

2026 -- H 7853

=====
LC005570
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

—————
A N A C T

RELATING TO PROPERTY -- CONDOMINIUM LAW

Introduced By: Representatives Speakman, Boylan, Diaz, and Giraldo

Date Introduced: February 27, 2026

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 34-36.1-1.03, 34-36.1-2.07 and 34-36.1-3.03 of the General Laws
2 in Chapter 34-36.1 entitled "Condominium Law" are hereby amended to read as follows:

3 **34-36.1-1.03. Definitions.**

4 In the declaration and bylaws, unless specifically provided otherwise or the context
5 otherwise requires, and in this chapter:

6 (1) "Affiliate of a declarant" means any person who controls, is controlled by, or is under
7 common control with a declarant.

8 (i) A person "controls" a declarant if the person:

9 (A) Is a general partner, officer, director, or employer of the declarant,

10 (B) Directly or indirectly or acting in concert with one or more other persons, or through
11 one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing,
12 more than twenty percent (20%) of the voting interest in the declarant,

13 (C) Controls in any manner the election of a majority of the directors of the declarant, or

14 (D) Has contributed more than twenty percent (20%) of the capital of the declarant.

15 (ii) A person "is controlled by" a declarant if the declarant:

16 (A) Is a general partner, officer, director, or employer of the person,

17 (B) Directly or indirectly or acting in concert with one or more other persons, or through
18 one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing,
19 more than twenty percent (20%) of the voting interest in the person,

1 (C) Controls in any manner the election of a majority of the directors of the person, or

2 (D) Has contributed more than twenty percent (20%) of the capital of the person.

3 (iii) Control does not exist if the powers described in this subdivision are held solely as
4 security for an obligation and are not exercised.

5 (2) "Allocated interests" means the undivided interest in the common elements, the
6 common expense liability, and votes in the association allocated to each unit.

7 (3) "Annual budget" means a financial plan that outlines expected income and expenses
8 for a year which determines the annual or monthly condominium fee for unit owners.

9 (4) "Association" or "unit owners' association" means the unit owners' association
10 organized under § 34-36.1-3.01.

11 (5) "Capital expense" means money spent by the association to maintain common
12 expenses, such as land, buildings and equipment.

13 ~~(4)~~(6) "Common elements" means all portions of a condominium other than the units.

14 ~~(5)~~(7) "Common expenses" means expenditures made by or financial liabilities of the
15 association, together with any allocations to reserves. This includes, but is not limited to:

16 (i) Insurance;

17 (ii) Shared utilities; or

18 (iii) Site and building maintenance.

19 ~~(6)~~(8) "Common expense liability" means the liability for common expenses allocated to
20 each unit pursuant to § 34-36.1-2.07.

21 ~~(7)~~(9)(i) "Condominium" means real estate, portions of which are designated for separate
22 ownership and the remainder of which is designated for common ownership solely by the owners
23 of those portions. Real estate is not a condominium unless the undivided interests in the common
24 elements are vested in the unit owners.

25 (ii) Provided that each unit owner has a vested, undivided interest in the common elements
26 greater than 0.0 percent, no minimum percentage interest in the common elements is otherwise
27 required by this chapter.

28 (10) "Condominium fees" means the amount of money each unit owner contributes toward
29 common expenses on a monthly basis.

30 ~~(8)~~(11) "Conversion building" means a building that at any time before creation of the
31 condominium was occupied wholly or partially by persons other than purchasers and persons who
32 occupy with the consent of purchasers.

33 ~~(9)~~(12) "Declarant" means any person or group of persons acting in concert who:

34 (i) As part of a common promotional plan, offers to dispose of his, her or its interest in a

1 unit not previously disposed of; or

2 (ii) Reserves or succeeds to any special declarant right.

3 ~~(10)~~(13) “Declaration” means any instruments, however denominated, that create a
4 condominium, and any amendments to those instruments.

