LC001071

2025 -- Н 5330

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

AN ACT

RELATING TO PROPERTY -- CONDOMINIUM LAW

Introduced By: Representatives Fellela, Costantino, Serpa, Hull, and J. Lombardi Date Introduced: February 07, 2025 Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Sections 34-36.1-1.02, 34-36.1-1.03. and 34-36.1-3.08 of the General Laws
 in Chapter 34-36.1 entitled "Condominium Law" are hereby amended to read as follows:

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34-36.1-1.02. Applicability.

(a)(1) This chapter applies to all condominiums created within this state after July 1, 1982, 4 except that any condominium created within this state prior to July 1, 1982, may voluntarily accept 5 the provisions of this chapter in lieu of the provisions under which it was originally organized. 6 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 bylaws of the condominium and/or of its association, all deeds, mortgages, leases, and any further 19

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

3 (2) Sections 34-36.1-1.03(26) (special assessments), 34-36.1-1.05 (separate titles and taxation), 34-36.1-1.06 (applicability of local ordinances, regulations, and building codes), 34-4 5 36.1-1.07 (eminent domain), 34-36.1-2.03 (construction and validity of declaration and bylaws), 34-36.1-2.04 (description of units), <u>34-36.1-3.08 (meetings)</u>, 34-36.1-3.02(a)(1) - (6) and (11) -6 (17) (powers of unit owners' association), 34-36.1-3.06(c) — (d) (bylaws), 34-36.1-3.11 (tort and 7 8 contract liability), 34-36.1-3.16 (lien for assessments), 34-36.1-3.18 (association records), 34-36.1-9 4.09 (resale of units), and 34-36.1-4.17 (effect of violation on rights of action; attorney's fees), § 10 34-36.1-3.20 (enforcement of declaration, bylaws and rules), and 34-36.1-1.03 (definitions), to the 11 extent necessary in construing any of those sections, apply to all condominiums created in this state 12 before July 1, 1982; but those sections apply only with respect to events and circumstances 13 occurring after July 1, 1982, and do not invalidate existing provisions of the declaration, bylaws, 14 plats, or plans of those condominiums.

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

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

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

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

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34-36.1-1.03. Definitions.

1	In the declaration and bylaws, unless specifically provided otherwise or the context
2	otherwise requires, and in this chapter:
3	(1) "Affiliate of a declarant" means any person who controls, is controlled by, or is under
4	common control with a declarant.
5	(i) A person "controls" a declarant if the person:
6	(A) Is a general partner, officer, director, or employer of the declarant,
7	(B) Directly or indirectly or acting in concert with one or more other persons, or through
8	one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing,
9	more than twenty percent (20%) of the voting interest in the declarant,
10	(C) Controls in any manner the election of a majority of the directors of the declarant, or
11	(D) Has contributed more than twenty percent (20%) of the capital of the declarant.
12	(ii) A person "is controlled by" a declarant if the declarant:
13	(A) Is a general partner, officer, director, or employer of the person,
14	(B) Directly or indirectly or acting in concert with one or more other persons, or through
15	one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing,
16	more than twenty percent (20%) of the voting interest in the person,
17	(C) Controls in any manner the election of a majority of the directors of the person, or
18	(D) Has contributed more than twenty percent (20%) of the capital of the person.
19	(iii) Control does not exist if the powers described in this subdivision are held solely as
20	security for an obligation and are not exercised.
21	(2) "Allocated interests" means the undivided interest in the common elements, the
22	common expense liability, and votes in the association allocated to each unit.
23	(3) "Association" or "unit owners' association" means the unit owners' association
24	organized under § 34-36.1-3.01.
25	(4) "Common elements" means all portions of a condominium other than the units.
26	(5) "Common expenses" means expenditures made by or financial liabilities of the
27	association, together with any allocations to reserves.
28	(6) "Common expense liability" means the liability for common expenses allocated to each
29	unit pursuant to § 34-36.1-2.07.
30	(7)(i) "Condominium" means real estate, portions of which are designated for separate
31	ownership and the remainder of which is designated for common ownership solely by the owners
32	of those portions. Real estate is not a condominium unless the undivided interests in the common
33	elements are vested in the unit owners.
34	(ii) Provided that each unit owner has a vested, undivided interest in the common elements

1 greater that 0.0 percent, no minimum percentage interest in the common elements is otherwise 2 required by this chapter.

3 (8) "Conversion building" means a building that at any time before creation of the 4 condominium was occupied wholly or partially by persons other than purchasers and persons who 5 occupy with the consent of purchasers.

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

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- (i) As part of a common promotional plan, offers to dispose of his, her or its interest in a 8 unit not previously disposed of; or

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

10 (10) "Declaration" means any instruments, however denominated, that create a 11 condominium, and any amendments to those instruments.

12 (11) "Development rights" means any right or combination of rights reserved by a declarant 13 in the declaration to:

14 (A) Add real estate to a condominium,

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

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

17 (D) Withdraw real estate from a condominium.

18 (12) "Person with a disability" means any person who is unable to engage in any substantial 19 gainful activity by reason of any medically determinable physical or mental impairment which can 20 be expected to result in death or has lasted or can be expected to last for a continuous period of not 21 less than twelve (12) months or any person having an impairment of mobility or vision which is 22 expected to be of at least twelve (12) months duration, and is a substantial impediment to his or her 23 ability to live independently.

