

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO PROPERTY -- CONDOMINIUM LAW

Introduced By: Representative Patricia A. Serpa

Date Introduced: March 04, 2022

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 34-36.1-3.3 of the General Laws in Chapter 34-36.1 entitled
2 "Condominium Law" is hereby amended to read as follows:

3 **34-36.1-3.03. Executive board members and officers.**

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

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

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

10 (b) The executive board may not act on behalf of the association to amend the declaration
11 (§ 34-36.1-2.17), to terminate the condominium, or to elect members of the executive board or
12 determine the qualifications, powers and duties, or terms of office of executive board members, but
13 the executive board may fill vacancies in its membership for the unexpired portion of any term.

14 (c)(1) Within thirty (30) days after adoption of any proposed budget for the condominium,
15 the executive board shall provide a summary of the budget to all the unit owners, and shall set a
16 date for a meeting of the unit owners to consider ratification of the budget not less than fourteen
17 (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority
18 of all the unit owners or any larger vote specified in the declaration reject the budget, the budget is
19 ratified, whether or not a quorum is present. In the event the proposed budget is rejected, the

1 periodic budget last ratified by the unit owners shall be continued until such time as the unit owners
2 ratify a subsequent budget proposed by the executive board.

3 (2) Any provision in any declaration or bylaws which requires unit owner approval for any
4 increase of the total amount of an association annual assessment, or any portions thereof, as
5 proposed by the executive board pursuant to this subsection, above the total amount of the
6 association annual assessment, or any portions thereof, for the previous association fiscal year, shall
7 be void.

8 (d)(1) Subject to subsection (e), the declaration may provide for a period of declarant
9 control of the association, during which period a declarant, or persons designated by him, may
10 appoint and remove the officers and members of the executive board. Regardless of the period
11 provided in the declaration, a period of declarant control terminates no later than the earlier of:

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

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

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

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

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

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

32 (g) Notwithstanding any provision of the declaration or bylaws to the contrary, the unit
33 owners, by a two-thirds ($\frac{2}{3}$) vote of all persons present and entitled to vote at any meeting of the
34 unit owners at which a quorum is present, may remove any member of the executive board with or

1 without cause, other than a member appointed by the declarant.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would allow condominium associations to increase annual assessments to unit
- 2 owners for necessary expenses without the constraints of budget caps present in the condominium
- 3 documents or unit owner approval.
- 4 This act would take effect upon passage.

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