5 (14) “Deed-restricted unit” means any unit that qualifies as low- and moderate-income
6 housing as set forth in § 45-53-3.

7 ~~(11)~~(15) “Development rights” means any right or combination of rights reserved by a
8 declarant in the declaration to:

9 (A) Add real estate to a condominium,

10 (B) Create units, common elements, or limited common elements within a condominium,

11 (C) Subdivide units or convert units into common elements, or

12 (D) Withdraw real estate from a condominium.

13 (16) “Discretionary expenses” means any expenses not defined as non-discretionary.

14 ~~(13)~~(17) “Dispose” or “disposition” means a voluntary transfer to a purchaser of any legal
15 or equitable interest in a unit, but does not include the transfer or release of a security interest.

16 ~~(14)~~(18) “Executive board” means the body, regardless of name, designated in the
17 declaration to act on behalf of the association.

18 ~~(15)~~(19) [Deleted by P.L. 1999, ch. 83, § 80, and P.L. 1999, ch. 130, § 80 which enacted
19 identical amendments to this section.]

20 ~~(16)~~(20) “Identifying number” means a symbol or address that identifies only one unit in a
21 condominium.

22 ~~(17)~~(21) “Land only units” shall mean units designated as land only units on the plats and
23 plans which units may be comprised entirely or partially of unimproved real property and the air
24 space above the real property. The boundaries of a land only unit are to be described pursuant to §
25 34-36.1-2.05(a)(5). Land only units may, but need not, contain a physical structure. The declaration
26 may provide for the conversion of land only units to other types of units and/or common elements
27 provided the conversion shall be effective only upon the recording of an amendment to the
28 declaration which amendment will include new plats and plans identifying any portion of the land
29 only unit converted to another type of unit and/or common element.

30 ~~(18)~~(22) “Leasehold condominium” means a condominium in which all or a portion of the
31 real estate is subject to a lease the expiration or termination of which will terminate the
32 condominium or reduce its size.

33 ~~(19)~~(23) “Limited common element” means a portion of the common elements allocated
34 by the declaration or by operation of § 34-36.1-2.02(2) or (4) for the exclusive use of one or more

1 but fewer than all of the units.

2 ~~(20)~~(24) “Master association” means an organization described in § 34-36.1-2.20, whether
3 or not it is also an association described in § 34-36.1-3.01.

4 (25) “Non-discretionary expenses” means any common expenses integral to the operation
5 of the condominium association, such as required reserves for repair or replacement of the
6 condominium property; anticipated capital expenses of the association for the repair, maintenance,
7 or replacement of roofs, building structure (i.e., load bearing walls), fire protection systems,
8 plumbing, electrical, exterior paint and waterproofing, windows, and any other item that has a
9 deferred maintenance expense or replacement cost that exceeds twenty-five thousand dollars
10 (\$25,000), insurance premiums, property taxes, snow and trash removal, and basic landscaping
11 services.

12 ~~(21)~~(26) “Offering” means any advertisement, inducement, solicitation, or attempt to
13 encourage any person to acquire any interest in a unit, other than as security for an obligation. An
14 advertisement in a newspaper or other periodical of general circulation, or in any broadcast medium
15 to the general public, of a condominium not located in this state, is not an offering if the
16 advertisement states that an offering may be made only in compliance with the law of the
17 jurisdiction in which the condominium is located.

18 ~~(22)~~(27) “Person” means a natural person, corporation, business trust, estate, trust,
19 partnership, association, joint venture, government, governmental subdivision or agency, or other
20 legal or commercial entity. (In the case of a land trust, however, “person” means the beneficiary of
21 the trust rather than the trust or the trustee.)

22 ~~(12)~~(28) “Person with a disability” means any person who is unable to engage in any
23 substantial gainful activity by reason of any medically determinable physical or mental impairment
24 which can be expected to result in death or has lasted or can be expected to last for a continuous
25 period of not less than twelve (12) months or any person having an impairment of mobility or vision
26 which is expected to be of at least twelve (12) months duration, and is a substantial impediment to
27 his or her ability to live independently.

