

2018 -- S 2431

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO PROPERTY -- CONDOMINIUM LAW--RESALE OF UNITS

Introduced By: Senator Roger Picard

Date Introduced: February 15, 2018

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-36.1-4.09 of the General Laws in Chapter 34-36.1 entitled
2 "Condominium Law" is hereby amended to read as follows:

3 **34-36.1-4.09. Resale of units.**

4 (a) Except in the case of a sale where delivery of a public offering statement is required,
5 or unless exempt under § 34-36.1-4.01(b), a unit owner shall furnish to a purchaser before
6 execution of any contract for sale of a unit, or otherwise before conveyance, a copy of the
7 declaration (other than the plats and plans), the bylaws, the rules or regulations of the association,
8 and a certificate containing:

9 (1) A statement disclosing the effect on the proposed disposition of any right of first
10 refusal or other restraint on the free alienability of the unit;

11 (2) A statement setting forth the amount of the monthly common expense assessment and
12 any unpaid common expense or special assessment currently due and payable from the selling
13 unit owner;

14 (3) A statement of any other fees payable by unit owners;

15 (4) A statement of any capital expenditures anticipated by the association for the current
16 and two (2) next succeeding fiscal years;

17 (5) A statement of the amount of any reserves for capital expenditures and of any
18 portions of those reserves designated by the association for any specified projects;

19 (6) The most recent regularly prepared balance sheet and income and expense statement,

1 if any, of the association;

2 (7) The current operating budget of the association;

3 (8) A statement of any unsatisfied judgments against the association and the status of any
4 pending suits in which the association is a defendant;

5 (9) A statement describing any insurance coverage provided for the benefit of unit
6 owners;

7 (10) A statement as to whether the executive board has knowledge that any alterations or
8 improvements to the unit or to the limited common elements assigned thereto violate any
9 provision of the declaration;

10 (11) A statement as to whether the executive board has knowledge of any violations of
11 the health or building codes with respect to the unit, the limited common elements assigned
12 thereto, or any other portion of the condominium; and

13 (12) A statement of the remaining term of any leasehold estate affecting the
14 condominium and the provisions governing any extension or renewal thereof.

15 (b)(1) The association, within ten (10) days after a request by a unit owner, shall furnish a
16 certificate containing the information necessary to enable the unit owner to comply with this
17 section. A unit owner providing a certificate pursuant to subsection (a) is not liable to the
18 purchaser for any erroneous information provided by the association and included in the
19 certificate.

20 (2) The association may require a unit owner to pay a fee that does not exceed one
21 hundred twenty-five dollars (\$125) to prepare and provide an electronic version or physical
22 version of the resale certificate.

23 (3) Any association that fails to provide a certificate to the unit owner within ten (10)
24 days of a written request by the unit owner is subject to a civil penalty of not less than one
25 hundred dollars (\$100) nor more than five hundred dollars (\$500) per occurrence.

26 (4) A unit owner providing a certificate pursuant to subsection (a) of this section is not
27 liable to the purchaser for any erroneous information provided by the association and included in
28 the certificate.

29 (c) A purchaser is not liable for any unpaid assessment or fee greater than the amount set
30 forth in the certificate prepared by the association. A unit owner is not liable to a purchaser for
31 the failure or delay of the association to provide the certificate in a timely manner, but the
32 purchaser contract is voidable by the purchaser until the certificate has been provided and for five
33 (5) days thereafter or until conveyance, whichever first occurs.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PROPERTY -- CONDOMINIUM LAW--RESALE OF UNITS

1 This act would impose a penalty on a condominium association for failing to deliver a
2 resale certificate within ten (10) days of a request by a unit owner, and would establish a
3 maximum fee of one hundred twenty-five dollars (\$125) for compiling a resale certificate.

4 This act would take effect upon passage.

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