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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO PROPERTY -- CONDOMINIUM LAW

Introduced By: Representative Brandon T. Voas

Date Introduced: February 28, 2025

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-36.1-1.02 of the General Laws in Chapter 34-36.1 entitled
2 "Condominium Law" is hereby amended to read as follows:

3 **34-36.1-1.02. Applicability.**

4 (a)(1) This chapter applies to all condominiums created within this state after July 1, 1982,
5 except that any condominium created within this state prior to July 1, 1982, may voluntarily accept
6 the provisions of this chapter in lieu of the provisions under which it was originally organized.
7 Acceptance shall be evidenced by an agreement in writing executed by and in behalf of the
8 condominium association and by all of the owners of all of the individual condominium units within
9 the condominium, in which agreement it is clearly stated that they all accept the provisions of this
10 chapter in lieu of those in the statute under which the condominium was organized and wish to be
11 governed in the future by the provisions of this chapter. The agreement shall be recorded in the
12 land evidence records of each and every town or city where all or any part of the land in the
13 condominium concerned may be located and shall become effective when first so recorded. The
14 acceptance shall only apply to the governance of the condominium concerned as to all matters
15 which are prospective or executory in nature; and nothing herein shall be deemed to abrogate,
16 amend, limit, effect, or impair the continued effectiveness, legality, or validity of all actions
17 lawfully taken by or in behalf of the condominium prior to the effective date of the acceptance,
18 including, but without limitation, the condominium declaration and all amendments thereto, the by-
19 laws of the condominium and/or of its association, all deeds, mortgages, leases, and any further

1 documents affecting the titles or rights of unit owners, or of the condominium or the prior lawful
2 acts or deeds of any kind, of the condominium association, its officers, directors, or members.

3 (2) Sections 34-36.1-1.05 (separate titles and taxation), 34-36.1-1.06 (applicability of local
4 ordinances, regulations, and building codes), 34-36.1-1.07 (eminent domain), 34-36.1-2.03
5 (construction and validity of declaration and bylaws), 34-36.1-2.04 (description of units), 34-36.1-
6 3.02(a)(1) — (6) and (11) — (17) (powers of unit owners' association), 34-36.1-3.06(c) — (d)
7 (bylaws), 34-36.1-3.11 (tort and contract liability), 34-36.1-3.16 (lien for assessments), 34-36.1-
8 3.18 (association records), [34-36.1-3.22 \(reserve study and reserve account\)](#), 34-36.1-4.09 (resale
9 of units), and 34-36.1-4.17 (effect of violation on rights of action; attorney's fees), § 34-36.1-3.20
10 (enforcement of declaration, bylaws and rules), and 34-36.1-1.03 (definitions), to the extent
11 necessary in construing any of those sections, apply to all condominiums created in this state before
12 July 1, 1982; but those sections apply only with respect to events and circumstances occurring after
13 July 1, 1982, and do not invalidate existing provisions of the declaration, bylaws, plats, or plans of
14 those condominiums.

15 (3) A condominium created as an additional phase by amendment of a condominium
16 created prior to July 1, 1982, if the original declaration contemplated the amendment, shall be
17 deemed to be a condominium created prior to July 1, 1982; provided, however, the provisions of
18 subdivision (a)(2) shall apply as defined therein.

19 (4) Section 34-36.1-3.21 (foreclosure of condominium lien) applies, with respect to all
20 condominiums created in this state prior to June 19, 1991, only with respect to events and
21 circumstances occurring after June 18, 1991, does not invalidate existing provisions of the
22 declarations, bylaws, plats, or plans of those condominiums, and applies in all respects to all
23 condominiums created in this state after June 18, 1991.

24 (b) The provisions of the Condominium Ownership Act, chapter 36 of this title, do not
25 apply to condominiums created after July 1, 1982, and do not invalidate any amendment to the
26 declaration, bylaws, plats, and plans of any condominium created before July 1, 1982, if the
27 amendment would be permitted by this chapter. The amendment must be adopted in conformity
28 with the procedures and requirements specified by those instruments and by chapter 36 of this title.
29 If the amendment grants to any person any rights, powers, or privileges permitted by this chapter,
30 all correlative obligations, liabilities, and restrictions in this chapter also apply to that person.

31 (c) This chapter does not apply to condominiums or units located outside this state, but the
32 public offering statement provisions (§§ 34-36.1-4.02 — 34-36.1-4.07) apply to all contracts for
33 the disposition thereof signed in this state by any party unless exempt under § 34-36.1-4.01(b).

34 SECTION 2. Chapter 34-36.1 of the General Laws entitled "Condominium Law" is hereby

1 amended by adding thereto the following section:

2 **34-36.1-3.22. Reserve study and reserve account.**

3 (a) This section applies to all condominiums that have structural common element
4 components that would cost at least twenty thousand dollars (\$20,000) to replace.

5 (b) A condominium association shall have a reserve study which shall contain an
6 itemization of common elements which require maintenance, repair or replacement by the
7 association in the future because of anticipated deterioration of those common elements.

8 (c) The reserve study shall identify specific common elements, the anticipated period of
9 time before maintenance, repair or replacement is necessary, and the estimated expenses for such
10 work at estimated times in the future, and shall be certified and dated by an engineer or architect
11 licensed by the State of Rhode Island.

12 (d) The reserve study shall reference estimated association fiscal year funds from the
13 annual assessment to be deposited into the association reserve financial account which shall be
14 established, and maintained by the executive board, and not deposited into the separate association
15 operating financial account which shall be established and maintained by the executive board.

16 (e) The executive board shall act to have a reserve study for its association which shall be
17 used by an executive board for no more than five (5) years from the date of the reserve study.

18 (f) The executive board shall adopt a proposed budget for the association as required by §
19 34-36.1-3.03(c), which shall include in the annual assessment for the association no less than one
20 hundred percent (100%) funding of expenses referenced in the reserve study no later than July 1,
21 2027.

22 (g) Funds in the association reserve account shall not be used for any purposes other than
23 those referenced in the reserve study.

24 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would require condo associations to obtain and comply with reserve studies
2 certified by an architect or engineer, which identifies specific common element components that
3 will need to be repaired or replaced in the future, as well as estimate the future necessary expenses
4 for repairs and replacement which are broken down to a monthly dollar amount per unit in an
5 association budget. The condo association would be required to maintain a reserve fund separate
6 from the operating fund. The reserve fund would be required to be one hundred percent (100%)
7 funded for all expenses referenced in the reserve study. The executive board would be prohibited
8 from using any of the reserve fund except for items specified in the reserve study.

9 This act would take effect upon passage.

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