28 ~~(23)~~(29) “Purchaser” means any person, other than a declarant or a person in the business
29 of selling real estate for his or her own account, who by means of a voluntary transfer acquires a
30 legal or equitable interest in a unit other than:

- 31 (i) A leasehold interest including renewal options of less than twenty (20) years, or
- 32 (ii) As security for an obligation.

33 ~~(24)~~(30) “Real estate” means any leasehold or other estate or interest in, over, or under
34 land, including structures, fixtures, and other improvements and interests which by custom, usage,

1 or law pass with a conveyance of land though not described in the contract of sale or instrument of
2 conveyance. "Real estate" includes parcels with or without upper or lower boundaries, and spaces
3 that may be filled with air or water.

4 ~~(25)~~(31) "Residential purposes" means use for dwelling or recreational purposes, or both.

5 (32) "Special assessment" means an unexpected expense that is not included in the
6 association annual budget and included for within the condominium fees.

7 ~~(26)~~(33) "Special declarant rights" means rights reserved for the benefit of a declarant to:

8 (i) Complete improvements indicated on plats and plans filed with the declaration, (§ 34-
9 36.1-2.09),

10 (ii) To exercise any development right, (§ 34-36.1-2.10),

11 (iii) To maintain sales offices, management offices, signs advertising the condominium,
12 and models, (§ 34-36.1-2.15),

13 (iv) To use easements through the common elements for the purpose of making
14 improvements within the condominium or within real estate which may be added to the
15 condominium, (§ 34-36.1-2.16),

16 (v) To make the condominium part of a larger condominium or a planned community, (§
17 34-36.1-2.21),

18 (vi) To make the condominium subject to a master association, (§ 34-36.1-2.20),

19 (vii) Or to appoint or remove any officer of the association or any master association or
20 any executive board member during any period of declarant control, (§ 34-36.1-3.03(d)).

21 ~~(27)~~(34) "Time share" means a right to occupy a unit or any of several units during five (5)
22 or more separated time periods over a period of at least five (5) years, including renewal options,
23 whether or not coupled with an estate or interest in a condominium or a specified portion thereof.

24 ~~(28)~~(35) "Unit" means a physical portion of the condominium designated for separate
25 ownership or occupancy, the boundaries of which are described pursuant to § 34-36.1-2.05(a)(5).

26 ~~(29)~~(36) "Unit owner" means a declarant or other person who owns a unit, or a lessee of a
27 unit in a leasehold condominium whose lease expires simultaneously with any lease, the expiration
28 or termination of which will remove the unit from the condominium, but does not include a person
29 having an interest in a unit solely as security for an obligation.

30 **34-36.1-2.07. Allocation of common element interest, votes, and common expense**
31 **liabilities.**

32 (a) The declaration shall allocate a fraction or percentage of undivided interests in the
33 common elements and in the common expenses of the association, and a portion of the votes in the
34 association, to each unit including land only units and state the formulas used to establish those

1 allocations. Those allocations may not discriminate in favor of units owned by the declarant, but
2 may discriminate in favor of units subject to a housing restriction as set forth in § 34-39.1-3. Except
3 as set forth in § 34-36.1-1.03(7), no minimum percentage interest in the common elements is
4 otherwise required.

