are deemed waived.

(3) Before a Housing Accommodation may be transferred by Short-Sale or Deed in Lieu, the Owner, other than the Owner of a 1-4 unit owner-occupied property shall notify each Tenant household, with a simultaneous copy to the attorney general and the municipality adopting this section, by regular and certified mail, of any bona fide offer that the Mortgagee intends to accept. Before any Short-Sale or transfer by Deed in Lieu, the Owner shall give each Tenant household such a notice of the offer only if households constituting at least 51 per cent of the households

occupying the Housing Accommodation notify the Owner, in writing, that they collectively desire to receive information relating to the proposed Sale. Tenants may indicate this desire within the same notice described in paragraph (2). Any notice of the offer required to be given under this subsection shall include the price, calculated as a single lump sum amount and of any promissory notes offered in lieu of cash payment.

(4) A Tenant Association representing at least 51 per cent of the households occupying the Housing Accommodation that are entitled to notice under the preceding paragraph (3) shall have the collective right to purchase, in the case of a Third-Party Offer that the Mortgagee intends to accept, provided that it:

(i) submits to the Owner reasonable evidence that the Tenants of at least 51 per cent of the occupied units in the Housing Accommodation have approved the purchase of the Housing Accommodation,

(ii) submits to the Owner a proposed purchase and sale agreement on substantially equivalent terms and conditions within 60 days of receipt of notice of the offer made under the preceding paragraph (3),

(iii) obtains a binding commitment for any necessary financing or guarantees within an additional 90 days after execution of the purchase and sale agreement, and

(iv) closes on such purchase within an additional 90 days after the end of the 90-day period described in clause (iii).

No Owner shall unreasonably refuse to enter into, or unreasonably delay the execution or closing on a purchase and sale with Tenants who have made a bona fide offer to meet the price

and substantially equivalent terms and conditions of an offer for which notice is required to be given pursuant to paragraph (3). Failure of the Tenants to submit such a purchase and sale agreement within the first 60-day period, to obtain a binding commitment for financing within the additional 90-day period or to close on the purchase within the second 90-day period, shall serve to terminate the rights of such Tenants to purchase. The time periods herein provided may be extended by agreement. Nothing herein shall be construed to require an Owner to provide financing to such Tenants. A Tenant Association that has the right to purchase hereunder, at its election, may assign its purchase right hereunder to the city or town in which the Housing Accommodation is located, or the housing authority of the city or town in which the Housing Accommodation is located, or an agency of the commonwealth, nonprofit, community development corporation, affordable housing developer, or land trust. A right to purchase hereunder shall be for the purpose of maintaining the use of the Housing Accommodation as permanently affordable rental housing.

(5) The right of first refusal created herein shall inure to the Tenants for the time periods hereinbefore provided, beginning on the date of notice to the Tenants under paragraph (1). The effective period for such right of first refusal shall begin anew for each different offer to purchase that the Mortgagee intends to accept. The right of first refusal shall not apply with respect to any offer received by the Owner for which a notice is not required pursuant to said paragraph (3).

(6) In any instance where the Tenants are not the successful purchaser of the Housing Accommodation, the Mortgagee shall provide evidence of compliance with this section by filing an affidavit of compliance signed under the penalty of perjury with the attorney general, and the

registry of deeds for the county and district where the property is located within 7 days of the Sale.

(7) The attorney general shall enforce this subsection (e) and shall promulgate rules and regulations necessary for enforcement. The attorney general may seek injunctive, declaratory, and compensatory relief on behalf of Tenants and the Commonwealth in a court of competent jurisdiction. The attorney general shall post a sample intent to sell notice, sample proof of notice to Tenants, sample notice of offer, and other necessary documents.

(f) Foreclosures. In any city or town that adopts the provisions of this Section:

(1) When a Mortgagee seeks to foreclose, the Mortgagee shall provide copies of all Foreclosure notices required by Chapter 244, sections 14 and 35A, or any other applicable Foreclosure law, by regular and certified mail to the Tenants of the Housing Accommodation and to the municipality adopting this Section. The Mortgagee shall also provide Tenants and the municipality, by regular and certified mail, with a copy of any Complaint filed in Land Court and any Order of Notice issued by the Land Court, pursuant to the Service Members Civil Relief Act if applicable, within five (5) days of issuance.

(2) The Mortgagee shall provide each Tenant household and the municipality adopting this Section, by regular and certified mail, a copy of any and all Notices of Sale published pursuant to Section 14 of chapter 244.

(3) No later than 5 business days before the Foreclosure Auction of a Housing Accommodation, the Tenants shall inform the Mortgagee, in writing, if a Tenants Association representing at least fifty-one percent of the households occupying the Housing Accommodation

or an entity to which they have assigned their right of first refusal intend to exercise their right of first refusal at Auction and desire to receive information relating to the proposed Auction.

