

2021 -- H 5644

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

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

Introduced By: Representative Joseph J. Solomon

Date Introduced: February 22, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-36.1-4.9 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, or  
5 unless exempt under § 34-36.1-4.01(b), a unit owner shall furnish to a purchaser before execution  
6 of any contract for sale of a unit, or otherwise before conveyance, a copy of the declaration (other  
7 than the plats and plans), the bylaws, the rules or regulations of the association, and a certificate  
8 containing:

9 (1) A statement disclosing the effect on the proposed disposition of any right of first refusal  
10 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 unit  
13 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 portions  
18 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 owners;

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

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

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

14 (b)(1) The association, within ten (10) days after a request by a unit owner, shall furnish a  
15 certificate containing the information necessary to enable the unit owner to comply with this  
16 section.

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

20 ~~(2)~~(3) In addition to those remedies as set forth in § 34-36.1-4.17, any association that fails  
21 to provide a certificate to the unit owner within ten (10) days of a written request by the unit owner  
22 is subject to a civil penalty of not less than one hundred dollars (\$100) nor more than five hundred  
23 dollars (\$500) per occurrence.

24 ~~(3)~~(4) A unit owner providing a certificate pursuant to subsection (a) is not liable to the  
25 purchaser for any erroneous information provided by the association and included in the certificate.

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

31 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

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- 1           This act would allow a condominium association to impose a fee of up to one hundred
- 2   twenty-five dollars (\$125) for preparation of a resale certificate.
- 3           This act would take effect upon passage.

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