5 (1) Notwithstanding subsection (a) of this section, any board which proposes in any fiscal
6 year an annual budget which result in an increase to condominium fees greater than fifty percent
7 (50%) of the preceding fiscal year's condominium fees, the board shall simultaneously propose a
8 substitute budget that does not include any discretionary expenditures that are not required to be in
9 the budget. The substitute budget must be proposed at the budget meeting before the adoption of
10 the annual budget. At least fourteen (14) days before such budget meeting in which a substitute
11 budget will be proposed, the board shall hand deliver to each unit owner, or mail to each unit owner
12 at the address last furnished to the association, a notice of the meeting. An officer or manager of
13 the association, or other person providing notice of such meeting shall execute an affidavit
14 evidencing compliance with this notice requirement, and such affidavit shall be filed among the
15 official records of the association. Unit owners must consider and may adopt a substitute budget at
16 the meeting. A substitute budget is adopted if approved by a majority of all voting interests unless
17 the bylaws require adoption by a greater percentage of voting interests. If a substitute budget is not
18 adopted, the annual budget previously initially proposed by the board may be adopted.

19 (2) Associations must allow any owner of a deed-restricted unit or any owner who declares
20 a financial hardship via a notarized self-attestation the option to enter into a monthly payment plan,
21 at no additional charge, where the payment is not in excess of one-twelfth (1/12) of the special
22 assessment.

23 (b) If units may be added to or withdrawn from the condominium, the declaration must
24 state the formulas to be used to reallocate the allocated interests among all units included in the
25 condominium after the addition or withdrawal.

26 (c) The declaration may provide: (i) That different allocations of votes shall be made to the
27 units on particular matters specified in the declaration; (ii) For cumulative voting only for the
28 purpose of electing members of the executive board; and (iii) For the class voting on specified
29 issues affecting the class if necessary to protect valid interests of the class. A declarant may not
30 utilize cumulative or class voting for the purpose of evading any limitation imposed on declarants
31 by this chapter, nor may units constitute a class because they are owned by a declarant.

32 (d) Except for minor variations due to rounding, the sum of the undivided interests in the
33 common elements and common expense liabilities allocated at any time to all the units must each
34 equal one if stated as fractions or one hundred percent (100%) if stated as percentages. In the event

1 of discrepancy between an allocated interest and the results derived from application of the
2 pertinent formula, the allocated interest prevails.

3 (e) The common elements are not subject to partition, and any purported conveyance,
4 encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in
5 the common elements made without the unit to which that interest is allocated, is void.

6 (f) Subject to the provisions of the declaration and other provisions of law, and except as
7 provided in § 34-36.1-2.12 which provides for the relocation of boundaries between adjoining units,
8 the owners of any two (2) or more units may apply for a reallocation of their respective allocated
9 interests to the executive board; but their application shall not attempt to alter common element
10 interests except as they relate to the proposed reallocation of unit interests. Unless the executive
11 board determines within thirty (30) days, that the reallocations are unreasonable, the association
12 shall prepare an amendment that identifies the units involved, states the reallocations, is executed
13 by those unit owners, contains words of conveyance between them, and upon recordation, is
14 indexed in the name of the grantor and the grantee.

15 **34-36.1-3.03. Executive board members and officers.**

16 (a) Except as provided in the declaration, the bylaws, subsection (b), or in other provisions
17 of this chapter, the executive board may act in all instances on behalf of the association. In the
18 performance of their duties, the officers and members of the executive board are required to
19 exercise:

20 (1) If appointed by the declarant, the care required of fiduciaries of the unit owners; and

21 (2) If elected by the unit owners, ordinary and reasonable care.

22 (b) The executive board may not act on behalf of the association to amend the declaration
23 (§ 34-36.1-2.17), to terminate the condominium, or to elect members of the executive board or
24 determine the qualifications, powers and duties, or terms of office of executive board members, but
25 the executive board may fill vacancies in its membership for the unexpired portion of any term.

26 (c) Within thirty (30) days after adoption of any proposed budget for the condominium, the
27 executive board shall provide a summary of the budget to all the unit owners, and shall set a date
28 for a meeting of the unit owners to consider ratification of the budget not less than fourteen (14)
29 nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of
30 all the unit owners or any larger vote specified in the declaration reject the budget, the budget is
31 ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the
32 periodic budget last ratified by the unit owners shall be continued until such time as the unit owners
33 ratify a subsequent budget proposed by the executive board.