(4) A Tenants Association representing at least fifty-one percent of the households occupying the Housing Accommodation or their assignee may exercise their collective right to purchase the Housing Accommodation, in the event of a Third-Party Offer at Auction that the Mortgagee receives, provided that the Tenants Association

(i) submits to the Mortgagee reasonable evidence that the Tenants of at least fifty-one percent of the occupied homes in the Housing Accommodation have approved the purchase of the Housing Accommodation,

(ii) submits to the Mortgagee a proposed purchase and sale agreement on substantially equivalent terms and conditions to that received by the Mortgagee in the Third-Party Offer within sixty days of receipt of notice of the bid made under paragraph (3) of this section,

(iii) obtains a binding commitment for any necessary financing or guarantees within an additional ninety days after execution of the purchase and sale agreement, and

(iv) closes on such purchase within an additional ninety days after the end of the ninety-day period under clause (iii).

No Mortgagee shall unreasonably refuse to enter into, or unreasonably delay the execution or closing on a purchase and sale with Tenants who have made a bona fide offer to meet the price and substantially equivalent terms and conditions of a bid received at Auction. Failure of the Tenants to submit such a purchase and sale agreement within the first sixty day period, to obtain a binding commitment for financing within the additional ninety day period or

to close on the purchase within the second ninety-day period, shall serve to terminate the rights of such Tenants to purchase. The time periods herein provided may be extended by agreement.

Nothing herein shall be construed to require a Mortgagee to provide financing to such Tenants. A Tenant Association which has the right to purchase hereunder, at its election, may assign its purchase right hereunder to the city, town, housing authority, or agency of the commonwealth, nonprofit, community development corporation, affordable housing developer, or land trust; a right to purchase hereunder shall be for the purpose of maintaining the use of the Housing Accommodation as permanently affordable rental housing.

If there are no third-party bids at Auction for the Housing Accommodation, the Tenants shall have a right of first refusal whenever the Mortgagee seeks to sell the Housing Accommodation. The Tenants shall be notified of any offers the Mortgagee intends to accept and shall be given an opportunity to meet the price and substantially the terms of a Third-Party Offer based on the same time line described in paragraph (4).

(5) The right of first refusal created herein shall inure to the Tenants for the time periods herein before provided, beginning on the date of notice to the Tenants under paragraph (1).

(6) In any instance where the Tenants are not the successful purchaser, the seller of such unit shall provide evidence of compliance with this Section by filing an affidavit of compliance signed under the penalty of perjury with the attorney general, the Executive Office, and the official records of the county where the property is located within seven days of the Sale.

(7) The attorney general shall enforce this subsection (f) and shall promulgate rules and regulations necessary for enforcement. The attorney general may seek injunctive, declaratory, and compensatory relief on behalf of Tenants and the Commonwealth in a court of competent

jurisdiction. The attorney general shall post a sample intent to sell notice, sample proof of notice to Tenants, sample notice of offer, and other necessary documents.

(g) Any notice required by this section, except notice provided by a Tenant Association to the municipality, shall be deemed to have been provided when delivered in person or mailed by certified or registered mail, return receipt requested, to the party to whom notice is required; except that with respect to providing notice to Tenants, notice shall be deemed to have been provided when either: (i) the notice is delivered in hand to the Tenant or an adult member of the Tenant's household; or (ii) the notice is sent by first class mail and a copy is left in or under the door of the Tenant's dwelling unit. A notice to the affected municipality shall be sent to the chief executive officer.

(h) It is illegal for an Owner or their agent to take any action to evict, threaten, coerce, or retaliate against a Tenant or Tenants in order to avoid application of this Section.

(i) A Tenant, Tenant Association, or Successor, Designee or assignee shall not solicit or accept payment or any other consideration for assigning or waiving any rights under this section.

(j) Aggrieved Tenants, Tenant Associations, Designees, Successors, assignees, and municipalities may seek damages under chapter 93A and may file a complaint with the attorney general, and may also file a court complaint for equitable and/or monetary relief, including but not limited to damages of a percentage of the sales price and/or injunctive relief in the form of specific performance. Nothing in this Section shall be construed to limit or constrain in any way the rights Tenants currently have under applicable laws, including but not limited to chapters 186 and 186A. At all times, all parties must negotiate in good faith.

(k) The Executive Office shall promulgate rules and regulations to effectuate the purposes and implement this Section not later than 150 days after the effective date of this act. The attorney general shall promulgate rules and regulations necessary for enforcement and may seek injunctive, declaratory, and compensatory relief on behalf of tenants and the commonwealth in a court of competent jurisdiction.