- 24 (13) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal or 25 equitable interest in a unit, but does not include the transfer or release of a security interest.
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(14) "Executive board" means the body, regardless of name, designated in the declaration 27 to act on behalf of the association.

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(15) [Deleted by P.L. 1999, ch. 83, § 80, and P.L. 1999, ch. 130, § 80 which enacted 29 identical amendments to this section.]

30 (16) "Identifying number" means a symbol or address that identifies only one unit in a 31 condominium.

32 (17) "Land only units" shall mean units designated as land only units on the plats and plans 33 which units may be comprised entirely or partially of unimproved real property and the air space 34 above the real property. The boundaries of a land only unit are to be described pursuant to § 341 36.1-2.05(a)(5). Land only units may, but need not, contain a physical structure. The declaration 2 may provide for the conversion of land only units to other types of units and/or common elements 3 provided the conversion shall be effective only upon the recording of an amendment to the 4 declaration which amendment will include new plats and plans identifying any portion of the land 5 only unit converted to another type of unit and/or common element.

6 (18) "Leasehold condominium" means a condominium in which all or a portion of the real
7 estate is subject to a lease the expiration or termination of which will terminate the condominium
8 or reduce its size.

9 (19) "Limited common element" means a portion of the common elements allocated by the 10 declaration or by operation of § 34-36.1-2.02(2) or (4) for the exclusive use of one or more but 11 fewer than all of the units.

(20) "Master association" means an organization described in § 34-36.1-2.20, whether or
not it is also an association described in § 34-36.1-3.01.

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

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

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

27 (i) A leasehold interest including renewal options of less than twenty (20) years, or

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(ii) As security for an obligation.

(24) "Real estate" means any leasehold or other estate or interest in, over, or under land,
including structures, fixtures, and other improvements and interests which by custom, usage, or law
pass with a conveyance of land though not described in the contract of sale or instrument of
conveyance. "Real estate" includes parcels with or without upper or lower boundaries, and spaces
that may be filled with air or water.

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

1 (26) "Special assessment" means an assessment that is not part of the association budget, 2 (§ 34-36.1-3.03), (26)(27) "Special declarant rights" means rights reserved for the benefit of a declarant to: 3 (i) Complete improvements indicated on plats and plans filed with the declaration, (§ 34-4 5 36.1-2.09), 6 (ii) To exercise any development right, (§ 34-36.1-2.10), 7 (iii) To maintain sales offices, management offices, signs advertising the condominium, 8 and models, (§ 34-36.1-2.15), 9 (iv) To use easements through the common elements for the purpose of making 10 improvements within the condominium or within real estate which may be added to the 11 condominium, (§ 34-36.1-2.16), 12 (v) To make the condominium part of a larger condominium or a planned community, (§ 13 34-36.1-2.21), 14 (vi) To make the condominium subject to a master association, (§ 34-36.1-2.20), 15 (vii) Or to appoint or remove any officer of the association or any master association or 16 any executive board member during any period of declarant control, (§ 34-36.1-3.03(d)). 17 (27)(28) "Time share" means a right to occupy a unit or any of several units during five (5) or more separated time periods over a period of at least five (5) years, including renewal options, 18 19 whether or not coupled with an estate or interest in a condominium or a specified portion thereof. 20 (28)(29) "Unit" means a physical portion of the condominium designated for separate 21 ownership or occupancy, the boundaries of which are described pursuant to § 34-36.1-2.05(a)(5). 22 (29)(30) "Unit owner" means a declarant or other person who owns a unit, or a lessee of a 23 unit in a leasehold condominium whose lease expires simultaneously with any lease, the expiration 24 or termination of which will remove the unit from the condominium, but does not include a person 25 having an interest in a unit solely as security for an obligation. 26 34-36.1-3.08. Meetings. 27 (a) A meeting of the association must be held at least once each year. Special meetings of 28 the association may be called by the president, a majority of the executive board or by unit owners

having twenty percent (20%), or any lower percentage specified in the bylaws, of the votes in the association. Not less than ten (10) nor more than sixty (60) days in advance of any meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment

- 1 to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.
- 2 (b) Unless authorized in the declaration or bylaws pursuant to subsection (c) of this section,
- 3 <u>all association meetings shall take place in a physical location located in the city or town or, if not</u>
- 4 possible, in the county where the condominium is located.
- 5 (c) In the alternative, if authorized in the declaration or bylaws, all association meetings
- 6 <u>need not take place in a physical location but rather may take place entirely remotely as provided</u>
- 7 <u>in subsection (d) of this section.</u>
- 8 (d) If authorized in the declaration or bylaws, unit owners shall have the right to be counted
- 9 in order to establish a quorum and to communicate with all other unit owners participating and to
- 10 vote at association meetings using systems that support image, voice and data transfer over digital
- 11 <u>networks or telephone circuits using formats determined by the executive board with notice thereof</u>
- 12 to the unit owners.
- 13 SECTION 2. This act shall take effect upon passage.

LC001071

EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO PROPERTY -- CONDOMINIUM LAW

This act would provide that amendments to §§ 34-36.1-1.03 and 34-36.1-3.08 are
 applicable to condominiums created before July 1, 1982, would provide a definition for the term
 "special assessment" and would allow, if authorized in declarations or bylaws, unit owners to
 participate in association meetings remotely.
 This act would take effect upon passage.

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