34 (d)(1) Subject to subsection (e), the declaration may provide for a period of declarant

1 control of the association, during which period a declarant, or persons designated by him, may
2 appoint and remove the officers and members of the executive board. Regardless of the period
3 provided in the declaration, a period of declarant control terminates no later than the earlier of:

4 (i) Sixty (60) days after conveyance of eighty percent (80%) of the units which may be
5 created to unit owners other than a declarant;

6 (ii) Two (2) years after all declarants have ceased to offer units for sale in the ordinary
7 course of business; or

8 (iii) Two (2) years after any development right to add new units was last exercised.

9 (2) A declarant may voluntarily surrender the right to appoint and remove officers and
10 members of the executive board before terminations of that period, but in that event he or she may
11 require, for the duration of the period of declarant control, that specified actions of the association
12 or executive board, as described in a recorded instrument executed by the declarant, be approved
13 by the declarant before they become effective.

14 (e) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the units
15 which may be created to unit owners other than a declarant, at least one member and not less than
16 twenty-five percent (25%) of the members of the executive board must be elected by unit owners
17 other than the declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of
18 the units which may be created to unit owners other than a declarant, not less than one-third ($\frac{1}{3}$) of
19 the members of the executive board must be elected by unit owners other than the declarant.

20 (f) Not later than the termination of any period of declarant control, the unit owners shall
21 elect an executive board of at least three (3) members, at least a majority of whom must be unit
22 owners. The executive board shall elect the officers. The executive board members and officers
23 shall take office upon election.

24 (g) Notwithstanding any provision of the declaration or bylaws to the contrary, the unit
25 owners, by a two-thirds ($\frac{2}{3}$) vote of all persons present and entitled to vote at any meeting of the
26 unit owners at which a quorum is present, may remove any member of the executive board with or
27 without cause, other than a member appointed by the declarant.

28 (h) Any executive board established after June 30, 2027, containing deed-restricted units
29 within its association, shall be comprised of members proportionate with the number of deed-
30 restricted units and market-rate units. Any calculation yielding a fractional person on the board
31 shall be allocated to a market-rate owner. In the event there is inadequate interest by persons
32 representing either deed-restricted or market rate units, then the representative seats may be filled
33 by any interested owner.

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 **34-36.1-1.13. Allocation of common element interest, votes and common expense**
3 **liabilities.**

4 (a) To increase transparency of operations and association management, every association
5 established under this chapter, is hereby required to do the following:

6 (1) Register as an association with the executive office of housing by December 31, 2027,
7 or within thirty (30) days of establishment; and

8 (2) Submit the following materials within thirty (30) days of adoption or amendment:

9 (i) Annual budget, including monthly and annual condominium fees;

10 (ii) Board list and officers;

11 (iii) All financial documents including, condominium fees for the last two (2) years,
12 funding reserves and any tax filing information;

13 (iv) Date of next officer election; and

14 (v) Association by-laws and any other relevant governing documents.

15 (b) Failure to comply with this section is subject to the jurisdiction of chapter 167 of title
16 42 ("executive office of housing").

17 SECTION 3. Section 42-167-3 of the General Laws in Chapter 42-167 entitled "Executive
18 Office of Housing" is hereby amended to read as follows:

19 **42-167-3. Powers and duties of the executive office of housing.**

20 In order to provide housing opportunities for all Rhode Islanders, to maintain the quality
21 of housing in Rhode Island, and to coordinate and make effective the housing responsibilities of
22 the agencies and subdivisions of the state, the executive office of housing shall have the following
23 powers and duties:

24 (1) Policy, planning, and coordination of state housing functions:

25 (i) To prepare and adopt the state's plans for housing, including but not limited to, any
26 statewide housing and homelessness plan; provided, however, that this provision shall not be
27 interpreted to contravene the prerogative of the state planning council to adopt a state guide plan
28 for housing;

