



2022 Rhode Island End of Legislative Session Report

Community Associations Institute's (CAI) Rhode Island Legislative Action Committee (RILAC) had a very busy legislative session. There were more than 2,400 bills introduced, and the RI LAC closely monitored four bills that will directly impact community associations. Below is a brief overview:

H 7524, An Act Relating To Property -- Condominium Law (Declaration Or Bylaws Requiring Approval Would Be Approved If Not Recorded In 60 Days.) The RI LAC introduced this legislation, which addresses how obtaining mortgage approval under certain circumstances can be an extremely difficult process, particularly in larger associations. H7524 proposes a change to 34-36.1-2.19, which would create a streamlined process for condominium associations to give notice to, and obtain approval from, unit mortgage holders for certain association actions – a requirement found in the statute and in most condominium documents. H7524 would add the following language to Section 2.19:

“When approval of any actions of the unit owners or the association is required of all or a specified number or percentage of the unit mortgagees by this chapter or the declaration or bylaws as a condition to the effectiveness of those actions, written requests for approval shall be mailed by United States Postal Service (USPS) regular mail and certified mail return receipt requested to unit mortgagees at the mailing addresses referenced on mortgage documents recorded in the land evidence records. If a unit mortgagee fails to provide a written denial of approval to the party requesting approval, as stated in the written request for approval, within 60 days after the mailing of the request, the unit mortgagee shall be deemed to have approved the request. All written requests for approval to unit mortgagees shall reference and contain a copy of this section.”

Status: Died in Committee

H 7525, An Act Relating To Property -- Condominium Law (Requires Condominium Associations To Record Their Bylaws And Rules And Regulations In The Same Municipality As The Recorded Declaration, And Any Amendments Thereto, Within Forty-Five (45) Days Of Enactment.) The RI LAC worked on introducing this legislation, which proposes a change to 34-36.1-3.06 that would require condominium associations that do not have bylaws and rules and regulations recorded to record the current version of the association's bylaws and regulations to prevent confusion as to current procedures being followed to govern the association. This act would also require any amendments to the bylaws and rules and regulations to be certified and recorded. H7525 would add the following language to Section 3.06:

“Notwithstanding anything to the contrary in this chapter, all condominium associations subject to the provisions of this chapter shall have the current version of their bylaws and the rules and regulations, as amended, on record in every municipality in which the declaration is recorded. The bylaws and rules and regulations shall be certified by two members of the executive board. Any amendments to the bylaws and/or rules and regulations shall be recorded within 45 days. Any amendments to the bylaws and/or rules and regulations shall be prepared, executed, recorded, and certified on behalf of the condominium association by an officer of the condominium association designated for that purpose, or in the absence of such designation, by the president of the condominium association.”

Status: Died in Senate

H 7526, An Act Relating To Property -- Condominium Law (Provides A Unit Owner's Insurance Policy As The Primary Insurance Policy With Respect To Any Amount Of Loss Which Is Not Payable Under The Association's Policy Because Of The Application Of The Deductible.) The RI LAC worked on introducing this legislation, which proposes a change to

RIGL 34-36.1-3.13, which gives associations and unit owners clarification regarding the responsibility for master policy deductibles in the event of a loss. Specifically, this would make a unit owner's insurance policy as the primary insurance policy with respect to any amount of loss, which is not payable under the association's policy because of the application of the deductible. H7526 amends provisions of 3.13 to read as follows:

"If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the association's policy provides primary insurance. Provided, however, a unit owner's insurance policy shall become the primary insurance policy with respect to any amount of loss covered by the association's policy but not payable under the association's policy because of the application of the deductible. The cost of repair or replacement in excess of insurance proceeds and reserves, after the application of the association's policy deductible, is a common expense, unless the declaration provides otherwise."

Status: Signed by Governor McKee 6/28/22. Effective Immediately.

H 7837, An Act Relating To Property -- Condominium Law (Allows Condominium Associations To Increase Assessments To Unit Owners For Necessary Expenses Without The Constraints Of Budget Caps Present In Some Condominium Documents.) The RI LAC worked to introduce this legislation, which Proposes a change to 34-36.1-3.03(c), which would assist condominium associations to increase assessments from unit owners for necessary expenses without the constraints of budget caps that are present in some condominium documents. Note that the statutory budget ratification process remains. H7837 adds the following provision to Section 3.03(c):

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

Status: Withdrawn by Sponsor

For more information on the RI LAC's activities and community association legislation in Rhode Island, visit <http://www.caionline.org/RILAC>.

Your Assistance is Needed

The CAI Rhode Island LAC uses professional lobbyists as a vital and integral part of the legislative process. As volunteers, CAI RI LAC members significantly rely on this highly effective professional representation. To help fund the CAI RI LAC advocacy activities in 2022 and beyond, donations are vital to our continued successes. We encourage donations from Rhode Island community associations and individuals. Please visit www.caionline.org/lacdonate/ and donate to "Rhode Island" to support our continued efforts.

We need YOUR voice! [Sign up today](#) to become a CAI Advocacy Ambassador, and help shape legislation in your state!

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