

SENATE, NO. 2325

[Senate, March 15, 2010 - New draft of Senate, No. 667 reported from the committee on Housing.]



The Commonwealth of Massachusetts

IN THE YEAR OF TWO THOUSAND AND TEN

AN ACT ESTABLISHING TRANSPARENCY DURING THE PURCHASING OF A CONDOMINIUM UNIT.

Be it enacted by the Senate and House of Representatives in General Court assembled,

And by the authority of the same, as follows:

1 | **SECTION 1.** Chapter 112 of the General Laws is hereby amended by inserting after
2 | section 87DDD1/2 the following section:-

3 | Section 87DDD3/4. Real estate brokers representing the seller of a condominium unit
4 | shall be required to distribute to a prospective purchaser of a condominium unit, upon submittal
5 | of a written offer to purchase a condominium unit, the document outlining key rights and
6 | responsibilities of a condominium unit owner created by the office of consumer affairs and
7 | business regulation as required in section 23 of chapter 183A.

8 **SECTION 2.** Section 1 of chapter 183A of the General Laws, as appearing in the 2008
9 Official Edition, is hereby amended by striking out the definitions of “Building” and inserting in
10 place thereof the following 2 definitions:-

11 “Building”, any building containing one or more units comprising a part of the
12 condominium.

13 | -“Alternative dispute resolution,” a confidential process in which a neutral person assists
14 | disputing parties in identifying and discussing issues of concern, exploring various solutions and
15 | developing a settlement that is mutually acceptable to them.

16 **SECTION 3.** Said section 1 of said chapter 183A of the General Laws is hereby further
17 amended by inserting after the definition of “Condominium”, the following definition:-

18 | “Condominium documents and financial records,” -all records required by subsection (c)
19 | of section 10 to be maintained by the organization of unit owners.

20 **SECTION 4.** Chapter 183A of the General Laws is hereby amended by inserting after
21 Section 22 the following 2 sections:

22 Section 23. The office of consumer affairs and business regulations shall create a
23 document outlining key rights and responsibilities of a condominium unit owner, to be
24 distributed to a prospective purchaser by their real estate broker, as defined in section 87PP of
25 chapter 112, upon submittal of a written offer to purchase a condominium unit. The disclosure of
26 information hereunder shall be set forth in a clear and conspicuous manner and shall include, but
27 not be limited to, the following:

- 28 (a) The right of unit owners to access condominium documents and financial records
29 and the ability of a prospective purchaser to request said documents from the unit
30 owner;
- 31 (b) The ability of the organization of unit owners to make changes to existing rules,
32 regulations, dues, fees, fines, and special assessments;
- 33 (c) The rights of unit owners to participate in the governance of the organization of unit
34 owners as provided under the terms of the master deed and bylaws;
- 35 (d) The responsibility of unit owners to pay dues, fees, fines, and special assessments
36 issued by the organization of unit owners and associated penalties for failure to pay;
- 37 (e) The rights and responsibilities of unit owners regarding the payment of legal fees in
38 disputes between individual unit owners and the organization of unit owners; and
- 39 (f) The rights of unit owners to request alternative dispute resolution (ADR) when a
40 dispute arises between one or more unit owners and the organization of unit owners.

41 Section 24. Real estate broker, as defined in section 87PP of chapter 112, representing the
42 seller, shall provide to the prospective purchaser the document provided by the office of
43 consumer affairs and business regulations under section 23 upon the submission of a written
44 offer to purchase a condominium unit. The prospective purchaser will sign confirmation of
45 reception of the required information, and may rescind said offer within 7 calendar days of
46 receiving the information required by the office of consumer affairs and business regulations,
47 without penalty. An offer to purchase shall not be binding if the prospective purchaser has not

48 been delivered the documents required by the office of consumer affairs and business
49 regulations.