29 (ii) To prepare, adopt, and issue the state's housing and homelessness policy;

30 (iii) To conduct research on and make reports regarding housing issues in the state; and

31 (iv) To advise the governor and general assembly on housing issues and to coordinate
32 housing activities among government agencies and agencies created by state law or providing
33 housing services under government programs;

34 (2) Establish, implement, and monitor state performance measures and guidelines for

1 housing programs:

2 (i) To promulgate performance measures and guidelines for housing programs conducted
3 under state law;

4 (ii) To monitor and evaluate housing responsibilities established by state law, and to
5 establish a process for annual reporting on the outcomes of the programs and investments of the
6 state in housing for low- and moderate-income people; and

7 (iii) To hear and resolve disputes pertaining to housing issues;

8 (3) Administer the programs pertaining to housing resources that may be assigned by state
9 law. The executive office of housing shall have the power and duty to administer programs for
10 housing, housing services, and community development including, but not limited to, programs
11 pertaining to:

12 (i) Abandoned properties and the remediation of blighting conditions;

13 (ii) Services for the homeless;

14 (iii) Rental assistance;

15 (iv) Community development;

16 (v) Outreach, education, and technical assistance services;

17 (vi) Assistance, including financial support, to nonprofit organizations and community
18 development corporations;

19 (vii) Tax credits that assist in the provision of housing or foster community development
20 or that result in support to nonprofit organizations performing functions to accomplish the purposes
21 of this chapter; and

22 (viii) The supportive services program, the purpose of which is to help prevent and end
23 homelessness among those who have experienced long-term homelessness and for whom certain
24 services in addition to housing are essential. State funding for this program may leverage other
25 resources for the purpose of providing supportive services. Services provided pursuant to this
26 subsection may include, but not be limited to: assistance with budgeting and paying rent; access to
27 employment; encouraging tenant involvement in facility management and policies; medication
28 monitoring and management; daily living skills related to food, housekeeping, and socialization;
29 counseling to support self-identified goals; referrals to mainstream health, mental health, and
30 treatment programs; and conflict resolution;

31 (4) Lead abatement and management. The executive office of housing will provide funding
32 to support the administration of a lead hazard abatement program managed by the Rhode Island
33 department of health in cooperation with the Rhode Island housing and mortgage finance
34 corporation.

1 (5) The regulations promulgated under title 860 of the Rhode Island code of regulations
2 will remain in full force and effect and shall be enforced by the executive office of housing until
3 such a time as the rules are properly transferred to the executive office of housing's title within the
4 Rhode Island code of regulations, notwithstanding any other transfers authorized under § 42-128.1-
5 7.

6 (6) The executive office of housing shall develop an informational brochure for prospective
7 condominium buyers highlighting the key aspects of condominium ownership and factors potential
8 owners may want to consider in making a decision, including board representation, fee structures
9 and potential increases, conflicts and conflict resolution, rights and responsibilities under the law
10 and limitations under the law. This brochure shall be required to be provided to any potential buyer
11 by the seller of a condominium or their agent. Buyers shall be required to acknowledge their receipt
12 of said brochure within any executed purchase and sales agreement.

13 (7) The executive office of housing shall coordinate a central depository of information
14 regarding condominium associations, in accordance with chapter 35 of title 42 ("administrative
15 procedures").

16 (8) The executive office of housing shall employ such personnel required to investigate
17 complaints related to condominium associations and to provide mediation services in any
18 condominium disputes prior to legal action being able to advance.

19 SECTION 4. This act shall take effect on July 1, 2026.

=====
LC005570
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PROPERTY -- CONDOMINIUM LAW

1 This act would restrict increases in monthly common expenses and limit special
2 assessments to cover unforeseen costs not included in the condominium association's approved
3 annual budget for common expenses in associations where the minority of the units are deed-
4 restricted units.

5 This act would take effect on July 1, 2026.

=====
LC005570
=====